



Operating update

For the six months ended
31 December 2022

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

MOMENTUM METROPOLITAN LIFE LIMITED
 Incorporated in the Republic of South Africa
 Registration number: 1904/002186/06
 LEI: 378900E0A78B7549C212
 Company code: MMIG
 (Momentum Metropolitan Life)

OPERATIONAL UPDATE FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

Summary of key metrics

Key metrics	1HF2023	1HF2022	Δ %
Earnings per share (cents) ¹	171.3	48.9	>100%
Headline earnings per share (cents) ¹	134.2	92.4	45%
Normalised headline earnings per share (cents) ²	148.8	99.9	49%
Normalised headline earnings (R million)	2 230	1 525	46%
Operating profit (R million) ³	1 898	895	>100%
Investment return (R million)	332	630	(47)%
New business (PVNBP, R million)	33 268	36 995	(10)%
Value of new business (VNB, R million)	324	400	(19)%
New business margin	1.0%	1.1%	
Diluted embedded value per share (Rand)	31.39	28.39	11%
Return on embedded value per share	15.6%	11.0%	
Return on equity ⁴	18.4%	15.9%	
Dividend per share (cents)	50	35	43%

¹ 1HF2022 has been restated for a correction in the calculation of the weighted average number of shares.

² Normalised headline earnings adjust the JSE definition of headline earnings for the dilutive impact of finance costs related to preference shares that can be converted into ordinary shares of the Group, the impact of treasury shares held by policyholder funds and the iSabelo Trust, the amortisation of intangible assets arising from business combinations, Broad-based black economic empowerment (B-BBEE) costs and the amortisation of the discount at which the iSabelo Trust acquired the Momentum Metropolitan treasury shares. The adjustment for the impact of treasury shares removes mismatches that are unique to financial institutions that invest in their own securities on behalf of clients.

³ Operating profit represents the profit (net of tax) that is generated from the Group's operational activities and reflects normalised headline earnings excluding the investment return on shareholder funds.

⁴ Return on equity expresses normalised headline earnings as a percentage of start-of-year net asset value, adjusted for the items outlined in footnote 2, as well as the adjusting items to determine headline earnings.

MOMENTUM METROPOLITAN REPORTS STRONG EARNINGS GROWTH

Reinvent and Grow strategy on track

Introduction

We are pleased with Momentum Metropolitan's financial results for the six-month period, and we are further encouraged by the headway made in a wide range of strategic initiatives.

Most business units performed in line with expectations, delivering earnings we can be proud of. The results were positively impacted by improved mortality experience and improved investment variances.

Overview of financial results

The Group delivered normalised headline earnings of R2 230 million for the six months ended 31 December 2022, up 46% on the prior period. While the period's results were negatively impacted by heightened mortality experience resulting from Covid-19 (net of releases of Covid-19 reserves), mortality experience in the current period has normalised to levels last seen in 2019.

Operating profit more than doubled to R1 898 million, from R895 million in the prior period. This result was supported by the improved mortality experience, coupled with an improvement in investment variances. All business units, except for Momentum Investments and Non-life Insurance, grew operating earnings. Momentum Investments reported lower operating earnings mainly because of reduced revenue on the Momentum Wealth platform driven by lower new business volumes and weak market performance. Within the Non-life Insurance segment, Momentum Insure was negatively affected by high claim ratios.

The Group's investment return declined by 47% to R332 million, mainly driven by negative fair value movements on the Group's investment in venture capital (VC) funds. The prior period included significant fair value gains on these VC funds.

Normalised headline earnings per share increased from 99.9 cents to 148.8 cents. Headline earnings per share increased from 92.4 cents to 134.2 cents and earnings per share improved from 48.9 cents to 171.3 cents. This high growth in earnings per share was to an extent due to the partial write-down in the prior period of the goodwill previously recognised in the acquisition of the Alexander Forbes Short-term Insurance business. Earnings growth was further boosted by a sizeable positive adjustment to the carrying amount of the Group's remaining interest in our health insurance joint venture in India, Aditya Birla Health Insurance (ABHI), following the dilution of the Group's investment as a result of the introduction of a new shareholder.

The Group's PVNBP decreased to R33.3 billion, 10% lower than the prior period. Momentum Corporate delivered solid growth in new business in the FundsAtWork umbrella fund product family. Momentum Life improved PVNBP, mainly from an increase in long-term savings products. Metropolitan Life's PVNBP growth was flat compared to the prior period. Momentum Metropolitan Africa saw a decline in new business volumes, mainly driven by the non-repeat of large corporate new business secured in the prior period in Namibia and Lesotho and lower new business volumes in Botswana. Momentum Investments saw lower new business volumes on both the local and international Wealth platforms. As a general trend, tough economic conditions seem to be impacting sales volumes negatively.

The Group's VNB declined by 19% to R324 million. The decline is mainly due to lower new business volumes. A shift in new business towards lower margin products across many of the business units further contributed to a lower VNB. The new business margin of 1.0% is slightly lower than the prior period margin of 1.1%.

The regulatory solvency positions of most of the Group's regulated entities remain toward the upper end of their specified target solvency ranges. For Momentum Metropolitan Life, the Group's main life insurance entity, the Solvency Capital Requirement (SCR) cover decreased from 2.03 times SCR at 30 June 2022 to 1.98 times SCR at 31 December 2022, predominantly due to an increase in the SCR and following the dividend and share buyback programme. Momentum Metropolitan Holdings had a Group SCR cover of 1.6 times SCR at 31 December 2022, in line with the 1.6 times SCR at 30 June 2022.

The Group declared an interim dividend of 50 cents per ordinary share, representing an increase of 43% on the prior period.

Return on equity (ROE) for the year was 18.4% (annualised), up from 15.9% in the prior period. This increase follows the Group's earnings improvement together with an ongoing focus on capital efficiency. Group embedded value per share was R31.39 on 31 December 2022. The annualised return on embedded value per share was 15.6%, an improvement from 11.0% in the prior period.

CAPITAL MANAGEMENT ACTIVITIES

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

Share repurchase programme

The share repurchase programme communicated to investors at the F2022 annual financial results announcement was completed on 26 October 2022. The Group bought back 45 million shares (3.0% of the shares in issue at the time), for a total consideration of R750 million and at an average purchase price of R16.74 per share. On 31 October 2022 the final tranche of these repurchased shares was cancelled. In line with our capital management framework and in consideration of the strong capital and liquidity position, the Board has approved a further R500 million for the repurchase of the Group's ordinary shares. These repurchases will commence following the release of the interim financial results. The repurchases are subject to the share price remaining at a discount of at least 25% to embedded value.

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

Dividends

Momentum Metropolitan has declared an interim dividend of 50 cents per ordinary share, an increase of 43% from the 35 cents interim dividend per ordinary share declared in the prior period. The interim dividend represents a payout ratio of 34% of normalised headline earnings. In line with the approach followed since we instituted a share buyback programme, the dividend is at the lower end of the dividend payout range.

Capital deployment

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

Areas of capital deployment	R million
Momentum Insure	200
Momentum Money	50
Exponential VC funds	57
Total capital deployment	307
Business disposals	
Silverbridge	(11)
Total business disposals	(11)
Total net capital deployment	296

Capital of R200 million was deployed to Momentum Insure to maintain their solvency position within our internal solvency cover targets. R50 million was deployed to the Momentum Money initiative, R57 million was deployed to the Exponential VC funds while R11 million was received from the disposal of our equity interest in Silverbridge.

CONSOLIDATED GROUP FINANCIAL PERFORMANCE

Group financial performance

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

R million	1HF2023			1HF2022			Δ%		
	Operating profit	Investment return	Normalised headline earnings	Operating profit	Investment return	Normalised headline earnings	Operating profit	Investment return	Normalised headline earnings
Momentum Life	642	47	689	(44)	74	30	>100%	(36)%	>100%
Momentum Investments	383	58	441	438	51	489	(13)%	14%	(10)%
Metropolitan Life	237	31	268	232	36	268	2%	(14)%	–
Momentum Corporate	494	62	556	302	68	370	64%	(9)%	50%
Momentum Metropolitan Health	144	2	146	93	1	94	55%	100%	55%
Non-life Insurance	217	26	243	233	70	303	(7)%	(63)%	(20)%
Momentum Metropolitan Africa	44	78	122	(30)	37	7	>100%	>100%	>100%
Normalised headline earnings from operating business units	2 161	304	2 465	1 224	337	1 561	77%	(10)%	58%
New Initiatives	(247)	3	(244)	(300)	1	(299)	18%	>100%	18%
Shareholders segment	(16)	25	9	(29)	292	263	45%	(91)%	(97)%
Normalised headline earnings	1 898	332	2 230	895	630	1 525	>100%	(47)%	46%

Operating profit

Operating profit increased significantly to R1 898 million from R895 million in the prior period. This solid performance follows the recovery in mortality experience variance in Momentum Life, Metropolitan Life, Momentum Corporate and Momentum Metropolitan Africa. Guardrisk delivered a positive earnings contribution leveraging off their industry and product diversification across cells. Momentum Insure continued the industry trend seen recently, reporting an underwriting loss driven by adverse weather patterns and the average claims cost increasing significantly more than inflation. Operating profit in Momentum Investments was impacted by lower earnings on the Momentum Wealth platform driven by lower new business sales and weak market performance.

Investment return

Investment return declined by 47% to R332 million. All business units except Momentum Investments and Momentum Metropolitan Africa experienced reduced investment returns. The decline is mainly attributable to weaker returns from equity markets during the period. In the Shareholders segment, investment return decreased due to fair value losses arising from the revaluation of the Group's investment in VC funds.

Mortality experience

The current period saw positive mortality experience variances in all business units. Our South African life insurance businesses paid R5 billion in gross mortality claims during the current period versus R7 billion in the comparative period.

The table below shows the contribution from each of the Group's business units to the net mortality result for the six-month period:

R million	Momentum Life	Momentum Investments	Metropolitan Life	Momentum Corporate	Momentum Metropolitan Africa	Total
Mortality experience	59	36	44	-	2	141
Covid-19 additional provision	-	-	-	-	(15)	(15)
Covid-19 provision release	24	-	16	79	36	155
Net mortality profit	83	36	60	79	23	281

INVESTMENT VARIANCE

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

R million	1HF2023	1HF2022	Δ%
Momentum Life	50	(200)	>100%
Momentum Investments	17	19	(13)%
Metropolitan Life	(15)	(59)	75%
Momentum Corporate	79	35	>100%
Momentum Metropolitan Africa ⁵	42	6	>100%
Shareholders segment	9	40	(78)%
Total investment variance	182	(159)	>100%

⁵ 1HF2022 restated due to a change in the investment variance calculation for Momentum Metropolitan Africa

The Group recorded positive investment variances of R182 million, compared to a negative investment variance of R159 million in the prior period.

In Momentum Life, the Myriad protection product has positive liabilities at longer durations, which means the drop in long-term yields had a negative earnings impact on that block of business. The earnings impact of nominal yields on Myriad profits was offset by market implied expected inflation decreasing over the period, by the favourable returns on hedge assets and the effect of the release in discretionary margins in accordance with the Group's accounting policies. Traditional business ("closed book") in Momentum Life has a shorter outstanding term than Myriad. The increase in short-term yields and the reduction in expected inflation had a net positive earnings impact on Traditional business.

For Momentum Investments, the change in the yield curve resulted in unrealised profits on guaranteed endowments. In Momentum Corporate, movements in the real and nominal yield curves positively impacted the annuity book and reduced the cost of the investment guarantees on the smooth bonus book. The R44 million improvement in Metropolitan Life's investment variance was largely due to a decrease in market implied inflation. Momentum Metropolitan Africa, mainly driven by Namibia, has seen an improvement from the prior period which is mainly due to increased returns on the assets backing protection business reserves.

CONSOLIDATED GROUP NEW BUSINESS PERFORMANCE

Key metrics	1HF2023	1HF2022	Δ%
Recurring premiums (R million)	2 417	2 299	5%
Single premiums (R million)	23 227	26 684	(13)%
PVNB (R million)	33 268	36 995	(10)%
VNB (R million)	324	400	(19)%
New business margin	1.0%	1.1%	

The table below shows the PVNBP by business unit for each quarter of 1HF2023:

R million	1QF2023	2QF2023	1HF2023	1HF2022	Δ%
Momentum Life	1 856	1 742	3 598	3 495	3%
Momentum Investments	8 988	10 016	19 004	22 950	(17)%
Metropolitan Life	1 757	1 795	3 552	3 556	-
Momentum Corporate	3 572	2 259	5 831	4 911	19%
Momentum Metropolitan Africa	566	717	1 283	2 083	(38)%
Total PVNBP	16 739	16 529	33 268	36 995	(10)%

The Group's PVNBP declined to R33.3 billion, 10% lower than the prior period. Momentum Corporate delivered pleasing growth in both single and recurring premium new business in FundsAtWork. Momentum Life's improved PVNBP on long-term savings products was partly offset by a modest protection new business volumes. Metropolitan Life's PVNBP remains in line with the prior period. Momentum Investments' new business volumes declined due to lower new business on both the local and international Wealth platforms. Momentum Metropolitan Africa saw a decline in new business volumes, mainly driven by the non-repeat of large corporate deals secured in the prior period in Namibia and Lesotho.

The table below shows the VNB by business unit for each quarter of 1HF2023:

R million	1QF2023	2QF2023	1HF2023	1HF2022	Δ%
Momentum Life	(1)	(6)	(7)	5	<(100)%
Momentum Investments	77	106	183	232	(21)%
Metropolitan Life	36	48	84	152	(45)%
Momentum Corporate	8	66	74	6	>100%
Momentum Metropolitan Africa	(14)	4	(10)	5	<(100)%
Total VNB	106	218	324	400	(19)%

The Group's VNB declined to R324 million, 19% lower than the prior period, mainly impacted by reduced volumes. Momentum Corporate however delivered a strong VNB contribution of R74 million from higher sales. Momentum Life's VNB of negative R7 million resulted from lower new business volumes on higher margin protection products, increased expenses and higher cost of capital. Momentum Investments' VNB declined to R183 million, mainly due to a change in new business mix away from higher margin offshore investments in Momentum Wealth and lower assumed credit spreads on annuities. This was partly offset by a reduction in renewal expenses. Metropolitan Life's VNB of R84 million declined from the prior period and is mainly due to a change in product mix towards lower margin savings products and the adverse impact of policies that lapsed before the first premium was paid, leading to distribution expenses being incurred without the commensurate revenue. A negative R10 million VNB contribution from Momentum Metropolitan Africa resulted from further deterioration in Namibia's VNB, partly offset by a positive contribution from Lesotho and Botswana. Overall Group new business margin declined to 1.0%, from 1.1% in the prior period.

EMBEDDED VALUE

Embedded value earnings (R million)	1HF2023	1HF2022	Δ%
Embedded value at the start of the period	45 428	41 328	
Change in embedded value before capital flows	2 721	2 177	25%
Embedded value earnings from operations (covered business)	1 994	1 291	60%
Embedded value earnings attributable to investment markets	985	760	30%
Embedded value profit from non-covered businesses	(258)	126	<(100)%
Capital flows	(1 666)	(183)	<(100)%
Embedded value at the end of the period	46 483	43 322	7%
Embedded value per share	31.39	28.39	11%
Return on embedded value (ROEV)	12.3%	10.8%	
ROEV on covered business	18.7%	14.2%	
ROEV on non-covered business	(4.2)%	2.2%	
ROEV per share (annualised)	15.6%	11.0%	

Group embedded value per share was R31.39 as of 31 December 2022. The return on embedded value (ROEV) was an annualised 12.3% for the six months to December 2022. The ROEV per share was enhanced by our share repurchase programme, ultimately reflecting a 15.6% return (annualised) for the six months.

Embedded value earnings from covered business are ahead of expectations. The improvement compared to prior period is mainly due to mortality and morbidity experience variances, with a notable contribution from Momentum Corporate. Other operating segments also continued to have positive risk experience. Lapse experience in Metropolitan Life is a noteworthy detractor from the result. The release of margins from in-force business remains the single largest contributor to embedded value earnings from covered operations and was relatively unchanged from prior period. Sales growth remained under pressure and resulted in a lower contribution to the value of new business.

The investment return recovered following the weak property returns during the comparative period. Interest rate movements and net exposure to MMH's share price also had positive impacts. These combined produced a contribution from investment markets that is ahead of expectations.

The negative embedded value earnings from non-covered business are attributed to a negative valuation adjustment on the Group's investment in venture capital funds, the earnings loss for Momentum Insure, as well as an increase in the allowance for Africa support costs.

The capital flows reflect the resumption of dividend declarations (final dividend declared for period ending 30 June 2022) as well as the funds used to buy back shares.

SEGMENTAL PERFORMANCE

Momentum Life

R million	1HF2023	1HF2022	Δ%
Operating profit/(loss)	642	(44)	>100%
Investment return	47	74	(36)%
Normalised headline earnings	689	30	>100%
Recurring premium new business	519	495	5%
Single premium new business	1 111	1 034	7%
PVNBP	3 598	3 495	3%
VNB	(7)	5	<(100)%
New business margin	(0.2)%	0.1%	

Normalised headline earnings

Momentum Life's normalised headline earnings improved to R689 million from R30 million in the prior period. The prior period was significantly impacted by the third Covid-19 wave which resulted in a large mortality loss over the period. The turnaround in earnings in the current period follows the normalisation of mortality claims experience in the protection business, positive alterations experience and improved investment variances. Net mortality experience improved from a loss of R335 million in the prior period to a profit of R80 million in the current period after allowing for Covid-19 provision releases of R569 million and R24 million respectively.

The investment variance improved to R50 million profit from a loss of R200 million in the prior period. Over the period, positive fee variances on the traditional and long-term savings books due to equity market performance offset the negative variance on the protection book. The negative variance on protection largely resulted from a nominal yield curve drop at longer durations. The long duration nature of the Momentum Life book is such that earnings are particularly sensitive to yield curve shifts.

New business

Momentum Life's PVNBP improved by 3% to R3.6 billion, mainly attributable to a 6% improvement in new business on long-term savings business, offset by a 2% decline in new business on protection business. Yield curve shifts had a particularly negative impact on the discounted value of protection premiums.

VNB declined from a profit of R5 million to a loss of R7 million. Future revenue on new business did not grow sufficiently to fully offset the increased distribution expenses and an increase in the cost of capital. VNB for the period translates to a new business margin of -0.2%.

Momentum Investments

R million	1HF2023	1HF2022	Δ%
Operating profit	383	438	(13)%
Investment return	58	51	14%
Normalised headline earnings	441	489	(10)%
Recurring premium new business	106	110	(4)%
Single premium new business	18 593	22 505	(17)%
PVNBP	19 004	22 950	(17)%
VNB	183	232	(21)%
New business margin	1.0%	1.0%	

Normalised headline earnings

Normalised headline earnings from Momentum Investments declined by 10% to R441 million. This includes a 13% decline in operating profit to R383 million, partially offset by growth of 14% in investment return.

The decline in operating profit was mainly due to reduced revenue on the Momentum Wealth platform driven by lower new business volumes and weak market performance, offset to some extent by lower expenses. The decline in operating profit was further impacted by reduced earnings from the structured business largely because of lower mortality profits and lower new business volumes compared to the prior period.

New business

PVNB for Momentum Investments declined 17% to R19.0 billion, driven by lower new business volumes on both the local and offshore Momentum Wealth investment platforms and on annuities.

The VNB declined by 21% to R183 million compared to R232 million in the prior period. This was mainly attributable to a change in new business mix away from higher margin offshore investments in Momentum Wealth, a change in the capital allocation methodology, lower assumed credit spreads on annuities, partially offset by a reduction in renewal expenses. The new business margin was 1.0%, in line with the prior period.

Assets under management and administration

Assets under management on the Momentum Wealth investment platform decreased by 7% to R215 billion, mainly attributable to weak performance on offshore markets. On non-covered Investment Management business, assets under management decreased by 3% due to volatile market performance and weak flows.

R billion	1HF2023	Restated 1HF2022	Δ%
On-balance sheet Momentum Wealth ⁶	141	152	(7)%
Off-balance sheet Momentum Wealth	74	79	(6)%
Non-covered business (Investment Management)	527	545	(3)%
Assets under management and administration	742	776	(4)%

⁶ In December 2021, R13.9 billion was misclassified between Momentum Wealth linked product assets under administration and Managed internally or by other managers within the Group. 1HF2022 has been restated accordingly.

Metropolitan Life

R million	1HF2023	1HF2022	Δ%
Operating profit	237	232	2%
Investment return	31	36	(14)%
Normalised headline earnings	268	268	-
Recurring premium new business	897	876	2%
Single premium new business	850	815	4%
PVNB	3 552	3 556	-
VNB	84	152	(45)%
New business margin	2.4%	4.3%	

Normalised headline earnings

Metropolitan Life's normalised headline earnings remained flat on the prior period. Operating profit improved by 2% to R237 million which is mainly attributed to a positive mortality experience variance largely due to an improvement in the funeral protection business.

Operating profit growth was partially offset by negative persistency variance of R130 million, which was primarily driven by continued deterioration in lapse experience on protection business. This was largely due to affordability constraints on clients. The persistency experience losses have improved in the second quarter of the current period following implementation of management actions. We expect these ongoing management actions to further curb persistency losses in the coming quarters.

Investment experience variances, although negative, improved by R44 million on the comparative period. This was mainly due to the impact of more favourable yield curve shifts on the shorter end compared to the prior period.

New business

Metropolitan Life's new business volumes of R3.5 billion showed muted growth on the prior period, largely due to the impact of yield curve shifts on the longer end on the discounting of future premiums and higher entry date lapses on protection products. The average adviser productivity of 3.1 policies per week has remained stable throughout the period.

VNB declined 45% to R84 million compared to R152 million in the prior period. The decline can be attributed to a change in product mix towards lower margin savings products and growth in expenses exceeding volume growth. It is further noted that in tough economic conditions there is an increase in policy lapses before the first premium is paid, which resulted in an increase in distribution expenses not recovered. The new business margin was 2.4% for the six-month period.

Momentum Corporate

R million	1HF2023	1HF2022	Δ%
Operating profit	494	302	64%
Investment return	62	68	(9)%
Total normalised headline earnings	556	370	50%
Recurring premium new business	711	581	22%
Single premium new business	2 205	1 299	70%
PVNB	5 831	4 911	19%
VNB	74	6	>100%
New business margin	1.3%	0.1%	

Normalised headline earnings

Momentum Corporate's normalised headline earnings improved to R556 million compared to R370 million in the prior period. This includes an improvement of 64% in operating profit to R494 million, offset by a decline of 9% in investment return to R62 million. Mortality experience, although still elevated, improved relative to the prior period.

The improvement in operating profit is largely attributed to good underwriting results on group risk products as a result of an improvement in mortality experience as well as higher interest earned on assets backing liabilities. Earnings were further assisted by beneficial movements on the real and nominal yield curves impacting the annuity and smooth bonus products.

New business

Momentum Corporate's PVNB of R5.8 billion increased by 19% compared to the prior period, bolstered by double-digit growth in single and recurring premium flows. Single premium new business increased by 70%, mainly driven by improved investment flows into structured investment and annuity products. New business from recurring premiums increased by 22%, driven by the onboarding of large clients in the FundsAtWork protection book as well as in the structured investment environment. The group protection book saw a decline in sales due to increased competitive pressure on pricing.

VNB improved to R74 million from R6 million in the prior period, bolstered by higher new business volumes as well as a favourable business mix. The new business margin was 1.3% for the period, an improvement from 0.1% reported in the prior period.

Momentum Metropolitan Health

R million	1HF2023	1HF2022	Δ%
Operating profit	144	93	55%
Investment return	2	1	100%
Normalised headline earnings	146	94	55%
Non-controlling interest (NCI)	50	76	(34)%
Normalised headline earnings gross of NCI	196	170	15%

Normalised headline earnings

Momentum Metropolitan Health's normalised headline earnings improved by 55% compared to the prior period to R146 million. Before the deduction of the share of non-controlling interest, normalised headline earnings increased by 15%. The growth in the gross normalised headline earnings is attributable to good growth in fee income generated from membership growth, annual administration and managed care increases, an increase in interest income and prudent expense management.

Membership

Good membership growth of 3%, despite a tough economic environment, was mainly attributable to the continued growth in the public sector and Health4Me membership. Membership growth was moderate in the Momentum Medical scheme and membership declined in the corporate market segment, indicative of economic conditions placing pressure on employment numbers.

Non-life Insurance

R million	1HF2023	1HF2022	Δ%
Guardrisk	289	295	(2)%
Momentum Insure	(46)	8	<(100)%
Normalised headline earnings	243	303	(20)%
Operating profit	217	233	(7)%
Investment return	26	70	(63)%

Normalised headline earnings

The normalised headline earnings for Non-life Insurance declined by 20% to R243 million compared to R303 million in the prior period. Operating profit declined by 7% on the prior period, mainly impacted by lower underwriting profits in Momentum Insure, which were negatively impacted by a higher claims experience. Solid earnings from Guardrisk positively contributed to operating profit for the period. Investment return declined by 63% to R26 million, largely due the non-repeat of the one-off recognition of the value of a cell acquired by Guardrisk included in the prior period numbers.

Guardrisk

Guardrisk's normalised headline earnings declined by 2% to R289 million, predominantly due to the non-repeat of a positive one-off fair value gain in the prior period. Excluding the impact of the one-off in the prior period, Guardrisk's normalised earnings increased by 18%. Operating profit was aided by a recovery in the volume and affinity business of Guardrisk Insurance, good growth of 23% in underwriting profits of Guardrisk General Insurance (GGI) and solid growth in management fee income in the Life divisions.

GGI underwriting performance is set out below:

R million	1HF2023	1HF2022	Δ%
Gross written premium	2 089	1 970	6%
Net earned premium	888	778	14%
Claims incurred	(395)	(354)	12%
Acquisition cost	(249)	(226)	10%
GGI underwriting profit⁷	244	198	23%

⁷ The underwriting profit in this table is the total for GGI, a division of Guardrisk Insurance Company Limited.

Momentum Insure

Normalised headline earnings in Momentum Insure declined from R8 million profit to a loss of R46 million, mainly impacted by a high claim ratio of 73%. Continued inflationary pressures on the cost of claims, increased frequency of incidents due to power surges (exacerbated by load shedding) and a continuation of adverse weather-related events, specifically towards the end of the reporting period, negatively impacted the claim ratio. The earnings loss was slightly narrowed by premium rate increases on new business and policy renewals during the six-month period. The positive impact of the policy renewal process on offsetting claims inflation is expected to be more pronounced during the second half of the financial year, once the annual renewal cycle is concluded. Gross written premiums increased by 7% to R1 523 million and persistency experience remains good and well within appetite.

New business premiums improved by 19% to R330 million despite a challenging operating environment. This was achieved through improved sales performance in most channels.

Key ratios	1HF2023	1HF2022	Δ%
Gross written premium (R million)	1 523	1 421	7%
Net earned premium (R million)	1 459	1 374	6%
Claims ratio	73.1%	68.4%	

Momentum Metropolitan Africa

R million	1HF2023	1HF2022	Δ%
Namibia	142	28	>100%
Botswana	(1)	(2)	50%
Lesotho	68	73	(7)%
Ghana	(7)	9	<(100)%
Other countries	(8)	(14)	43%
Centre costs	(72)	(87)	(17)%
Normalised headline earnings	122	7	>100%
Operating profit/(loss)	44	(30)	>100%
Investment return	78	37	>100%
Recurring premium new business	184	237	(22)%
Single premium new business	468	1 031	(55)%
PV/NBP	1 283	2 083	(38)%
VNB	(10)	5	<(100)%
New business margin	(0.8)%	0.2%	

Normalised headline earnings

Normalised headline earnings improved by more than 100% to R122 million compared to the prior period of R7 million. This was largely driven by improved mortality experience in the protection business in Namibia and Botswana following the significant negative impact of Covid-19 in the prior period. The improvement in investment returns follows an increase in market interest rates, which contributed positively to the earnings. Operating profit from the health operations was slightly below the prior period, impacted by low new business growth, coupled with high medical claims inflation in Ghana and Botswana and offset by relatively lower utilisation in Mozambique and Lesotho.

The improvement in normalised headline earnings in Namibia from R28 million in the prior period to R142 million was mainly driven by improved mortality experience, positive investment experience variances and partly offset by an increase in expenses. Investment return improved as a result of higher interest rates and an increase in assets backing the risk business reserves.

Botswana's slight improvement in normalised headline earnings was largely due to better mortality experience in the corporate business, partly offset by persistency losses from individual smoothed bonus products of R14 million and expense variances of R8 million. There was a negative impact of R15 million on earnings due to the strengthening of the Covid-19 reserves. Note that Botswana was the only part of the Group where Covid-19 reserves were strengthened on 31 December 2022. Investment returns increased due to higher market interest rates.

Lesotho's normalised headline earnings declined because of negative persistency experience in the life business. The insurance profits were stable and were boosted by an increase in new business premiums from protection products and a better claims experience.

In Ghana, the decline compared to the prior period was mainly due to higher expenses and elevated claims experience in the life business, predominantly driven by rampant inflation and currency depreciation. The health operations normalised headline earnings were negatively impacted by increased medical inflation and increased utilisation in the health business.

The improvement in Other countries was mainly due to the Group's exit from Kenya which became effective during July 2022. The prior period included an earnings loss of R11 million from Kenya.

Centre costs are R15 million lower than in the prior period.

New business

PVNBP for Momentum Metropolitan Africa declined by 38% to R1.3 billion compared to the prior period. This was mainly due to the non-repeat of large single premium business from corporate clients in Namibia and Lesotho, and lower new business sales in Botswana compared to the prior period.

The negative VNB contribution from Namibia was caused by lower new business volumes, particularly in the retail business and higher assumed renewal expenses in the protection business. This more than offsets positive VNB contributions from Lesotho and Botswana for the six months. Improved VNB in Lesotho and Botswana was mainly a result of profitable corporate protection business secured. The new business margin was -0.8% for the period.

New Initiatives

New Initiatives includes Aditya Birla Health Insurance (a joint venture with Aditya Birla Capital in India), Momentum Money (a bundled transactional banking and savings solution rebranded from Multiply Money), the operating expenses of Exponential Ventures, as well as other smaller local start-up operations.

R million	1HF2023	1HF2022	Δ%
Aditya Birla Health Insurance (ABHI) ⁸	(166)	(240)	31%
Other ⁹	(78)	(59)	(32)%
Normalised headline earnings	(244)	(299)	18%

⁸ Results for the India investment are reported with a three-month lag. The dilution of the 49% stake in ABHI to 44.1% was concluded during October 2022. Due to the three-month reporting lag these results still reflect MMH's stake of 49%. Results include support costs incurred by Momentum Metropolitan outside of the joint venture.

⁹ "Other" includes Momentum Money and Momentum Consult. The prior period includes a -R1 million from aYo which was sold in September 2021.

Aditya Birla Health Insurance

ABHI has shown continued growth, however the operational performance was negatively impacted by a higher-than-expected claims experience. Although Covid-related claims have subsided, an increase in the number of claims and higher average claim sizes due to delayed diagnostic and preventative medical procedures are impacting the claims experience.

Gross written premiums increased by 73% to R2.7 billion, with strong growth in both retail and group business.

ABHI is pursuing a "Health First Data-driven" model to empower people to lead healthier lives through:

- a differentiated model with health first approach to enhance the role of health insurers
- most diversified distribution footprint covering conventional and new age digital platforms
- end-to-end digital capabilities for scale engagement and superior customer experience
- leveraging data and analytics to drive excellence in every facet of business.

Other

The largest other new initiative is Momentum Money, which recorded a slightly higher loss compared to the prior period. This initiative bundles a low-cost transactional facility with a savings account that offers competitive interest rates and no monthly fees, without restrictive requirements such as minimum balances and lock-in periods. The rewards, cash-back payments and shopping discounts from Momentum Multiply and voluntary deposits made by clients can be deposited into the savings account.

Shareholders segment

R million	1HF2023	1HF2022	Δ%
Operating loss	(16)	(29)	45%
Investment return	25	292	(91)%
Investment income	49	(17)	>100%
Fair value (losses)/gains	(24)	309	<(100)%
Normalised headline earnings	9	263	(97)%

The Shareholders segment's normalised headline earnings of R9 million declined by 97% compared to the prior period, this was mainly driven by a decline in investment return.

Investment return declined by 91% to R25 million from R292 million in the prior period. This was mainly due to fair value losses, on the revaluation of the Group's investment in VC funds whereas the prior period included significant fair value gains.

SOLVENCY

Regulatory solo solvency position of the Group's insurance entities

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

Regulatory solvency position as at 31 December 2022

R million	Momentum Metropolitan Life	Guardrisk Insurance	Guardrisk Life	Momentum Insure
Eligible own funds (pre-interim dividend)	30 140	3 453	3 815	1 069
SCR	15 254	2 685	3 231	743
SCR cover (times)	1.98	1.29	1.18	1.44

Regulatory solvency position as at 30 June 2022

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

Momentum Metropolitan Life has adopted a target range for regulatory solvency cover of 1.6 to 2.0 times the SCR before any declared dividend.

The regulatory solvency position of Momentum Metropolitan Life decreased from 2.03 times SCR at 30 June 2022 to 1.98 times SCR at 31 December 2022. This decline was predominantly due to the dividend payment and share buyback programme. In addition, this is due to an increase in the SCR as volatility in equity markets resulted in an increase in the capital prescribed by the regulator for equity stresses and associated equity risk exposures. The fall in the nominal yield curve at medium to long durations also served to increase the SCR on life underwriting risk exposures.

The SCR cover for Guardrisk Insurance improved from 1.18 times SCR to 1.29 times SCR, supported by increased promoter cell own funds due to good performance by the promoter business, and a reduction in SCR charges on outstanding claim and associated reinsurance receivables emanating from the KwaZulu-Natal flooding. The SCR cover for Guardrisk Life rose from 1.17 times SCR to 1.18 times SCR following an increase in both own funds and the SCR as a result of the reduction in medium to long duration yields.

The SCR cover for Momentum Insure strengthened from 1.41 times SCR at 30 June 2022 to 1.44 times SCR at 31 December 2022 following a capital injection of R200 million. The SCR cover for Momentum Insure is within the target range of 1.4 to 1.6 times SCR following the capital injection.

Regulatory Group solvency position for Momentum Metropolitan Holdings

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

Momentum Metropolitan Holdings has adopted a target range for Group regulatory solvency cover of 1.4 to 1.7 times the SCR. Momentum Metropolitan Holdings Group SCR cover was 1.6 times SCR at 31 December 2022.

The Group SCR cover is impacted by the restrictions applied to the own funds of cell captive insurers, and if Guardrisk were excluded, the SCR cover for the Group would increase to 1.7 times SCR at 31 December 2022.

OUTLOOK

We are pleased by the good earnings results achieved by the Group despite the headwinds faced in the current economic environment. The positive mortality experience variances in our main life insurance business units continues to suggest that the Covid-19 pandemic has reached its endemic phase.

The normalisation of mortality experience, combined with disciplined execution of our strategy and ongoing focus on efficiency, means that we expect our earnings to be robust for rest of the financial year. We will continue to focus on achieving the Reinvent and Grow financial targets for F2024, namely normalised headline earnings of R4.6 billion to R5.0 billion and ROE of 18% to 20%.

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

We are a proudly South African company and will continue to invest and build our core operations, despite the numerous challenges our country is facing. If given the opportunity, the private sector can make a huge difference to improving our economic growth outlook. Over the last five years we have established a trend of success despite the pandemic and tough economic conditions. We will continue to focus on what is under our control to add value to our clients and stakeholders, and contribute positively towards building a better South Africa for all.

8 March 2023

CENTURION

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

Equity sponsor:

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

Sponsor in Namibia

Simonis Storm Securities (Pty) Limited

Debt Sponsor

Rand Merchant Bank (a division of FirstRand Bank Limited)



Condensed consolidated interim financial statements

Unaudited results for the six months ended
31 December 2022

MOMENTUM METROPOLITAN

Condensed consolidated interim financial statements for the six months ended 31 December 2022

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Directors' statement

The Board is pleased to present the unaudited condensed interim results of Momentum Metropolitan Holdings Ltd (MMH or the Company) and its subsidiaries (collectively Momentum Metropolitan or the Group) for the period ended 31 December 2022. The preparation of the Group's results was supervised by the Group Finance Director, Risto Ketola (FIA, FASSA, CFA Charterholder).

CORPORATE EVENTS

Disposals and dilution

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

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

Share buy-back programme

The Group bought back a total of 45 million shares (for a cost of R750 million including transaction costs) during the six months to 31 December 2022. These shares were cancelled prior to 31 December 2022.

BASIS OF PREPARATION OF FINANCIAL INFORMATION

These condensed consolidated interim financial statements have been prepared in accordance with the following:

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

The accounting policies applied in the preparation of these financial statements are in terms of International Financial Reporting Standards (IFRS) and are consistent with those adopted in the June 2022 period except as described below and for specific restatements listed in note 12. Critical judgements and accounting estimates are disclosed in detail in the Group's Annual Financial Statements (AFS) for the year ended 30 June 2022, including changes in estimates that are an integral part of the insurance business. The Group is exposed to financial and insurance risks, details of which are also provided in the Group's Integrated Report and AFS.

NEW AND REVISED STANDARDS EFFECTIVE FOR THE PERIOD ENDED 31 DECEMBER 2022 AND RELEVANT TO THE GROUP

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

- Reference to the Conceptual Framework: Amendments to IFRS 3;
- Proceeds before intended use: Amendments to IAS 16; and
- Costs of fulfilling a contract: Amendments to IAS 37.

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

SOLVENCY ASSESSMENT AND GOING CONCERN

The Group is pleased by the good earnings and growth achieved through disciplined execution over the past six months despite the headwinds faced in the current economic environment. The positive mortality experience variances in the Group's main life insurance segments continue to suggest that the Covid-19 pandemic has reached its endemic phase. The Group is profitable, with robust levels of capital and liquidity and a strong regulatory solvency position. The Board, through the Audit Committee and Actuarial Committee, has received reports and updates on the operational and financial performance. The Board is satisfied of the Group's solvency, taking into account its ability to withstand impacts from the continuously evolving environment, and its ability to continue as a going concern.

CHANGES TO THE DIRECTORATE, SECRETARY AND DIRECTORS' SHAREHOLDING

On 1 July 2022, Paul Baloyi was appointed as Chair. On 24 November 2022, Vuyisa Nkonyeni retired from the Board. On 31 December 2022, Dr Sharron McPherson resigned from the Board.

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

PROVISIONS, CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The Group is party to legal proceedings and appropriate provisions are made when losses are expected to materialise. The Group is not aware of capital commitments at 31 December 2022 that were not in the ordinary course of business.

EVENTS AFTER THE REPORTING PERIOD

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

INTERIM DIVIDEND DECLARATION

Ordinary shares

- On 6 March 2023, a gross interim ordinary dividend of 50 cents per ordinary share was declared by the Board.
- The dividend is payable out of income reserves to all holders of ordinary shares recorded in the register of the Company at the close of business on Friday, 31 March 2023, and will be paid on Monday, 3 April 2023.
- The dividend will be subject to local dividend withholding tax at a rate of 20% unless the shareholder is exempt from paying dividend tax or is entitled to a reduced rate.
- This will result in a net interim dividend of 40 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, 28 March 2023.
- The shares will trade ex dividend from the start of business on Wednesday, 29 March 2023.
- Share certificates may not be dematerialised or rematerialised between Wednesday, 29 March 2023 and Friday, 31 March 2023, both days inclusive.
- The number of ordinary shares at the declaration date was 1 452 676 497.
- MMH's income tax number is 975 2050 147.

Preference shares

- Dividends of R18.5 million (31.12.2021: R18.5 million; 30.06.2022: R18.5 million) (132 cents per share p.a.) were declared on the unlisted A3 MMH preference shares as determined by the Company's Memorandum of Incorporation.

THE BOARD OF DIRECTORS' RESPONSIBILITY

The preparation of these results is the responsibility of the directors. The condensed interim results have not been reviewed or audited by the external auditors. A printed version of the SENS announcement may be requested from the office of the Group Company Secretary, Gcobisa Tyusha, tel: +27 12 673 1931 or gcobisa.tyusha@mmltd.co.za.

Signed on behalf of the Board



Paul Baloyi

Chair

Centurion

6 March 2023



Hillie Meyer

Group Chief Executive

Condensed consolidated statement of financial position

	Notes	31.12.2022 Rm	Restated 31.12.2021 ¹ Rm	30.06.2022 Rm
ASSETS				
Intangible assets		8 581	9 051	8 747
Owner-occupied properties		2 943	3 029	3 016
Fixed assets		447	418	478
Investment properties		9 089	8 952	9 051
Properties under development		163	158	162
Investments in associates and joint ventures		1 860	1 278	1 491
Employee benefit assets		473	449	460
Financial assets at fair value through profit and loss (FVPL)	11	508 131	510 099	489 511
Financial assets at amortised cost	11	7 262	6 624	8 739
Reinsurance contract assets		14 628	7 528	14 976
Deferred income tax		1 065	756	880
Insurance and other receivables		6 806	7 171	7 739
Current income tax assets		85	140	81
Assets relating to disposal groups held for sale		–	77	14
Cash and cash equivalents	11	34 775	35 763	28 720
Total assets		596 308	591 493	574 065
EQUITY				
Equity attributable to owners of the parent		25 442	22 205	24 621
Non-controlling interests		383	368	365
Total equity		25 825	22 573	24 986
LIABILITIES				
Insurance contract liabilities				
Long-term insurance contracts	2	130 979	133 567	126 233
Non-life insurance contracts	2	21 690	14 520	22 152
Investment contracts	2	342 248	342 623	321 789
– with discretionary participation features (DPF)	11	3 137	3 055	3 031
– designated at FVPL	11	339 111	339 568	318 758
Financial liabilities at FVPL	11	45 534	50 224	48 141
Financial liabilities at amortised cost	11	4 238	4 385	4 336
Reinsurance contract liabilities		2 421	2 295	2 299
Deferred income tax		2 602	2 918	2 601
Employee benefit obligations		1 007	927	1 438
Other payables		18 894	16 877	19 567
Provisions		287	286	307
Current income tax liabilities		583	298	216
Total liabilities		570 483	568 920	549 079
Total equity and liabilities		596 308	591 493	574 065

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

Condensed consolidated income statement

	Notes	6 mths to 31.12.2022 Rm	Restated 6 mths to 31.12.2021 ¹ Rm	12 mths to 30.06.2022 Rm
Net insurance premiums	2	20 747	18 963	38 893
Fee income	2, 2.3	4 905	4 486	9 267
Investment income		14 767	12 706	26 167
Net realised and unrealised fair value gains/(losses)		16 799	31 012	(4 170)
Net income		57 218	67 167	70 157
Net insurance benefits and claims	2	14 611	16 258	30 376
Change in actuarial liabilities and related reinsurance		3 292	1 586	(6 605)
– Change in long-term insurance contract liabilities		3 773	4 178	(3 280)
– Change in non-life insurance contract liabilities		(74)	(74)	(126)
– Change in investment contracts with DPF liabilities		106	(1 622)	(1 644)
– Change in reinsurance assets		(298)	(265)	(897)
– Change in reinsurance liabilities		(215)	(631)	(658)
Fair value adjustments on investment contract liabilities		19 850	30 603	10 884
Fair value adjustments on collective investment scheme (CIS) liabilities		1 317	2 241	894
Depreciation, amortisation and impairment expenses	2	421	1 215	1 680
Employee benefit expenses	2	3 707	3 384	7 157
Sales remuneration	2	4 009	3 852	7 674
Other expenses	2	4 531	3 689	8 256
Expenses		51 738	62 828	60 316
Results of operations		5 480	4 339	9 841
Share of equity accounted loss on associates and joint ventures		(119)	(209)	(243)
Profit/(loss) on sale of associates and joint ventures		588	(179)	246
Finance costs	6	(1 380)	(1 064)	(2 327)
Profit before tax		4 569	2 887	7 517
Income tax expense		(2 116)	(2 122)	(3 709)
Earnings for the period		2 453	765	3 808
Attributable to:				
Owners of the parent		2 393	697	3 711
Non-controlling interests		60	68	97
		2 453	765	3 808
Basic earnings per ordinary share (cents) ²	1	171.3	48.9	260.6
Diluted earnings per ordinary share (cents) ²	1	167.8	48.9	256.9

¹ Refer to note 12 for more information on the restatements, other than footnote 2.

² The December 2021 period has been restated for a correction in the calculation of the weighted average number of shares.

Consolidated statement of comprehensive income

	6 mths to 31.12.2022 Rm	6 mths to 31.12.2021 Rm	12 mths to 30.06.2022 Rm
Earnings for the period	2 453	765	3 808
Other comprehensive income/(loss), net of tax	7	106	(36)
Items that may subsequently be reclassified to income	(7)	275	89
Exchange differences on translating foreign operations ^{1,2}	56	209	37
Share of other comprehensive (loss)/income of associates	(63)	66	52
Items that will not be reclassified to income	14	(169)	(125)
Own credit losses on financial liabilities designated at FVPL	–	(14)	(26)
Land and building revaluation	15	(173)	(138)
Remeasurements of post-employee benefit funds	(6)	(11)	(8)
Income tax relating to items that will not be reclassified	5	29	47
Total comprehensive income for the period	2 460	871	3 772
Total comprehensive income attributable to:			
Owners of the parent	2 403	800	3 675
Non-controlling interests	57	71	97
	2 460	871	3 772

¹ In the current period, included in Exchange differences on translating foreign operations is a R29 million loss and a R6 million profit which represent the foreign currency translation reserve (FCTR) release on the sale of Metropolitan Cannon Life Assurance Ltd and Metropolitan Cannon General Insurance Ltd as well as the dilution of ABHI respectively. This resulted in a net income of R23 million in the income statement.

² The movement in the current period is primarily caused by the strengthening of the ZAR against the INR and GHS but was offset by the weakening of the ZAR against the EUR. In the prior periods, the movement is primarily caused by the strengthening of the ZAR against the GBP, BWP, GHS, KES and USD.

Consolidated statement of changes in equity

	Notes	6 mths to 31.12.2022 Rm	6 mths to 31.12.2021 Rm	12 mths to 30.06.2022 Rm
Changes in share capital				
Balance at beginning and end		9	9	9
Changes in share premium				
Balance at beginning		12 760	12 728	12 728
Net movement in treasury shares held on behalf of contract holders		(9)	9	32
Balance at end		12 751	12 737	12 760
Changes in other reserves				
Balance at beginning		1 453	1 469	1 469
Total comprehensive income/(loss)		10	117	(10)
Equity-settled share-based payments		34	12	52
Transfer to retained earnings		(49)	(45)	(58)
Balance at end	9	1 448	1 553	1 453
Changes in retained earnings				
Balance at beginning		10 399	7 369	7 369
Total comprehensive income		2 393	683	3 685
Dividend declared		(927)	(212)	(735)
Shares repurchased and cancelled		(750)	–	–
Increase relating to transactions with non-controlling interests ¹		–	151	151
Decrease relating to transactions with non-controlling interests ¹		–	(130)	(129)
Transfer from other reserves		49	45	58
Release of put option on minority interest ²		70	–	–
Balance at end		11 234	7 906	10 399
Equity attributable to owners of the parent				
		25 442	22 205	24 621
Changes in non-controlling interests				
Balance at beginning		365	348	348
Total comprehensive income		57	71	97
Dividend paid		(39)	(30)	(58)
Increase relating to transactions with owners ¹		29	40	38
Decrease relating to transactions with owners ¹		–	(61)	(60)
Sale of subsidiary		(29)	–	–
Balance at end		383	368	365
Total equity				
		25 825	22 573	24 986

¹ Information previously presented on an aggregated basis has now been disaggregated for comparability.

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

Condensed consolidated statement of cash flows

	6 mths to 31.12.2022 Rm	Restated 6 mths to 31.12.2021 ¹ Rm	12 mths to 30.06.2022 Rm
Cash flow from operating activities			
Cash generated/(utilised) in operations	3 535	(8 223)	(19 619)
Interest and dividends received	7 248	11 929	22 487
Income tax paid	(1 922)	(1 448)	(3 484)
Interest paid	(1 035)	(1 039)	(1 986)
Net cash inflow/(outflow) from operating activities	7 826	1 219	(2 602)
Cash flow from investing activities			
Investments in subsidiaries	(7)	–	–
Contingent consideration related to business combinations	–	–	(64)
Proceeds on sale of associate	–	–	147
Proceeds on sale of joint venture and intangibles included in non-current assets held for sale	–	–	291
Net investments in associates and joint ventures	(4)	(70)	(647)
Capital injection on associate held in non-current assets held for sale	–	–	(69)
Net loan (advances)/repayments (to)/from related parties	(52)	76	150
Net purchases of owner-occupied properties	(17)	(240)	(256)
Net purchases of fixed assets	(83)	(109)	(279)
Net purchases of computer software	(48)	(24)	(58)
Dividends from associates	35	28	37
Cash balances derecognised on sale of subsidiaries	(29)	–	–
Net cash outflow from investing activities	(205)	(339)	(748)
Cash flow from financing activities			
Proceeds from borrowings	5 211	6 973	6 704
Repayment of borrowings	(4 287)	(9 335)	(10 916)
Dividends paid to equity holders	(927)	(212)	(735)
Dividends paid to non-controlling interest shareholders	(39)	(30)	(58)
Net purchases of treasury shares held on behalf of contract holders	(9)	9	32
Shares purchased from non-controlling interest shareholders	–	–	(347)
Shares issued to non-controlling interest shareholders	–	–	347
Subordinated call notes issued	–	–	1 000
Subordinated call notes repaid	(1 013)	–	(87)
Shares repurchased	(750)	–	–
Net cash outflow from financing activities	(1 814)	(2 595)	(4 060)
Net cash flow	5 807	(1 715)	(7 410)
Cash resources and funds on deposit at beginning	28 720	36 822	36 822
Foreign currency translation	248	656	(692)
Cash resources and funds on deposit at end	34 775	35 763	28 720
Made up as follows:			
Cash and cash equivalents	34 775	35 763	28 720

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

Notes to the condensed consolidated interim financial statements

NOTE 1

EARNINGS

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

EARNINGS attributable to owners of the parent	Basic earnings			Diluted earnings		
	6 mths to 31.12.2022 Rm	6 mths to 31.12.2021 Rm	12 mths to 30.06.2022 Rm	6 mths to 31.12.2022 Rm	6 mths to 31.12.2021 Rm	12 mths to 30.06.2022 Rm
Earnings – equity holders of the Group	2 393	697	3 711	2 393	697	3 711
Finance costs – convertible preference shares ¹				19	–	37
Diluted earnings				2 412	697	3 748
Adjustments within equity-accounted earnings	–	16	16	–	16	16
Profit on dilution of associate ²	(588)	–	–	(588)	–	–
Intangible asset impairments ³	–	716	709	–	716	709
Tax on intangible asset impairments	–	(2)	4	–	(2)	4
Gain on sale of associate and joint venture ⁴	–	(179)	(246)	–	(179)	(246)
Loss on sale of subsidiaries ⁵	112	–	–	112	–	–
FCTR reversal on dilution of associate ²	6	–	–	6	–	–
FCTR reversal on sale of foreign subsidiaries ⁵	(29)	–	–	(29)	–	–
Loss on sale of fixed assets	9	–	–	9	–	–
Net impairment of owner-occupied property below cost ⁶	(28)	34	35	(28)	34	35
Tax on net impairment of owner-occupied property below cost	–	34	4	–	34	4
Headline earnings⁷	1 875	1 316	4 233	1 894	1 316	4 270
B-BBEE costs				16	–	11
Adjustments for iSabelo ⁸				48	32	(54)
Adjustments for MMH shares held by policyholder funds				104	(15)	(134)
Amortisation of intangible assets relating to business combinations				168	173	290
Finance costs – convertible preference shares ¹				–	19	–
Normalised headline earnings⁹				2 230	1 525	4 383

¹ The finance costs relating to the KTH preference shares were anti-dilutive in the December 2021 period and it accordingly was only taken into account in the calculation of normalised headline earnings for that period.

² Relates to the dilution of the Group's shareholding in ABHI from 49% to 44.1% in the New Initiatives segment.

³ The December 2021 and June 2022 period impairments related mainly to:

- Goodwill recognised as part of the acquisition of the Alexander Forbes Short-term Insurance business (Non-life Insurance segment). The recoverable amount (31.12.2021: R1 961 million; 30.06.2022: R2 002 million) of the cash-generating unit (Momentum Insure) was determined based on value-in-use calculations with reference to directors' valuations (DVs). The impairment was due to a revision of the five-year forecast that reflects a more subdued medium-term growth outlook. The remaining goodwill balance after the impairment is R478 million (31.12.2021: R478 million).

⁴ The December 2021 gain related to the sale of aYo Holdings Ltd as well as the related intellectual property sold as part of the disposal. The June 2022 gain also included the sale of Aluwani Capital Partners (Pty) Ltd which occurred during April 2022.

⁵ Relates to the sale of Metropolitan Cannon Life Assurance Ltd and Metropolitan Cannon General Insurance Ltd in the Momentum Metropolitan Africa segment.

⁶ The impairment in the December 2021 and June 2022 periods mainly related to the impairment of the Marc, Tower 2. The impairment was largely attributed to the decline in market rental rates for office property in Sandton, as well as the weak property market outlook as a result of the Covid-19 pandemic. In the current period, the market has improved which resulted in a reversal of the previous impairment recognised.

⁷ Headline earnings consist of operating profit, investment return, investment variances and basis and other changes. The long-term insurance industry exemption which allows that net realised and unrealised fair value gains on investment properties not being excluded from headline earnings has been applied.

⁸ This mainly includes the add back of the IFRS 2 expense incurred as a result of the employee share ownership scheme, as well as the investment income earned on the preference shares issued to the iSabelo special purpose vehicle. In the June 2022 period, it also included the fair value loss on these preference shares.

⁹ Refer to note 2 for an analysis of normalised headline earnings per segment.

Notes to the condensed consolidated interim financial statements (continued)

NOTE 1 CONTINUED

EARNINGS PER SHARE (cents) attributable to owners of the parent	6 mths to 31.12.2022	Restated 6 mths to 31.12.2021¹	12 mths to 30.06.2022
Basic			
Earnings	171.3	48.9	260.6
Headline earnings	134.2	92.4	297.3
Weighted average number of shares (million) ²	1 397	1 424	1 424
Basic number of shares in issue (million)	1 379	1 425	1 424
Diluted³			
Normalised headline earnings	148.8	99.9	287.2
Weighted average number of shares (million) ⁴	1 499	1 526	1 526
Diluted number of shares in issue (million)	1 481	1 526	1 526
Earnings	167.8	48.9	256.9
Headline earnings	131.8	92.4	292.7
Weighted average number of shares (million) ²	1 437	1 424	1 459

¹ The December 2021 period has been restated for a correction in the calculation of the weighted average number of shares.

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

³ On a diluted basis, the KTH preference shares were anti-dilutive in the December 2021 period. For diluted earnings and headline earnings, these preference shares were therefore ignored in accordance with IAS 33 for that period. Normalised headline earnings treats the preference shares as if they were ordinary equity. This treatment is consistent with how the preference shares are treated when dilutive.

⁴ For normalised headline earnings per share, treasury shares held on behalf of contract holders as well as those held by a subsidiary on behalf of employees are deemed to be issued.

NOTE 2

SEGMENTAL REPORT

The Group's reporting view reflects the following segments:

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

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

A reconciliation of earnings to normalised headline earnings is provided in note 1.

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

NOTE 2 CONTINUED
SEGMENTAL REPORT CONTINUED

	Notes	Momentum Life Rm	Momentum Investments Rm	Momentum Metropolitan Life Rm	Momentum Metropolitan Corporate Rm	Momentum Metropolitan Health Rm	Non-life Insurance Rm	Momentum Metropolitan Africa Rm	New Initiatives Rm	Shareholders Rm	Segmental total Rm	Reconciling items ¹ Rm	Total Rm
6 mths to 31.12.2022													
Revenue													
Net insurance premiums	2.4	5 102	15 399	4 192	9 500	602	7 339	2 396	-	-	44 530	(23 783)	20 747
Recurring premiums		4 800	467	3 353	7 062	602	5 700	1 922	-	-	23 906	(7 214)	16 692
Single premiums		302	14 932	839	2 438	-	1 639	474	-	-	20 624	(16 569)	4 055
Fee income		588	1 836	12	702	1 216	1 103	79	86	273	5 895	(990)	4 905
Fee income	2.3, 2.4	565	1 444	12	700	1 184	1 103	79	53	5	5 145	(240)	4 905
Intergroup fee income		23	392	-	2	32	-	-	33	268	750	(750)	-
Expenses													
Net payments to contract holders		5 015	13 022	3 227	10 207	386	3 701	1 560	-	-	37 118	(22 507)	14 611
External payments		1 760	1 779	1 688	827	1 161	2 639	787	170	360	11 171	1 497	12 668
Other expenses ²		722	506	604	60	39	1 731	324	23	-	4 009	-	4 009
Sales remuneration		908	916	996	626	928	753	337	128	634	6 226	1 655	7 881
Administration expenses		35	139	-	-	3	-	2	-	7	186	592	778
Asset management, direct property and other fee expenses		95	218	88	141	191	155	124	19	(281)	750	(750)	-
Intergroup expenses													
Normalised headline earnings	2.1	689	441	268	556	146	243	122	(244)	9	2 230	-	2 230
Operating profit/(loss) ³		901	497	326	682	199	293	69	(247)	10	2 730	-	2 730
Tax on operating profit/(loss)		(259)	(114)	(89)	(188)	(55)	(76)	(25)	-	(26)	(832)	-	(832)
Investment return		55	68	36	73	3	34	89	3	19	380	-	380
Tax on investment return		(8)	(10)	(5)	(11)	(1)	(8)	(11)	-	6	(48)	-	(48)
Covered	2.2	720	298	267	561	-	-	165	-	155	2 166	-	2 166
Non-covered	2.2	(31)	143	1	(5)	146	243	(43)	(244)	(146)	64	-	64
		689	441	268	556	146	243	122	(244)	9	2 230	-	2 230
Basis changes and investment variances⁴		50	17	(15)	80	-	-	28	-	9	169	-	169
Actuarial liabilities		77 134	202 781	37 251	111 868	162	48 184	17 361	-	176	494 917	-	494 917

¹ Reconciling items include investment contract business premiums and claims; intergroup fee income and expenses; direct property (R276 million) and asset management fees for all entities (R316 million), except non-life entities, that are set off against investment income for management reporting purposes but shown as an expense for accounting purposes; asset management fees from cell captive business (R1 402 million); the amortisation of intangible assets relating to business combinations (R232 million); expenses relating to consolidated CIs and other minor adjustments to expenses and fee income.

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

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

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

Notes to the condensed consolidated interim financial statements (continued)

NOTE 2 CONTINUED SEGMENTAL REPORT CONTINUED

	Notes	Momentum Life Rm	Momentum Investments Rm	Momentum Metropolitan Life Rm	Momentum Corporate Rm	Momentum Metropolitan Health Rm	Non-life Insurance Rm	Momentum Metropolitan Africa Rm	New Initiatives Rm	Shareholders Rm	Segmental total Rm	Reconciling items ¹ Rm	Total Rm
Restated Revenue													
Net insurance premiums	2.4	4 769	16 964	4 095	7 593	573	7 161	3 049	–	–	44 204	(25 241)	18 963
Recurring premiums		4 551	422	3 306	6 245	573	5 768	2 024	–	–	22 889	(8 183)	14 706
Single premiums		218	16 542	789	1 348	–	1 393	1 025	–	–	21 315	(17 058)	4 257
Fee income		587	1 838	55	642	1 117	865	99	51	265	5 519	(1 033)	4 486
Fee income	2.3, 2.4	567	1 450	55	642	1 091	865	99	35	–	4 804	(318)	4 486
Intergroup fee income		20	388	–	–	26	–	–	16	265	715	(715)	–
Expenses													
Net payments to contract holders		6 412	14 294	3 319	8 333	338	3 047	1 905	–	–	37 648	(21 390)	16 258
External payments		1 634	1 759	1 557	760	1 091	2 992	830	101	329	11 053	1 087	12 140
Other expenses ³		699	485	752	48	35	1 488	329	16	–	3 852	–	3 852
Sales remuneration		818	905	728	566	866	1 372	385	63	590	6 293	1 340	7 633
Administration expenses													
Asset management, direct property and other fee expenses		21	163	–	–	2	–	1	–	6	193	462	655
Intergroup expenses		96	206	77	146	188	132	115	22	(267)	715	(715)	–
Normalised headline earnings													
Operating (loss)/profit ⁴	2.1	30	489	268	370	94	303	7	(299)	263	1 525	–	1 525
Tax on operating (loss)/profit		(45)	579	324	424	136	314	(22)	(300)	(21)	1 389	–	1 389
Investment return		1	(141)	(92)	(122)	(43)	(81)	(8)	–	(8)	(494)	–	(494)
Tax on investment return		81	64	39	75	1	75	51	1	346	733	–	733
		(7)	(13)	(3)	(7)	–	(5)	(14)	–	(54)	(103)	–	(103)
Covered	2.2	47	342	267	368	–	–	66	–	(38)	1 052	–	1 052
Non-covered	2.2	(17)	147	1	2	94	303	(59)	(299)	301	473	–	473
		30	489	268	370	94	303	7	(299)	263	1 525	–	1 525
Basis changes and investment variances⁵													
		(201)	19	(60)	36	–	–	(8)	–	40	(174)	–	(174)
Actuarial liabilities		80 448	202 916	38 641	114 866	41	36 252	17 382	–	164	490 710	–	490 710

¹ Reconciling items include investment contract business premiums and claims; intergroup fee income and expenses; direct property (R243 million) and asset management fees for all entities (Restated R219 million), except non-life entities, that are set off against investment income for management reporting purposes but shown as an expense for accounting purposes; asset management fees from cell captive business (R1 075 million); the amortisation of intangible assets relating to business combinations (R238 million); expenses relating to consolidated CISs and other minor adjustments to expenses and fee income.

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

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

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

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

NOTE 2 CONTINUED
SEGMENTAL REPORT CONTINUED

	Notes	Momentum Life Rm	Momentum Life Investments Rm	Momentum Metropolitan Life Rm	Momentum Corporate Rm	Momentum Metropolitan Health Rm	Non-life Insurance Rm	Momentum Metropolitan Africa Rm	New Initiatives Rm	Shareholders Rm	Segmental total Rm	Reconciling items ¹ Rm	Total Rm
12 mths to 30.06.2022													
Revenue													
Net insurance premiums	2.4	9 889	30 732	8 239	17 509	1 186	14 035	5 620	–	–	87 210	(48 317)	38 893
Recurring premiums		9 392	869	6 450	12 798	1 186	10 907	4 015	–	–	45 617	(14 328)	31 289
Single premiums		497	29 863	1 789	4 711	–	3 128	1 605	–	–	41 593	(33 989)	7 604
Fee income		1 274	3 689	70	1 237	2 315	1 685	189	123	546	11 128	(1 861)	9 267
Fee income	2.3, 2.4	1 233	2 976	70	1 234	2 261	1 685	189	83	–	9 731	(464)	9 267
Intergroup fee income		41	713	–	3	54	–	–	40	546	1 397	(1 397)	–
Expenses													
Net payments to contract holders		11 250	27 035	6 485	19 917	724	6 373	3 418	–	–	75 202	(44 826)	30 376
External payments		3 350	3 579	3 072	1 611	2 320	5 445	1 747	215	775	22 114	2 653	24 767
Other expenses ²		1 324	998	1 402	85	83	3 070	675	37	–	7 674	–	7 674
Sales remuneration		1 783	1 927	1 506	1 222	1 826	2 099	830	105	1 381	12 679	2 888	15 567
Administration expenses		53	286	–	–	7	–	2	1	15	364	1 162	1 526
Asset management, direct property and other fee expenses		190	368	164	304	404	276	240	72	(621)	1 397	(1 397)	–
Intergroup expenses													
Normalised headline earnings	2.1	1 110	938	672	1 174	209	461	118	(466)	167	4 383	–	4 383
Operating profit/(loss) ³		1 395	1 145	845	1 475	295	450	22	(467)	(285)	4 875	–	4 875
Tax on operating profit/(loss)		(419)	(275)	(239)	(426)	(83)	(51)	(14)	(1)	(4)	(1 512)	–	(1 512)
Investment return		143	83	71	134	(4)	70	137	2	535	1 171	–	1 171
Tax on investment return		(9)	(15)	(5)	(9)	1	(8)	(27)	–	(79)	(151)	–	(151)
Covered	2.2	1 164	680	670	1 172	–	–	202	–	(17)	3 871	–	3 871
Non-covered	2.2	(54)	258	2	2	209	461	(84)	(466)	184	512	–	512
		1 110	938	672	1 174	209	461	118	(466)	167	4 383	–	4 383
Basis changes and investment variances⁴		307	136	95	399	–	–	39	–	75	1 051	–	1 051
Actuarial liabilities		74 637	190 001	36 265	107 064	108	45 052	16 899	–	148	470 174	–	470 174

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

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

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

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

Notes to the condensed consolidated interim financial statements (continued)

NOTE 2.1

CHANGE IN NORMALISED HEADLINE EARNINGS

	Notes	Change %	6 mths to 31.12.2022 Rm	6 mths to 31.12.2021 Rm	12 mths to 30.06.2022 Rm
Momentum Life		>100	689	30	1 110
Momentum Investments		(10)	441	489	938
Metropolitan Life		–	268	268	672
Momentum Corporate		50	556	370	1 174
Momentum Metropolitan Health		55	146	94	209
Non-life Insurance		(20)	243	303	461
Momentum Metropolitan Africa		>100	122	7	118
Normalised headline earnings from operating segments		58	2 465	1 561	4 682
New Initiatives		18	(244)	(299)	(466)
Shareholders		(97)	9	263	167
Total normalised headline earnings	2	46	2 230	1 525	4 383

NOTE 2.2
SEGMENTAL ANALYSIS

	Notes	Momentum Life Rm	Momentum Investments Rm	Momentum Metropolitan Life Rm	Momentum Corporate Rm	Momentum Metropolitan Health Rm	Momentum Non-life Insurance Rm	Momentum Metropolitan Africa Rm	New Initiatives Rm	Shareholders Rm	Total Rm
6 mths to 31.12.2022											
Covered											
		306	-	66	326	-	-	110	-	-	808
		76	1	68	145	-	-	(2)	-	-	288
		-	260	79	41	-	-	40	-	-	420
		282	-	29	-	-	-	2	-	-	313
		12	1	(6)	(13)	-	-	(30)	-	49	13
		44	36	31	62	-	-	45	-	106	324
	2	720	298	267	561	-	-	165	-	155	2 166
Non-covered											
	2.2.1	-	121	-	-	-	-	-	-	-	121
		-	-	-	-	-	-	(14)	-	-	(14)
	2.2.2	-	-	-	-	144	-	4	-	-	148
		(30)	-	-	-	-	-	-	-	-	(30)
	2.2.3	-	-	-	-	-	(67)	(12)	-	-	(79)
	2.2.3	-	-	-	-	-	284	-	-	-	284
		-	-	-	-	-	-	(49)	-	(93)	(142)
	2.2.4	-	-	-	-	-	-	-	(166)	-	(166)
		(4)	-	1	(5)	-	-	(5)	(81)	28	(66)
		3	22	-	-	2	26	33	3	(81)	8
	2	(31)	143	1	(5)	146	243	(43)	(244)	(146)	64
		689	441	268	556	146	243	122	(244)	9	2 230
Normalised headline earnings											

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

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

NOTE 2.2 CONTINUED
SEGMENTAL ANALYSIS CONTINUED

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

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

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

Notes to the condensed consolidated interim financial statements (continued)

NOTE 2.2.1

MOMENTUM INVESTMENTS – NON-COVERED BUSINESS

	Notes	6 mths to 31.12.2022 Rm	Restated 6 mths to 31.12.2021 Rm	Restated 12 mths to 30.06.2022 Rm
Revenue		877	844	1 714
Fee income		816	817	1 645
Investment income		37	22	53
Fair value gains		24	5	16
Expenses and finance costs		(697)	(672)	(1 428)
Other expenses		(674)	(656)	(1 391)
Finance costs		(23)	(16)	(37)
Share of profit of associates		7	20	37
Profit before tax		187	192	323
Income tax expense		(40)	(44)	(60)
Non-controlling interest		(4)	(1)	(5)
Normalised headline earnings		143	147	258
Operating profit before tax	2.2	160	184	309
Tax on operating profit	2.2	(39)	(44)	(60)
Investment return		23	7	10
Tax on investment return		(1)	–	(1)
Normalised headline earnings		143	147	258
Assets under management¹		543 566	561 247	518 422

¹ Refer to the Analysis of assets managed and/or administered note for more information on the restatements.

NOTE 2.2.2

HEALTH – NON-COVERED BUSINESS

	Notes	Momentum Metropolitan Health Rm	Momentum Metropolitan Africa Rm	Total Rm
6 mths to 31.12.2022				
Revenue		1 820	350	2 170
Net insurance premiums		602	343	945
Fee income		1 186	–	1 186
Investment income		25	7	32
Intergroup fees		7	–	7
Expenses and finance costs		(1 563)	(341)	(1 904)
Net payments to contract holders		(386)	(257)	(643)
Change in actuarial liabilities		(6)	–	(6)
Other expenses		(1 170)	(84)	(1 254)
Finance costs		(1)	–	(1)
Share of profit of associates		9	14	23
Profit before tax		266	23	289
Income tax expense		(70)	(11)	(81)
Non-controlling interest		(50)	1	(49)
Normalised headline earnings		146	13	159
Operating profit before tax	2.2	198	15	213
Tax on operating profit	2.2	(54)	(11)	(65)
Investment return		3	8	11
Tax on investment return		(1)	1	–
Normalised headline earnings		146	13	159
Closed schemes		40	13	53
Open scheme		79	–	79
Other		27	–	27
		146	13	159

	Principal members	Lives
Momentum Metropolitan Health principal members	1 221 260	
Momentum Metropolitan Africa lives		406 651

Notes to the condensed consolidated interim financial statements (continued)

NOTE 2.2.2 CONTINUED

HEALTH – NON-COVERED BUSINESS CONTINUED

	Notes	Momentum Metropolitan Health Rm	Momentum Metropolitan Africa Rm	Total Rm
6 mths to 31.12.2021				
Revenue		1 709	279	1 988
Net insurance premiums		573	265	838
Fee income		1 093	1	1 094
Investment income		13	13	26
Intergroup fees		30	–	30
Expenses and finance costs		(1 476)	(266)	(1 742)
Net payments to contract holders		(338)	(199)	(537)
Change in actuarial liabilities		(5)	–	(5)
Other expenses		(1 132)	(67)	(1 199)
Finance costs		(1)	–	(1)
Share of profit of associates		4	12	16
Profit before tax		237	25	262
Income tax expense		(67)	(6)	(73)
Non-controlling interest		(76)	(1)	(77)
Normalised headline earnings		94	18	112
Operating profit before tax	2.2	136	13	149
Tax on operating profit	2.2	(43)	(4)	(47)
Investment return		1	11	12
Tax on investment return		–	(2)	(2)
Normalised headline earnings		94	18	112
Closed schemes		16	18	34
Open scheme		44	–	44
Other		34	–	34
		94	18	112

	Principal members	Lives
Momentum Metropolitan Health principal members	1 183 993	
Momentum Metropolitan Africa lives		391 855

NOTE 2.2.2 CONTINUED

HEALTH – NON-COVERED BUSINESS CONTINUED

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

	Principal members	Lives
Momentum Metropolitan Health principal members	1 184 094	
Momentum Metropolitan Africa lives		404 890

Notes to the condensed consolidated interim financial statements (continued)

NOTE 2.2.3

NON-LIFE INSURANCE

	Notes	Non-life business Rm	Cell captive business Rm	Momentum Metropolitan Africa Rm	Total Rm
6 mths to 31.12.2022					
Gross written premiums		1 523	–	128	1 651
Net insurance premiums		1 459	–	92	1 551
Fee income		1	694	35	730
Management fees		–	359	–	359
Investment fees		–	70	–	70
Underwriting fees		–	262	–	262
Other fee income		1	3	35	39
Investment income		52	105	31	188
Total income		1 512	799	158	2 469
Expenses and finance costs		(1 585)	(403)	(140)	(2 128)
Net payments to contract holders		(1 065)	–	(40)	(1 105)
Change in actuarial liabilities		–	–	(1)	(1)
Acquisition costs ¹		(141)	–	(26)	(167)
Other expenses		(379)	(392)	(73)	(844)
Finance costs		–	(11)	–	(11)
(Loss)/profit before tax		(73)	396	18	341
Income tax expense		27	(107)	(5)	(85)
Non-controlling interest		–	–	(4)	(4)
Normalised headline earnings		(46)	289	9	252
Operating (loss)/profit before tax	2.2	(100)	395	(8)	287
Tax on operating (loss)/profit	2.2	33	(111)	(4)	(82)
Investment return		28	6	21	55
Tax on investment return		(7)	(1)	–	(8)
Normalised headline earnings		(46)	289	9	252
Momentum Insure (including Admin)		(46)	–	–	(46)
Guardrisk Group		–	289	–	289
Momentum Insurance (Namibia)		–	–	4	4
Momentum Short-term Insurance (Namibia)		–	–	5	5
Cannon Short-term		–	–	–	–
		(46)	289	9	252

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

NOTE 2.2.3 CONTINUED
NON-LIFE INSURANCE CONTINUED

	Notes	Non-life business Rm	Cell captive business Rm	Momentum Metropolitan Africa Rm	Total Rm
6 mths to 31.12.2021					
Gross written premiums		1 421	–	182	1 603
Net insurance premiums		1 374	–	216	1 590
Fee income		1	566	43	610
Management fees		–	323	–	323
Investment fees		–	40	–	40
Underwriting fees		–	202	–	202
Other fee income		1	1	43	45
Investment income		36	134	16	186
Total income		1 411	700	275	2 386
Expenses and finance costs		(1 408)	(314)	(266)	(1 988)
Net payments to contract holders		(933)	–	(164)	(1 097)
Change in actuarial liabilities		–	–	5	5
Acquisition costs ¹		(135)	–	(39)	(174)
Other expenses		(340)	(306)	(68)	(714)
Finance costs		–	(8)	–	(8)
Profit before tax		3	386	9	398
Income tax expense		5	(91)	–	(86)
Non-controlling interest		–	–	(2)	(2)
Normalised headline earnings		8	295	7	310
Operating (loss)/profit before tax	2.2	(16)	330	5	319
Tax on operating (loss)/profit	2.2	10	(91)	–	(81)
Investment return		19	56	2	77
Tax on investment return		(5)	–	–	(5)
Normalised headline earnings		8	295	7	310
Momentum Insure (including Admin)		8	–	–	8
Guardrisk Group		–	295	–	295
Momentum Insurance (Namibia)		–	–	4	4
Momentum Short-term Insurance (Namibia)		–	–	–	–
Cannon Short-term		–	–	3	3
		8	295	7	310

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

Notes to the condensed consolidated interim financial statements (continued)

NOTE 2.2.3 CONTINUED

NON-LIFE INSURANCE CONTINUED

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

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

NOTE 2.2.4

INDIA – NON-COVERED BUSINESS¹

	Notes	6 mths to 31.12.2022 Rm	6 mths to 31.12.2021 Rm	12 mths to 30.06.2022 Rm
Gross written premiums		2 710	1 563	3 522
Net earned premiums		1 790	1 032	2 426
Fee income		19	18	21
Net incurred claims		(1 093)	(890)	(1 688)
Total management expenses		(1 069)	(682)	(1 545)
Net commission expenses		(87)	(40)	(39)
Underwriting loss		(440)	(562)	(825)
Investment income		103	68	145
Operating loss		(337)	(494)	(680)
Investment income on excess		24	30	48
Loss before and after tax		(313)	(464)	(632)
MMH share of results (49%)		(153)	(227)	(310)
Group support costs		(20)	(16)	(32)
Group IT and IT services		7	3	4
Normalised headline earnings	2.2	(166)	(240)	(338)
Number of lives		23 912 430	16 196 123	18 789 363

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

Notes to the condensed consolidated interim financial statements (continued)

NOTE 2.3

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
6 mths to 31.12.2022							
Momentum Life		472	10	–	–	83	565
Momentum Investments		773	593	–	–	78	1 444
Metropolitan Life		5	–	–	–	7	12
Momentum Corporate		442	236	–	–	22	700
Momentum Metropolitan Health		1	–	1 173	–	10	1 184
Non-life Insurance		77	–	–	987	39	1 103
Momentum Metropolitan Africa		25	11	–	–	43	79
New Initiatives		–	–	–	–	53	53
Shareholders		–	–	–	–	5	5
Segmental total		1 795	850	1 173	987	340	5 145
Reconciling items		–	(242)	–	–	2	(240)
Total	2	1 795	608	1 173	987	342	4 905
6 mths to 31.12.2021							
Momentum Life		472	14	–	–	81	567
Momentum Investments		749	613	–	–	88	1 450
Metropolitan Life		22	–	–	–	33	55
Momentum Corporate		406	213	–	–	23	642
Momentum Metropolitan Health		–	–	1 086	–	5	1 091
Non-life Insurance		44	–	–	780	41	865
Momentum Metropolitan Africa		26	13	–	–	60	99
New Initiatives		–	–	–	–	35	35
Segmental total		1 719	853	1 086	780	366	4 804
Reconciling items		–	(319)	–	–	1	(318)
Total	2	1 719	534	1 086	780	367	4 486
12 mths to 30.06.2022							
Momentum Life		1 043	20	–	–	170	1 233
Momentum Investments		1 561	1 243	–	–	172	2 976
Metropolitan Life		–	–	–	–	70	70
Momentum Corporate		759	431	–	–	44	1 234
Momentum Metropolitan Health		–	–	2 246	–	15	2 261
Non-life Insurance		121	–	–	1 496	68	1 685
Momentum Metropolitan Africa		49	26	–	–	114	189
New Initiatives		–	–	–	–	83	83
Segmental total		3 533	1 720	2 246	1 496	736	9 731
Reconciling items		–	(468)	–	–	4	(464)
Total	2	3 533	1 252	2 246	1 496	740	9 267

NOTE 2.4

SEGMENT REVENUE PER GEOGRAPHICAL BASIS

	Notes	SA Rm	Non-SA Rm	Total revenue Rm
6 mths to 31.12.2022				
Momentum Life		5 667	–	5 667
Momentum Investments		16 457	386	16 843
Metropolitan Life		4 204	–	4 204
Momentum Corporate		10 200	–	10 200
Momentum Metropolitan Health		1 786	–	1 786
Non-life Insurance		8 041	401	8 442
Momentum Metropolitan Africa		–	2 475	2 475
New Initiatives		53	–	53
Shareholders		5	–	5
Segmental total		46 413	3 262	49 675
Reconciling items		(23 362)	(661)	(24 023)
Total	2	23 051	2 601	25 652
Restated 6 mths to 31.12.2021¹				
Momentum Life		5 336	–	5 336
Momentum Investments		18 021	393	18 414
Metropolitan Life		4 150	–	4 150
Momentum Corporate		8 235	–	8 235
Momentum Metropolitan Health		1 664	–	1 664
Non-life Insurance		6 609	1 417	8 026
Momentum Metropolitan Africa		–	3 148	3 148
New Initiatives		35	–	35
Segmental total		44 050	4 958	49 008
Reconciling items		(23 948)	(1 611)	(25 559)
Total	2	20 102	3 347	23 449
12 mths to 30.06.2022				
Momentum Life		11 122	–	11 122
Momentum Investments		33 020	688	33 708
Metropolitan Life		8 309	–	8 309
Momentum Corporate		18 743	–	18 743
Momentum Metropolitan Health		3 447	–	3 447
Non-life Insurance		14 840	880	15 720
Momentum Metropolitan Africa		–	5 809	5 809
New Initiatives		83	–	83
Segmental total		89 564	7 377	96 941
Reconciling items		(47 105)	(1 676)	(48 781)
Total	2	42 459	5 701	48 160

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

Notes to the condensed consolidated interim financial statements (continued)

NOTE 3

NON-CONTROLLING INTERESTS (legal percentages)

	31.12.2022 %	31.12.2021 %	30.06.2022 %
Eris Property Group	23.1	23.3	23.1
Metropolitan Health Ghana	15.0	15.0	15.0
Momentum Metropolitan Namibia	0.8	0.8	0.8
Momentum Mozambique	33.0	33.0	33.0
Metropolitan Health Corporate	29.5	29.5	29.5
Momentum Short-term Insurance (Namibia)	30.0	30.0	30.0
Momentum Insurance (Namibia)	30.0	30.0	30.0
Momentum Health Solutions	27.0	27.0	27.0
Entities sold during period			
Metropolitan Cannon General Insurance	–	33.7	33.7
Metropolitan Cannon Life Assurance	–	33.7	33.7

NOTE 4

BUSINESS COMBINATIONS

DECEMBER 2022

There were no significant business combinations for the 6 months ended December 2022.

DECEMBER 2021

There were no business combinations for the 6 months ended December 2021.

JUNE 2022

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

NOTE 5

GOODWILL

	31.12.2022 Rm	31.12.2021 Rm	30.06.2022 Rm
Cost	2 989	2 988	2 968
Accumulated impairment	(1 194)	(1 184)	(1 194)
Balance at end	1 795	1 804	1 774
Balance at beginning	1 774	2 489	2 489
Business combinations	14	–	1
Impairment charges ¹	–	(708)	(718)
Exchange differences	7	23	2
Balance at end	1 795	1 804	1 774

¹ Goodwill recognised as part of the acquisition of the Alexander Forbes Short-term Insurance business (Non-life Insurance segment), which was subsequently renamed to Momentum Insurance and thereafter integrated into Momentum Insure from 1 July 2021, was impaired in the December 2021 and June 2022 periods due to a revision of the five-year forecast that reflect a more subdued medium-term growth outlook. Should the medium-term outlook not be achieved, the remaining goodwill balance may be impaired by a further R478 million.

NOTE 6**FINANCE COSTS**

	31.12.2022 Rm	Restated 31.12.2021 ¹ Rm	30.06.2022 Rm
Cost of trading positions	811	622	1 286
Subordinated debt	186	168	345
Cost of carry positions	189	114	347
Other finance costs	106	89	204
Redeemable preference shares	88	71	145
Total	1 380	1 064	2 327

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

NOTE 7**SIGNIFICANT RELATED PARTY TRANSACTIONS**

R140 million of the ordinary dividends declared in March 2022 (R100 million of the ordinary dividends declared in March 2021) were attributable to RMI. As a result of RMI unbundling its shareholding in MMH on 25 April 2022, RMI is no longer a related party as of that date.

NOTE 8**DISPOSAL OF SUBSIDIARIES**

	31.12.2022 Rm
Assets/(liabilities) disposed of:	
Financial assets at FVPL	309
Investment properties	122
Cash and cash equivalents	29
Other assets	287
Long-term insurance contracts	(78)
Investment contracts designated at FVPL	(86)
Other liabilities	(442)
Net assets sold	141
Non-controlling interests disposed of	(29)
Loss on sale of subsidiaries	(112)
Cash flow from sale of subsidiaries	-

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

NOTE 9**OTHER RESERVES**

	31.12.2022 Rm	31.12.2021 Rm	30.06.2022 Rm
Land and building revaluation reserve	329	263	311
FCTR	(70)	174	(16)
Non-distributable reserve	76	68	73
Employee benefit revaluation reserve	16	20	23
Fair value adjustment for preference shares issued by MMH	940	940	940
Equity-settled share-based payment arrangements	157	88	122
Total	1 448	1 553	1 453

Notes to the condensed consolidated interim financial statements (continued)

NOTE 10

DIVIDENDS

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

MMH convertible redeemable preference shares (issued to KTH)

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

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

NOTE 11

FINANCIAL INSTRUMENTS SUMMARISED BY MEASUREMENT CATEGORY IN TERMS OF IFRS 9

	FVPL					Total Rm
	Mandatorily Rm	Designated ¹ Rm	Total fair value Rm	Amortised cost Rm	Not in scope of IFRS 9 Rm	
31.12.2022						
Unit-linked investments	193 748	–	193 748	–	–	193 748
Debt securities	45 184	132 002	177 186	392	–	177 578
Equity securities ²	104 550	–	104 550	–	–	104 550
Carry positions	–	1 036	1 036	–	–	1 036
Funds on deposit and other money market instruments	12 838	16 507	29 345	237	–	29 582
Derivative financial assets	2 266	–	2 266	–	–	2 266
Financial assets at amortised cost	–	–	–	6 633	–	6 633
Insurance and other receivables (excluding accelerated rental and prepayments)	–	–	–	–	6 026	6 026
Cash and cash equivalents	–	–	–	34 775	–	34 775
Total financial assets	358 586	149 545	508 131	42 037	6 026	556 194
Investment contracts with DPF	–	–	–	–	3 137	3 137
Investment contracts designated at FVPL	–	339 111	339 111	–	–	339 111
CIS liabilities	–	27 956	27 956	–	–	27 956
Subordinated call notes	–	4 312	4 312	–	–	4 312
Carry positions	–	9 443	9 443	–	–	9 443
Preference shares	–	323	323	–	–	323
Derivative financial liabilities	2 979	–	2 979	–	–	2 979
Other borrowings	521	–	521	–	–	521
Financial liabilities at amortised cost	–	–	–	4 086	152	4 238
Other payables (excluding premiums in advance and deferred revenue liability)	–	–	–	7 792	9 486	17 278
Total financial liabilities	3 500	381 145	384 645	11 878	12 775	409 298

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

² Equity securities are classified as FVPL at inception.

NOTE 11 CONTINUED

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

	FVPL			Amortised cost Rm	Not in scope of IFRS 9 Rm	Total Rm
	Mandatorily Rm	Designated ¹ Rm	Total fair value Rm			
Restated 31.12.2021²						
Unit-linked investments	200 026	–	200 026	–	–	200 026
Debt securities ³	44 481	122 255	166 736	572	–	167 308
Equity securities ⁴	113 043	–	113 043	–	–	113 043
Carry positions	–	2 047	2 047	–	–	2 047
Funds on deposit and other money market instruments ³	10 103	16 281	26 384	322	–	26 706
Derivative financial assets	1 863	–	1 863	–	–	1 863
Financial assets at amortised cost	–	–	–	5 730	–	5 730
Insurance and other receivables (excluding accelerated rental and prepayments)	–	–	–	–	6 510	6 510
Cash and cash equivalents	–	–	–	35 763	–	35 763
Total financial assets	369 516	140 583	510 099	42 387	6 510	558 996
Investment contracts with DPF	–	–	–	–	3 055	3 055
Investment contracts designated at FVPL	–	339 568	339 568	–	–	339 568
CIS liabilities	–	33 229	33 229	–	–	33 229
Subordinated call notes	–	4 392	4 392	–	–	4 392
Carry positions	–	8 565	8 565	–	–	8 565
Preference shares	–	323	323	–	–	323
Derivative financial liabilities	2 935	–	2 935	–	–	2 935
Other borrowings	780	–	780	–	–	780
Financial liabilities at amortised cost	–	–	–	4 186	199	4 385
Other payables (excluding premiums in advance and deferred revenue liability)	–	–	–	8 182	7 039	15 221
Total financial liabilities	3 715	386 077	389 792	12 368	10 293	412 453

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

² Refer to note 12 for more information on the restatements, other than footnote 3.

³ Upon further investigation it was concluded that Debt securities classified as mandatorily at FVPL (R3 226 million) and Funds on deposit and other money market instruments classified as mandatorily at FVPL (R757 million) should have been classified as designated at FVPL. December 2021 has been restated accordingly.

⁴ Equity securities are classified as FVPL at inception.

Notes to the condensed consolidated interim financial statements (continued)

NOTE 11 CONTINUED

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

	FVPL			Amortised cost Rm	Not in scope of IFRS 9 Rm	Total Rm
	Mandatorily Rm	Designated ¹ Rm	Total fair value Rm			
30.06.2022						
Unit-linked investments	184 886	–	184 886	–	–	184 886
Debt securities	45 386	129 395	174 781	481	–	175 262
Equity securities ²	96 646	–	96 646	–	–	96 646
Carry positions	–	1 124	1 124	–	–	1 124
Funds on deposit and other money market instruments	13 442	16 718	30 160	263	–	30 423
Derivative financial assets	1 914	–	1 914	–	–	1 914
Financial assets at amortised cost	–	–	–	7 995	–	7 995
Insurance and other receivables (excluding accelerated rental and prepayments)	–	–	–	–	6 861	6 861
Cash and cash equivalents	–	–	–	28 720	–	28 720
Total financial assets	342 274	147 237	489 511	37 459	6 861	533 831
Investment contracts with DPF	–	–	–	–	3 031	3 031
Investment contracts designated at FVPL	–	318 758	318 758	–	–	318 758
CIS liabilities	–	30 782	30 782	–	–	30 782
Subordinated call notes	–	5 327	5 327	–	–	5 327
Carry positions	–	7 723	7 723	–	–	7 723
Preference shares	–	337	337	–	–	337
Derivative financial liabilities	3 039	–	3 039	–	–	3 039
Other borrowings	878	55	933	–	–	933
Financial liabilities at amortised cost	–	–	–	4 148	188	4 336
Other payables (excluding premiums in advance and deferred revenue liability)	–	–	–	10 981	6 647	17 628
Total financial liabilities	3 917	362 982	366 899	15 129	9 866	391 894

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

² Equity securities are classified as FVPL at inception.

NOTE 11.1

FINANCIAL INSTRUMENTS FAIR VALUE HIERARCHY

The different valuation method levels have been defined as follows:

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

FINANCIAL ASSETS

	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
31.12.2022				
Securities at FVPL	357 702	144 567	5 862	508 131
Unit-linked investments				
CISs ¹				
Local unlisted or listed quoted	116 802	1 360	–	118 162
Local unlisted unquoted	–	13	–	13
Foreign unlisted or listed quoted	58 885	241	58	59 184
Foreign unlisted unquoted	–	1 368	66	1 434
Other unit-linked investments				
Local unlisted or listed quoted	3 594	–	–	3 594
Local unlisted unquoted	–	7 296	3 042	10 338
Foreign unlisted or listed quoted	137	–	–	137
Foreign unlisted unquoted	260	18	608	886
Debt securities				
Stock and loans to government and other public bodies				
Local listed	72 341	10 515	1	82 857
Foreign listed	2 024	4 237	–	6 261
Unlisted	–	3 296	1 425	4 721
Other debt instruments				
Local listed	1	39 721	60	39 782
Foreign listed	5	8 385	64	8 454
Unlisted	–	34 959	152	35 111
Equity securities				
Local listed	67 890	4	4	67 898
Foreign listed	35 681	662	81	36 424
Unlisted	–	38	190	228
Funds on deposit and other money market instruments	–	29 340	5	29 345
Carry positions	–	1 036	–	1 036
Derivative financial assets – held for trading	82	2 078	106	2 266
	357 702	144 567	5 862	508 131

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

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

Notes to the condensed consolidated interim financial statements (continued)

NOTE 11.1 CONTINUED

FINANCIAL INSTRUMENTS FAIR VALUE HIERARCHY CONTINUED

FINANCIAL ASSETS

	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
Restated 31.12.2021¹				
Securities at FVPL	366 309	138 080	5 710	510 099
Unit-linked investments				
CISs ²				
Local unlisted or listed quoted	119 274	1 247	–	120 521
Local unlisted unquoted	–	17	–	17
Foreign unlisted or listed quoted	61 318	256	53	61 627
Foreign unlisted unquoted	–	2 580	341	2 921
Other unit-linked investments				
Local unlisted or listed quoted	3 555	19	–	3 574
Local unlisted unquoted ³	–	7 801	2 694	10 495
Foreign unlisted or listed quoted ^{4,5}	225	–	–	225
Foreign unlisted unquoted ^{3,4,5}	263	17	366	646
Debt securities				
Stock and loans to government and other public bodies				
Local listed ⁶	67 683	11 261	1	78 945
Foreign listed ⁶	1 887	3 417	2	5 306
Unlisted	–	3 405	1 349	4 754
Other debt instruments				
Local listed ⁶	–	36 603	80	36 683
Foreign listed ⁶	5	6 544	64	6 613
Unlisted	–	34 180	255	34 435
Equity securities				
Local listed	70 444	3	1	70 448
Foreign listed	41 589	600	155	42 344
Unlisted	–	94	157	251
Funds on deposit and other money market instruments	–	26 379	5	26 384
Carry positions	–	2 047	–	2 047
Derivative financial assets – held for trading	66	1 610	187	1 863
	366 309	138 080	5 710	510 099

¹ Refer to note 12 for more information on the restatements, other than footnotes 3, 4, 5 and 6.

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

³ Upon further interrogation it was noted that R55 million Local unlisted unquoted other unit-linked investments included in level 3 was inappropriately classified as such and should have been classified as Foreign unlisted unquoted other unit-linked investments included in level 3. December 2021 has been restated accordingly.

⁴ Upon further interrogation it was noted that R21 million Foreign unlisted or listed quoted other unit-linked investments included in level 3 was inappropriately classified as such and should have been classified as Foreign unlisted unquoted other unit-linked investments included in level 3. December 2021 has been restated accordingly.

⁵ Upon further interrogation it was noted that R263 million Foreign unlisted or listed quoted other unit-linked investments included in level 2 was inappropriately classified as such and should have been classified as Foreign unlisted unquoted other unit-linked investments included in level 1. December 2021 has been restated accordingly.

⁶ When an inward listed instrument is deemed foreign by the South African Reserve Bank (SARB), the Group will classify it as foreign for IFRS reporting purposes. In 2020, the SARB issued a circular that deemed all inward listed debt as local where as previously this was deemed to be foreign. The SARB has subsequently reissued a final circular in February 2022 following industry engagement deeming all inward listed debt type instruments to be foreign. The Group has therefore restated the December 2021 figures accordingly to consistently treat all inward listed debt type instruments as foreign. This treatment is in accordance with the SARB February 2022 circular.

NOTE 11.1 CONTINUED

FINANCIAL INSTRUMENTS FAIR VALUE HIERARCHY CONTINUED

FINANCIAL ASSETS CONTINUED

	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
Restated 30.06.2022				
Securities at FVPL	339 107	144 216	6 188	489 511
Unit-linked investments				
CISs ¹				
Local unlisted or listed quoted	113 859	1 214	–	115 073
Local unlisted unquoted	–	16	–	16
Foreign unlisted or listed quoted	53 645	270	55	53 970
Foreign unlisted unquoted	–	1 529	58	1 587
Other unit-linked investments				
Local unlisted or listed quoted	3 364	1	–	3 365
Local unlisted unquoted	–	6 620	3 132	9 752
Foreign unlisted or listed quoted ²	204	–	–	204
Foreign unlisted unquoted ²	259	96	564	919
Debt securities				
Stock and loans to government and other public bodies				
Local listed ³	70 362	10 785	1	81 148
Foreign listed ³	1 590	3 656	2	5 248
Unlisted	–	3 650	1 371	5 021
Other debt instruments				
Local listed ³	1	39 294	3	39 298
Foreign listed ³	10	7 819	64	7 893
Unlisted	–	35 717	456	36 173
Equity securities				
Local listed	60 522	3	1	60 526
Foreign listed	35 221	567	146	35 934
Unlisted	–	27	159	186
Funds on deposit and other money market instruments	–	30 155	5	30 160
Carry positions	–	1 124	–	1 124
Derivative financial assets – held for trading	70	1 673	171	1 914
	339 107	144 216	6 188	489 511

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

² Upon further interrogation it was noted that R259 million Foreign unlisted or listed quoted other unit-linked investments included in level 1 was inappropriately classified as such and should have been classified as Foreign unlisted unquoted other unit-linked investments included in level 1. June 2022 has been restated accordingly.

³ When an inward listed instrument is deemed foreign by the SARB, the Group will classify it as foreign for IFRS reporting purposes. In 2020, the SARB issued a circular that deemed all inward listed debt as local where as previously this was deemed to be foreign. The SARB has subsequently reissued a final circular in February 2022 following industry engagement deeming all inward listed debt type instruments to be foreign. The Group has therefore restated the June 2022 figures accordingly to consistently treat all inward listed debt type instruments as foreign. This treatment is in accordance with the SARB February 2022 circular.

Notes to the condensed consolidated interim financial statements (continued)

NOTE 11.1 CONTINUED

FINANCIAL INSTRUMENTS FAIR VALUE HIERARCHY CONTINUED

FINANCIAL LIABILITIES

	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
31.12.2022				
Investment contracts designated at FVPL	–	339 100	11	339 111
Financial liabilities at FVPL	28 455	16 758	321	45 534
CIS liabilities	27 934	–	22	27 956
Subordinated call notes	–	4 312	–	4 312
Carry positions	–	9 443	–	9 443
Preference shares	–	25	298	323
Derivative financial liabilities – held for trading	13	2 965	1	2 979
Other borrowings	508	13	–	521
	28 455	355 858	332	384 645
Restated				
31.12.2021¹				
Investment contracts designated at FVPL ²	–	339 544	24	339 568
Financial liabilities at FVPL	33 839	15 900	485	50 224
CIS liabilities	33 203	–	26	33 229
Subordinated call notes	–	4 392	–	4 392
Carry positions	–	8 565	–	8 565
Preference shares	–	15	308	323
Derivative financial liabilities – held for trading	26	2 909	–	2 935
Other borrowings	610	19	151	780
	33 839	355 444	509	389 792
30.06.2022				
Investment contracts designated at FVPL	–	318 748	10	318 758
Financial liabilities at FVPL	31 577	16 142	422	48 141
CIS liabilities	30 768	–	14	30 782
Subordinated call notes	–	5 327	–	5 327
Carry positions	–	7 723	–	7 723
Preference shares	–	43	294	337
Derivative financial liabilities – held for trading	3	3 036	–	3 039
Other borrowings	806	13	114	933
	31 577	334 890	432	366 899

¹ Refer to note 12 for more information on the restatements, other than footnote 2.

² It was deemed more appropriate that Investment contracts designated at FVPL of R272 million included in level 3 be included in level 2 instead. December 2021 has been restated accordingly.

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

NOTE 11.2

FAIR VALUE OF LEVEL 3 FINANCIAL ASSETS

	At FVPL					Total Rm
	Unit-linked investments Rm	Debt securities Rm	Equity securities Rm	Funds on deposit and other money market instruments Rm	Derivative financial assets Rm	
6 mths to 31.12.2022						
Opening balance	3 809	1 897	306	5	171	6 188
Total (losses)/gains in net realised and unrealised fair value gains in the income statement						
Realised gains/(losses)	24	26	(51)	–	–	(1)
Unrealised (losses)/gains	(28)	43	56	–	(72)	(1)
Foreign exchange adjustments	1	–	1	–	7	9
Accrued interest in investment income in the income statement	–	32	–	–	–	32
Purchases	186	303	26	–	–	515
Sales	(227)	(464)	–	–	–	(691)
Settlements	–	(129)	(1)	–	–	(130)
Transfers into level 3 from level 1 ¹	–	–	2	–	–	2
Transfers into level 3 from level 2 ²	9	–	12	–	–	21
Transfers out to level 2 ³	–	(6)	(76)	–	–	(82)
Closing balance	3 774	1 702	275	5	106	5 862
6 mths to 31.12.2021						
Opening balance	3 025	1 972	234	5	178	5 414
Total gains in net realised and unrealised fair value gains in the income statement						
Realised gains/(losses)	28	54	(35)	–	–	47
Unrealised gains/(losses)	374	(49)	39	–	–	364
Foreign exchange adjustments	4	–	6	–	16	26
Accrued interest in investment income in the income statement	(1)	38	–	–	–	37
Purchases	214	293	126	–	–	633
Sales	(190)	(520)	(84)	–	–	(794)
Settlements	–	(43)	–	–	(7)	(50)
Transfers into level 3 from level 2 ²	–	6	80	–	–	86
Transfers out to level 2 ³	–	–	(53)	–	–	(53)
Closing balance	3 454	1 751	313	5	187	5 710

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

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

³ Transfers out to level 2 relates mainly to assets with inputs to valuation techniques that are no longer stale in both the current and prior periods.

Notes to the condensed consolidated interim financial statements (continued)

NOTE 11.2 CONTINUED

FAIR VALUE OF LEVEL 3 FINANCIAL ASSETS CONTINUED

	At FVPL					Total Rm
	Unit-linked investments Rm	Debt securities Rm	Equity securities Rm	Funds on deposit and other money market instruments Rm	Derivative financial assets Rm	
12 mths to 30.06.2022						
Opening balance	2 992	1 973	234	5	178	5 382
Total gains/(losses) in net realised and unrealised fair value gains in the income statement						
Realised gains/(losses)	107	17	(49)	–	–	75
Unrealised gains/(losses)	998	(39)	39	–	3	1 001
Foreign exchange adjustments	(3)	–	1	–	2	–
Accrued interest in investment income in the income statement	–	56	–	–	–	56
Other	(4)	(3)	–	–	–	(7)
Purchases	459	865	176	–	–	1 500
Sales	(284)	(917)	(133)	–	–	(1 334)
Settlements	(464)	(68)	–	–	(12)	(544)
Transfers into level 3 from level 2 ¹	8	13	69	–	–	90
Transfers out to level 2 ²	–	–	(31)	–	–	(31)
Closing balance	3 809	1 897	306	5	171	6 188

¹ Level 2 equity securities (R52 million) were transferred to level 3 as the instrument's price was stale for more than 30 days.

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

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

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

	At FVPL	
	Unit-linked investments Rm	Debt securities Rm
31.12.2022		
Carrying amount	3 774	1 702
Assumption change	10% increase/(decrease) in unit price	1% increase/(decrease) in discount rates
Effect of increase in assumption	377	28
Effect of decrease in assumption	(377)	(24)
Restated		
31.12.2021¹		
Carrying amount	3 454	1 751
Assumption change	10% increase/(decrease) in unit price	1% increase/(decrease) in discount rates
Effect of increase in assumption	345	10
Effect of decrease in assumption	(345)	(3)
Restated		
30.06.2022^{2,3}		
Carrying amount	3 809	1 897
Assumption change	10% increase/(decrease) in unit price	1% increase/(decrease) in discount rates
Effect of increase in assumption	381	24
Effect of decrease in assumption	(381)	(20)

¹ The carrying amount on which the assumptions to calculate the sensitivities have been corrected, which resulted in a change to the increase in assumption of negative R75 million and a change to the decrease in assumption of negative R45 million. December 2021 has been restated accordingly.

² The assumption changes were not applied to certain Debt securities which resulted in an increase and a decrease of R8 million respectively. June 2022 has been restated accordingly.

³ Upon further investigation, it was noted that there was an elimination error in the sensitivity disclosures. This resulted in an increase and a decrease of R15 million respectively. June 2022 has been restated accordingly.

NOTE 11.3

FAIR VALUE OF LEVEL 3 FINANCIAL LIABILITIES

	At FVPL				Total Rm
	Investment contracts designated at FVPL Rm	CIS liabilities Rm	Preference shares Rm	Other borrowings Rm	
6 mths to 31.12.2022					
Opening balance	10	14	294	114	432
Total losses/(gains) in net realised and unrealised fair value gains in the income statement					
Realised gains	(2)	-	-	-	(2)
Unrealised losses/(gains)	3	7	4	(20)	(6)
Issues	-	1	-	-	1
Release of put option on minority interest	-	-	-	(94)	(94)
Closing balance	11	22	298	-	331
Restated 6 mths to 31.12.2021¹					
Opening balance	23	18	313	201	555
Total losses/(gains) in net realised and unrealised fair value gains in the income statement					
Unrealised losses/(gains)	1	(4)	1	(9)	(11)
Total gains in other comprehensive income	-	(3)	-	-	(3)
Issues	-	15	-	17	32
Settlements	-	-	(6)	(65)	(71)
Exchange differences	-	-	-	7	7
Closing balance	24	26	308	151	509
12 mths to 30.06.2022					
Opening balance	23	18	313	201	555
Total gains in net realised and unrealised fair value gains in the income statement					
Unrealised gains	(2)	(1)	(13)	(61)	(77)
Issues	-	4	-	35	39
Sales	-	(4)	-	-	(4)
Settlements	-	(3)	(6)	(64)	(73)
Contract holder movements					
Benefits paid	(11)	-	-	-	(11)
Exchange differences	-	-	-	3	3
Closing balance	10	14	294	114	432

¹ It was deemed more appropriate that Investment contracts designated at FVPL of R272 million included in level 3 be included in level 2 instead. December 2021 has been restated accordingly.

Sensitivity: The final calculation of the deferred consideration payable by Momentum Global Investment Management Ltd as a result of the initial acquisition of Seneca Investment Managers Ltd has been valued at Rnil as a result of the remaining criteria for payment not being met. Therefore, the sensitivity analysis is not applicable for the current period (30.06.2022: Increasing/decreasing the assets under management growth rate by 10% would decrease/increase the carrying amount of the contingent consideration, included in Other borrowings, in level 3 by R1.1 million and R1.1 million respectively).

The put option liability in relation to Metropolitan Cannon Life Assurance Ltd and Metropolitan Cannon General Insurance Ltd, which was recognised within Other borrowings in level 3, lapsed unexercised in the current period. Therefore, the sensitivity analysis is not applicable for the current period. In the prior periods, increasing/decreasing the net asset value of the underlying entity by 10% did not have an impact on the carrying amount of level 3 Other borrowings.

Notes to the condensed consolidated interim financial statements (continued)

NOTE 11.4

VALUATION TECHNIQUES

GROUP'S VALUATION PROCESSES

The Group's in-house valuation experts perform the valuations of financial assets required for financial reporting purposes. Discussions of valuation processes and results are held at least bi-annually, in line with the Group's bi-annual reporting dates.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

For venture capital fund investments that are classified as unit-linked investments, the Group applies the International Private Equity and Venture Capital (IPEV) valuation guidelines, which have been prepared with the goal that the derived fair value measurements are compliant with IFRS. The IPEV guidelines allow for adjustments post the valuation date for uncertainty related to time elapsing between the measurement dates of the fund manager and the investor, changes in market dynamics or other economic conditions, and facts or circumstances that may impact the valuation of start-up businesses. Management applies judgement if an adjustment is needed for any of these reasons.

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

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

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

NOTE 11.4 CONTINUED

VALUATION TECHNIQUES CONTINUED

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

Financial assets	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Securities at FVPL				
Equity securities				
– Foreign listed	Published prices	Adjustments for low liquidity or inactivity	Liquidity discount: 0% to 30% (31.12.2021: 0% to 30%; 30.06.2022: 0% to 30%)	Adjustments would result in lower fair value
– Unlisted	NAV	Underlying property valuations impacted by capitalisation rates, vacancy rates and potential capitalisation of project costs	Could vary significantly based on the value of the underlying properties ¹	The higher the capitalisation rate the lower the value of the property and the fair value. The higher the vacancy rate the lower the value of the property and the fair value ¹
	Adjusted NAV or NAV	Price per unit	Could vary significantly based on the assets and liabilities held by the investee ¹	The higher the NAV, the greater the fair value ¹
	DCF	Discount rate	Multiple unobservable inputs ¹	The higher the discount rate, the lower the fair value of the assets
Debt securities				
Stock and loans to government and other public bodies				
– Unlisted	DCF	Discount rate	8.00% to 13.07% (31.12.2021: 8.00% to 11.00%; 30.06.2022: 8.00% to 13.07%)	The higher the discount rate, the lower the fair value of the assets
	Published prices	Adjustments for recoverability and credit risk determined by collection rates of performing and non-performing loans	Multiple unobservable inputs ¹	Adjustments would result in lower fair value
Other debt instruments				
– Unlisted	DCF, Black-scholes model	Discount rate, volatilities, yield curve	Multiple unobservable inputs ¹	Could vary significantly based on multiple inputs ¹
	DCF	Discount rate	5.08% to 17.40% (31.12.2021: 5.28% to 12.83%; 30.06.2022: 6.41% to 17.92%)	
	Last quoted price multiplied by number of units held	Price per unit	78c (31.12.2021: 78c; 30.06.2022: 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.

Notes to the condensed consolidated interim financial statements (continued)

NOTE 11.4 CONTINUED

VALUATION TECHNIQUES CONTINUED

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

Financial assets (continued)	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Securities at FVPL (continued)				
Unit-linked investments				
CISs				
– Foreign unlisted unquoted	Unit price of underlying assets/liabilities multiplied by number of units held	Price per unit	Could vary significantly based on the assets and liabilities held by the investee ¹	The higher the NAV, the greater the fair value ¹
Other unit-linked investments				
– Local unlisted unquoted	Adjusted NAV or NAV	Price per unit	Could vary significantly due to range of holdings ¹	The higher the price per unit, the higher the fair value ¹
	Adjusted NAV or NAV	Underlying investment valuations impacted by funding rounds, market dynamics, economic conditions and internal business metrics	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
		Management applies judgement if an adjustment is required due to changes in market dynamics, economic conditions and internal business metrics		
– Foreign unlisted unquoted	Adjusted NAV or NAV	Price per unit	Could vary significantly due to range of holdings ¹	The higher the price per unit, the higher the fair value ¹
	Adjusted NAV or NAV	Underlying investment valuations impacted by funding rounds, market dynamics, economic conditions and internal business metrics	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
		Management applies judgement if an adjustment is required due to changes in market dynamics, economic conditions and internal business metrics		

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

NOTE 11.4 CONTINUED**VALUATION TECHNIQUES CONTINUED**

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

Financial assets (continued)	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Securities at FVPL (continued) Derivative financial assets	Adjusted NAV or NAV	Underlying investment valuations impacted by funding rounds, market dynamics, economic conditions and internal business metrics Management applies judgement if an adjustment is required due to changes in market dynamics, economic conditions and internal business metrics	Could vary significantly due to range of inputs ¹	The fair value varies based on any changes to the underlying investment valuations and judgemental adjustments applied by management
Financial liabilities				
Financial liabilities at FVPL Other borrowings	DCF	AUM growth rate	Not applicable (31.12.2021: 2.75% to 3.25%; 30.06.2022: 3.25%)	The higher the rate, the higher the fair value
Preference shares	DCF	Discount rate	3.00% (31.12.2021: 12.47% to 15.03%; 30.06.2022: 3.00%)	The higher the discount rate, the lower the fair value of the liability

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

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

Notes to the condensed consolidated interim financial statements (continued)

NOTE 12

RESTATEMENTS

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

Statement of financial position as at 31.12.2021	Before restatement	Share portfolios reclassification ¹	Hedge fund consolidation ²	Re-intermediation ³	AFIN ⁴	Contin-gency cells ⁵	Guardrisk cell reclassification ⁶	CGT variance ⁷	After restatement
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
Financial assets at FVPL	505 324	2 377	2 246	-	152	-	-	-	510 099
Financial assets at amortised cost	7 707	-	(1 324)	-	241	-	-	-	6 624
Insurance and other receivables	7 193	-	-	-	-	-	(22)	-	7 171
Cash and cash equivalents	38 551	(2 377)	(18)	-	(393)	-	-	-	35 763
Insurance contract liabilities	(133 535)	-	-	-	-	132	-	(164)	(133 567)
Long-term insurance contracts	(14 408)	-	-	-	-	-	(112)	-	(14 520)
Non-life insurance contracts	(339 570)	-	-	-	-	(132)	134	-	(339 568)
Investment contracts	(47 916)	-	(2 308)	-	-	-	-	-	(50 224)
- designated at FVPL	(18 686)	-	1 404	241	-	-	-	164	(16 877)
Financial liabilities at FVPL	(45)	-	-	(241)	-	-	-	-	(286)
Other payables									
Provisions									

¹ Investments held in share portfolios were previously incorrectly classified as cash and cash equivalents. These share portfolios have now been correctly split into the underlying assets. 31 December 2021 has been restated accordingly. Additionally, realised fair value gains on certain share portfolios incorrectly included dividends received. December 2021 has been restated accordingly.

² The Group invests into Qualified Investor Hedge funds that, as a result of the requirements in IFRS 10 - Consolidated financial statements, are consolidated. As a result of a further detailed review of the financial instruments held by these hedge funds, a number of refining correcting adjustments were required to the MMH statement of financial position and income statement. These adjustments do not impact the net asset value of the hedge fund nor that of MMH. The adjustments made in respect of the statement of financial position relate to the following:

- 1) the offset and classification of interest rate derivatives and carry positions.
- 2) the offset and recording of financed trade positions carried out in the funds.

The statement of financial position for 31 December 2021 has been restated accordingly. The adjustments made in respect of the income statement relate to the following:

- 1) inappropriate application of the offsetting criteria applied in respect of interest income and finance costs.
- 2) consolidation of the full income statement disclosures of the hedge funds, which resulted in a reclassification between the relevant lines of the income statement and fair value adjustments on CIS liabilities.

December 2021 has been restated accordingly.

³ In accordance with the Financial Advisory and Intermediary Services Act 37 of 2002 as well as the Policyholder Protection Rules, there is an obligation to reintermittate clients that are not linked to a financial adviser. Accumulated balances that were due to the financial advisers originally linked to policyholders, were previously reported as other payables. However, when these financial advisers went out of force, the balance was no longer contractually payable and therefore the payable should have been changed to a provision for the expected cost of reintermediation that is required in order to settle the obligation towards policyholders. In previous reporting periods this balance was however reported as a payable and has therefore been retrospectively corrected from a payable to a provision to provide for the cost that is required to reintermittate these clients with in-force policies, but no financial advisers. 31 December 2021 has been restated accordingly.

⁴ Reclassification correction of cash and cash equivalents to financial assets at FVPL and financial assets at amortised cost. 31 December 2021 has been restated accordingly.

⁵ Contingency policies were previously classified as insurance contracts in accordance with IFRS 4 - Insurance contracts. After reassessing the policy wording it was identified that there is no risk transfer as the policy benefits are limited to the funds available in the policy comprising of premiums plus investment growth less claims and policy fees. These policies should therefore have been classified as investment contract liabilities in terms of IFRS 9 - Financial Instruments. 31 December 2021 has been restated accordingly.

⁶ A cell previously classified as 1st party in terms of IFRS 9 - Financial Instruments, has been reassessed based on the type of business underwritten in the cell to instead be classified in terms of IFRS 4 - Insurance contracts. 31 December 2021 has been restated accordingly.

⁷ Long-term insurance companies are required to pay tax on behalf of policyholders according to section 29A of the South African Income Tax Act of 1962. The approach requires the insurer to collect taxation in respect of policies held, determined by reference to different rates of tax (including effective capital gains tax rates) to be applied to different categories of policyholders. In practice, the collection of tax from policyholders and specifically capital gains tax, follows a more simplistic approach than the calculation that is used for the income tax calculation when submitting a tax return to the South African tax authorities. This difference in methodology, resulted in over-recoveries from policyholders. The over-recovery was accounted for as an other payable. Management has re-assessed the recognition of this balance and has created an actuarial data reserve. As such, the balance has subsequently been reclassified from other payables to insurance liabilities. 31 December 2021 has been restated accordingly.

NOTE 12 CONTINUED

RESTATEMENTS CONTINUED

	Before restatement Rm	Share portfolios reclassification ¹ Rm	Hedge fund consolidation ² Rm	Re-intermediation ³ Rm	AFIN ⁴ Rm	Contin-gency cells ⁵ Rm	Guardrisk cell reclassification ⁶ Rm	CGT variance ⁷ Rm	After restatement Rm
Income statement for the 6 mths to 31.12.2021									
Net insurance premiums	18 916	-	-	-	-	-	47	-	18 963
Investment income	12 004	205	497	-	-	-	-	-	12 706
Net realised and unrealised fair value gains	31 074	(205)	(36)	-	-	-	-	-	30 833
Change in actuarial liabilities and related reinsurance									
Change in long-term insurance contract liabilities	(4 156)	-	-	-	-	-	-	(22)	(4 178)
Fair value adjustments on CIS liabilities	(2 343)	-	102	-	-	-	-	-	(2 241)
Sales remuneration	(3 805)	-	-	-	-	-	(47)	-	(3 852)
Other expenses	(3 770)	-	59	-	-	-	-	22	(3 689)
Finance costs	(442)	-	(622)	-	-	-	-	-	(1 064)
Earnings for the period	765	-	-	-	-	-	-	-	765
Statement of cash flows for the 6 mths to 31.12.2021									
Cash utilised in operations	(7 175)	(856)	(320)	-	128	-	-	-	(8 223)
Interest and dividends received	11 227	205	497	-	-	-	-	-	11 929
Interest paid	(417)	-	(622)	-	-	-	-	-	(1 039)
Cash resources and funds on deposit at beginning	38 642	(1 726)	427	-	(521)	-	-	-	36 822
Cash resources and funds on deposit at end	38 551	(2 377)	(18)	-	(393)	-	-	-	35 763

¹ Investments held in share portfolios were previously incorrectly classified as cash and cash equivalents. These share portfolios have now been correctly split into the underlying assets. 31 December 2021 has been restated accordingly.

Additionally, realised fair value gains on certain share portfolios incorrectly included dividends received. December 2021 has been restated accordingly.

² The Group invests into Qualified Investor Hedge funds that, as a result of the requirements in IFRS 10 - Consolidated financial statements, are consolidated. As a result of a further detailed review of the financial instruments held by these hedge funds, a number of refining correcting adjustments were required to the MMH statement of financial position and income statement. These adjustments do not impact the net asset value of the hedge fund nor that of MMH. The adjustments made in respect of the statement of financial position relate to the following:

1) the offset and classification of interest rate derivatives and carry positions.

2) the offset and recording of financed trade positions carried out in the funds.

The statement of financial position for 31 December 2021 has been restated accordingly.

The adjustments made in respect of the income statement relate to the following:

1) inappropriate application of the offsetting criteria applied in respect of interest income and finance costs.

2) consolidation of the full income statement disclosures of the hedge funds, which resulted in a reclassification between the relevant lines of the income statement and fair value adjustments on CIS liabilities.

December 2021 has been restated accordingly.

³ In accordance with the Financial Advisory and Intermediary Services Act 37 of 2002 as well as the Policyholder Protection Rules, there is an obligation to reintroduce clients that are not linked to a financial adviser. Accumulated balances that were due to the financial advisers originally linked to policyholders, were previously reported as other payables. However, when these financial advisers went out of force, the balance was no longer contractually payable and therefore the payable should have been changed to a provision for the expected cost of reintermediation that is required in order to settle the obligation towards policyholders. In previous reporting periods this balance was however reported as a payable and has therefore been retrospectively corrected from a payable to a provision to provide for the cost that is required to reintroduce these clients with in-force policies, but no financial advisers. 31 December 2021 has been restated accordingly.

⁴ Reclassification correction of cash and cash equivalents to financial assets at FVPL and financial assets at amortised cost. 31 December 2021 has been restated accordingly.

⁵ Contingency policies were previously classified as insurance contracts in accordance with IFRS 4 - Insurance contracts. After reassessing the policy wording it was identified that there is no risk transfer as the policy benefits are limited to the funds available in the policy comprising of premiums plus investment growth less claims and policy fees. These policies should therefore have been classified as investment contract liabilities in terms of IFRS 9 - Financial instruments.

31 December 2021 has been restated accordingly.

⁶ A cell previously classified as 1st party in terms of IFRS 9 - Financial instruments, has been reassessed based on the type of business underwritten in the cell to instead be classified in terms of IFRS 4 - Insurance contracts. 31 December 2021 has been restated accordingly.

⁷ Long-term insurance companies are required to pay tax on behalf of policyholders according to the five-funds tax approach as required by section 29A of the South African Income Tax Act of 1962. The approach requires the insurer to collect taxation in respect of policies held, determined by reference to different rates of tax (including effective capital gains tax rates) to be applied to different categories of policyholders. In practice, the collection of tax from policyholders and specifically capital gains tax, follows a more simplistic approach than the calculation that is used for the income tax calculation when submitting a tax return to the South African tax authorities. This difference in methodology, resulted in over-recoveries from policyholders. The over-recovery was accounted for as an other payable. Management has re-assessed the recognition of this balance and has created an actuarial data reserve. As such, the balance has subsequently been reclassified from other payables to insurance liabilities. 31 December 2021 has been restated accordingly.

Embedded value information

EMBEDDED VALUE RESULTS	31.12.2022 Rm	31.12.2021 Rm	30.06.2022 Rm
Covered business			
Equity attributable to owners of the parent	25 442	22 205	24 620
Fair value adjustments on Metropolitan business acquisition and other consolidation adjustments	(1 750)	(1 926)	(2 015)
Net assets – non-covered business within life insurance companies	(3 785)	(4 036)	(3 394)
Net assets – non-covered business outside life insurance companies	(7 418)	(6 321)	(6 631)
Diluted adjusted net worth – covered business	12 489	9 922	12 580
Net value of in-force business	21 424	21 849	20 650
Diluted embedded value – covered business	33 913	31 771	33 230
Non-covered business			
Net assets – non-covered business within life insurance companies	3 785	4 036	3 394
Net assets – non-covered business outside life insurance companies	7 418	6 321	6 631
Consolidation adjustments ¹	(1 461)	(1 663)	(1 548)
Adjustments for dilution ²	1 553	1 529	1 422
Diluted adjusted net worth – non-covered business	11 295	10 223	9 899
Write-up to directors' value	1 275	1 328	2 299
Non-covered business	4 379	4 645	5 247
Holding company expenses ³	(1 888)	(2 120)	(1 839)
International holding company expenses ³	(1 216)	(1 197)	(1 109)
Diluted embedded value – non-covered business	12 570	11 551	12 198
Diluted adjusted net worth	23 784	20 145	22 479
Net value of in-force business	21 424	21 849	20 650
Write-up to directors' value	1 275	1 328	2 299
Diluted embedded value	46 483	43 322	45 428
Required capital – covered business (adjusted for qualifying debt) ⁴	6 704	6 456	6 633
Free surplus – covered business	5 785	3 466	5 947
Diluted embedded value per share (cents)	3 139	2 839	2 977
Diluted adjusted net worth per share (cents)	1 606	1 320	1 473
Diluted number of shares in issue (million) ⁵	1 481	1 526	1 526
Return on embedded value (%) – internal rate of return	12.3%	10.8%	11.6%

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

² Adjustments for dilution are made up as follows:

- Treasury shares held on behalf of contract holders: R498 million (31.12.2021: R558 million; 30.06.2022: R407 million)
- Liabilities related to iSabelo transaction: R793 million (31.12.2021: R726 million; 30.06.2022: R761 million); and
- Liability – Momentum Metropolitan Holdings Ltd convertible preference shares issued to KTH: R262 million (31.12.2021: R245 million; 30.06.2022: R252 million).

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

⁴ The required capital for in-force covered business amounts to R11 016 million (31.12.2021: R10 848 million; 30.06.2022: R10 936 million) and is adjusted for qualifying debt of R4 312 million (31.12.2021: R4 392 million; 30.06.2022: R4 303 million).

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

	31.12.2022 Rm	31.12.2021 Rm	30.06.2022 Rm
ANALYSIS OF NET VALUE OF IN-FORCE BUSINESS			
Momentum Life	10 052	9 989	9 832
Gross value of in-force business	10 880	10 762	10 585
Less cost of required capital ¹	(828)	(773)	(753)
Momentum Investments²	1 617	1 707	1 410
Gross value of in-force business	2 018	1 976	1 794
Less cost of required capital	(401)	(269)	(384)
Metropolitan Life	3 928	4 204	3 950
Gross value of in-force business	4 460	4 661	4 425
Less cost of required capital	(532)	(457)	(475)
Momentum Corporate	3 153	3 385	2 948
Gross value of in-force business	4 233	4 386	4 080
Less cost of required capital	(1 080)	(1 001)	(1 132)
Momentum Metropolitan Africa	2 674	2 564	2 510
Gross value of in-force business	3 054	2 934	2 885
Less cost of required capital	(380)	(370)	(375)
Net value of in-force business	21 424	21 849	20 650

¹ Due to a significant difference in the long-term yields in the extrapolated part of the yield curves between the prescribed curve used for statutory reporting and the internally derived curve used for published reporting, the methodology usually used to project required capital was deemed inappropriate and leading to unjustified volatility in the derived Cost of Capital for Momentum Life. As a consequence the projected required capital based on the Group's internal best-estimate view was used for Momentum Life. This will be monitored and possibly reviewed for year-end reporting.

² Included in covered business is Wealth business not deemed to be long-term insurance business with a value of in-force of R232 million (31.12.2021: R182 million; 30.06.2022: R160 million).

EMBEDDED VALUE DETAIL	Adjusted net worth ³ Rm	Net value of in-force Rm	31.12.2022 Rm	31.12.2021 Rm	30.06.2022 Rm
Covered business					
Momentum Life	2 600	10 052	12 652	13 489	12 432
Momentum Investments ¹	1 703	1 617	3 320	2 716	3 117
Metropolitan Life	1 800	3 928	5 728	6 004	5 750
Momentum Corporate	3 600	3 153	6 753	6 785	6 548
Momentum Metropolitan Africa	1 313	2 674	3 987	3 703	3 739
Operating segments²	11 016	21 424	32 440	32 697	31 586
Qualifying Debt	(4 312)	–	(4 312)	(4 392)	(4 303)
Free Surplus	5 785	–	5 785	3 466	5 947
Total covered business	12 489	21 424	33 913	31 771	33 230

¹ Included in covered business is Wealth business not deemed to be long-term insurance business with a value of in-force of R232 million (31.12.2021: R182 million; 30.06.2022: R160 million).

² The embedded value consist of the following components:

	31.12.2022 Rm	31.12.2021 Rm	30.06.2022 Rm
Required capital	11 016	10 848	10 936
Net value of in-force	21 424	21 849	20 650
Operating segments embedded value	32 440	32 697	31 586

³ Intercompany loans are carried by the units that utilise the funding, aligned with capital management practices.

Embedded value information (continued)

EMBEDDED VALUE DETAIL CONTINUED	Adjusted net worth ² Rm	Write up to directors' value Rm	31.12.2022 Rm	31.12.2021 Rm	30.06.2022 Rm
Non-covered business					
Momentum Life	263	(639)	(376)	(583)	(464)
Momentum Multiply	237	(639)	(402)	(593)	(476)
Other	26	–	26	10	12
Momentum Investments	1 234	1 243	2 477	2 695	2 582
Investment and savings	1 122	1 261	2 383	2 480	2 479
Other	112	(18)	94	215	103
Metropolitan Life	10	–	10	9	9
Other	10	–	10	9	9
Momentum Corporate	121	–	121	93	109
Other	121	–	121	93	109
Momentum Metropolitan Health	574	455	1 029	1 246	1 066
Health	574	455	1 029	1 246	1 066
Non-life Insurance	4 216	2 426	6 642	6 293	6 622
Non-life insurance	1 548	523	2 071	1 960	2 002
Cell captives	2 668	1 903	4 571	4 333	4 620
Momentum Metropolitan Africa	537	(1 063)	(526)	(519)	(568)
Life insurance	120	3	123	18	18
Health	327	70	397	449	383
Non-life insurance	50	20	70	91	87
Other	40	60	100	120	53
International holding company expenses ¹	–	(1 216)	(1 216)	(1 197)	(1 109)
New Initiatives	1 530	741	2 271	1 933	2 242
New initiatives India	1 412	741	2 153	1 820	2 143
Other	118	–	118	113	99
Shareholders	2 810	(1 888)	922	384	600
Other	2 810	–	2 810	2 504	2 439
Holding company expenses ¹	–	(1 888)	(1 888)	(2 120)	(1 839)
Total non-covered business	11 295	1 275	12 570	11 551	12 198
Total embedded value	23 784	22 699	46 483	43 322	45 428

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

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

ANALYSIS OF CHANGES IN GROUP EMBEDDED VALUE	Notes	Covered business					
		Adjusted net worth (ANW) Rm	Gross value of in-force (VIF) Rm	Cost of required capital Rm	6 mths to 31.12.2022 Total EV Rm	6 mths to 31.12.2021 Total EV Rm	12 mths to 30.06.2022 Total EV Rm
Profit from new business		(469)	991	(176)	346	417	689
Embedded value from new business	A	(469)	969	(176)	324	400	626
Expected return to end of period	B	–	22	–	22	17	63
Profit from existing business		2 105	(523)	66	1 648	874	3 137
Expected return – unwinding of RDR	B	–	1 092	(179)	913	796	1 639
Release from the cost of required capital	C	–	–	255	255	244	488
Expected (or actual) net of tax profit transfer to net worth	D	1 714	(1 714)	–	–	–	–
Operating experience variances	E	438	95	–	533	(125)	(27)
Development expenses	F	(34)	–	–	(34)	(33)	(52)
Operating assumption changes	G	(13)	4	(10)	(19)	(8)	1 089
Embedded value profit/(loss) from operations		1 636	468	(110)	1 994	1 291	3 826
Investment return on adjusted net worth	H	385	–	–	385	23	246
Investment variances	I	219	232	(32)	419	618	(617)
Economic assumption changes	J	(37)	172	41	176	90	214
Exchange rate movements	K	2	4	(1)	5	29	5
Embedded value profit/(loss) – covered business		2 205	876	(102)	2 979	2 051	3 674
Transfer of business to non-covered business	L	–	–	–	–	–	–
Other capital transfers	M	(511)	–	–	(511)	(92)	518
Dividend paid		(1 785)	–	–	(1 785)	(86)	(860)
Change in embedded value – covered business		(91)	876	(102)	683	1 873	3 332
Non-covered business							
Change in directors' valuation and other items					(102)	69	687
Change in holding company expenses					(156)	57	426
Embedded value (loss)/profit – non-covered business					(258)	126	1 113
Transfer of business from covered business	L				–	–	–
Other capital transfers	M				511	92	(518)
Dividend received/(paid)					858	(126)	125
Allowance for shareholder flows related to iSabelo transaction					30	48	85
Shares repurchased					(750)	–	–
Finance costs – preference shares					(19)	(19)	(37)
Change in embedded value – non-covered business					372	121	768
Total change in Group embedded value					1 055	1 994	4 100
Total embedded value profit					2 721	2 177	4 787
Return on embedded value (%) – annualised internal rate of return					12.3%	10.8%	11.6%

Embedded value information (continued)

A. VALUE OF NEW BUSINESS

	Momentum Life Rm	Momentum Investments ⁴ Rm	Metropolitan Life Rm	Momentum Corporate Rm	Momentum Metropolitan Africa Rm	Total Rm
VALUE OF NEW BUSINESS^{1, 2, 3}						
6 mths to 31.12.2022						
Value of new business	(7)	183	84	74	(10)	324
Gross	22	217	120	140	1	500
Less cost of required capital	(29)	(34)	(36)	(66)	(11)	(176)
New business premiums	1 630	18 699	1 747	2 916	652	25 644
Recurring premiums	519	106	897	711	184	2 417
Protection	248	–	640	124	71	1 083
Long-term savings	271	96	254	216	113	950
Annuities and structured products	–	10	3	371	–	384
Single premiums	1 111	18 593	850	2 205	468	23 227
Protection	–	–	–	–	59	59
Long-term savings	1 111	15 623	212	1 616	127	18 689
Annuities and structured products	–	2 970	638	589	282	4 479
New business premiums (APE)	630	1 965	982	932	231	4 740
Protection	248	–	640	124	77	1 089
Long-term savings	382	1 658	275	378	126	2 819
Annuities and structured products	–	307	67	430	28	832
Present value of new business premiums (PVNBP)	3 598	19 004	3 552	5 831	1 283	33 268
Profitability of new business as a percentage of APE	(1.1)	9.3	8.6	7.9	(4.3)	6.8
Profitability of new business as a percentage of PVNBP	(0.2)	1.0	2.4	1.3	(0.8)	1.0
6 mths to 31.12.2021						
Value of new business	5	232	152	6	5	400
Gross	31	255	195	42	18	541
Less cost of required capital	(26)	(23)	(43)	(36)	(13)	(141)
New business premiums	1 529	22 615	1 691	1 880	1 268	28 983
Recurring premiums	495	110	876	581	237	2 299
Protection	231	–	641	410	94	1 376
Long-term savings	264	101	232	171	143	911
Annuities and structured products	–	9	3	–	–	12
Single premiums	1 034	22 505	815	1 299	1 031	26 684
Protection	–	–	–	1	52	53
Long-term savings	1 034	19 410	233	1 281	672	22 630
Annuities and structured products	–	3 095	582	17	307	4 001
New business premiums (APE)	598	2 361	957	711	340	4 967
Protection	231	–	641	410	99	1 381
Long-term savings	367	2 042	255	299	210	3 173
Annuities and structured products	–	319	61	2	31	413
Present value of new business premiums (PVNBP)	3 495	22 950	3 556	4 911	2 083	36 995
Profitability of new business as a percentage of APE	0.8	9.8	15.9	0.8	1.5	8.1
Profitability of new business as a percentage of PVNBP	0.1	1.0	4.3	0.1	0.2	1.1

A. VALUE OF NEW BUSINESS CONTINUED

	Momentum Life Rm	Momentum Investments ⁴ Rm	Metropolitan Life Rm	Momentum Corporate Rm	Momentum Metropolitan Africa Rm	Total Rm
VALUE OF NEW BUSINESS^{1, 2, 3}						
12 mths to 30.06.2022						
Value of new business	(20)	346	244	68	(12)	626
Gross	35	404	317	133	14	903
Less cost of required capital	(55)	(58)	(73)	(65)	(26)	(277)
New business premiums	3 255	41 854	3 555	5 789	2 039	56 492
Recurring premiums	1 053	205	1 710	1 239	400	4 607
Protection	459	–	1 219	784	148	2 610
Long-term savings	594	189	483	453	252	1 971
Annuities and structured products	–	16	8	2	–	26
Single premiums	2 202	41 649	1 845	4 550	1 639	51 885
Protection	–	–	–	1	105	106
Long-term savings	2 202	36 129	474	4 521	886	44 212
Annuities and structured products	–	5 520	1 371	28	648	7 567
New business premiums (APE)	1 273	4 370	1 894	1 694	565	9 796
Protection	459	–	1 219	784	159	2 621
Long-term savings	814	3 802	530	905	341	6 392
Annuities and structured products	–	568	145	5	65	783
Present value of new business premiums (PVNBP)	7 291	42 476	7 160	12 276	3 470	72 673
Profitability of new business as a percentage of APE	(1.6)	7.9	12.9	4.0	(2.1)	6.4
Profitability of new business as a percentage of PVNBP	(0.3)	0.8	3.4	0.6	(0.3)	0.9

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

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

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

⁴ Included in covered business is Wealth business not deemed to be long-term insurance business with value of new business of R25 million (31.12.2021: R43 million; 30.06.2022: R68 million).

Embedded value information (continued)

A. VALUE OF NEW BUSINESS CONTINUED

	6 mths to 31.12.2022 Rm	6 mths to 31.12.2021 Rm	12 mths to 30.06.2022 Rm
RECONCILIATION OF LUMP SUM INFLOWS			
Total lump sum inflows	20 624	21 315	41 593
Inflows not included in value of new business	(4 168)	(3 899)	(6 723)
Wealth off-balance sheet business	5 959	8 444	15 270
Term extensions on maturing policies	115	120	242
Automatically Continued Policies	709	711	1 510
Non-controlling interests and other adjustments	(12)	(7)	(7)
Single premiums included in value of new business	23 227	26 684	51 885

	31.12.2022 %	31.12.2021 %	30.06.2022 %
PRINCIPAL ASSUMPTIONS (South Africa)^{1,2}			
Pre-tax investment return			
Equities	15.4	14.3	15.5
Properties	12.9	11.8	13.0
Government stock	11.9	10.8	12.0
Other fixed-interest stocks	12.4	11.3	12.5
Cash	10.9	9.8	11.0
Risk-free return ³	11.9	10.8	12.0
Risk discount rate (RDR) ⁴	14.3	13.1	14.4
Investment return (before tax) – balanced portfolio ³	14.1	13.0	14.2
Renewal expense inflation rate ⁵	7.1	7.0	7.7

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

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

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

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

⁵ For the retail businesses an inflation rate of 5.0% p.a. is used over the planning horizon (three years) where after the inflation rate is derived from market inputs as the difference between nominal and real yields across the term structure of these curves. An addition to the expense inflation is allowed for in some divisions to reflect the impact of closed books that are in run-off. The 7.1% above represents the 10-year point of the yield curves.

B. EXPECTED RETURN

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

C. RELEASE FROM THE COST OF REQUIRED CAPITAL

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

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

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

E. OPERATING EXPERIENCE VARIANCES

OPERATING EXPERIENCE VARIANCES	Notes	ANW Rm	Gross VIF Rm	Cost of required capital Rm	6 mths to	6 mths to	12 mths to
					31.12.2022 EV Rm	31.12.2021 EV Rm	30.06.2022 EV Rm
Momentum Life		167	116	–	283	(192)	(125)
Mortality and morbidity	1	75	7	–	82	(368)	(272)
Terminations, premium cessations and policy alterations	2	28	71	–	99	94	218
Expense variance		29	–	–	29	38	27
Other	3	35	38	–	73	44	(98)
Momentum Investments		93	(44)	–	49	90	174
Mortality and morbidity	4	36	(3)	–	33	75	117
Terminations, premium cessations and policy alterations	5	5	(50)	–	(45)	(60)	(39)
Expense variance		44	–	–	44	40	39
Credit risk variance		21	–	–	21	9	47
Other		(13)	9	–	(4)	26	10
Metropolitan Life		(50)	(68)	–	(118)	(50)	(188)
Mortality and morbidity	6	57	6	–	63	(10)	16
Terminations, premium cessations and policy alterations	7	(122)	(80)	–	(202)	(77)	(272)
Expense variance		12	–	–	12	14	(2)
Credit risk variance		20	–	–	20	10	25
Other		(17)	6	–	(11)	13	45
Momentum Corporate		217	30	–	247	149	325
Mortality and morbidity	8	212	–	–	212	74	317
Terminations, premium cessations and policy alterations	9	(18)	30	–	12	60	27
Expense variance		(15)	–	–	(15)	(11)	(78)
Credit risk variance		6	–	–	6	7	11
Other	10	32	–	–	32	19	48
Momentum Metropolitan Africa		(3)	61	–	58	(103)	(159)
Mortality and morbidity	11	48	3	–	51	(94)	(117)
Terminations, premium cessations and policy alterations	12	(16)	47	–	31	(13)	(64)
Expense variance		(13)	–	–	(13)	1	(4)
Other		(22)	11	–	(11)	3	26
Shareholders		14	–	–	14	(19)	(54)
Total operating experience variances		438	95	–	533	(125)	(27)

Notes

- The mortality variance largely stems from the improvement in the Protection business and a release from the Covid-19 provisions.
- Largely driven by better than expected lapse experience on the Protection business and net positive contribution from alterations experience, in particular with regards voluntary premium growth.
- The ANW impact is mostly due to policyholders forfeiting their Multiply discounts. The positive VIF impact is due to various smaller items including premium reviews and fee variances.
- The annuity book of business experienced higher than expected mortality due to the Covid-19 pandemic, but profits were lower compared to the prior period due to the easing of the pandemic.
- Reprice of contracts, fee changes and drawdowns on living annuities.
- The mortality variance largely stems from the improvement in funeral business and a release from the Covid-19 provisions.
- The deterioration in persistency and alteration experience includes once-off operational impacts and deterioration observed in the lapse experience.
- The ANW was positively impacted by morbidity experience on the PHI book as well as positive mortality experience on the Group Risk book and a release from the Covid-19 provisions.
- ANW impact is due to better than expected lapse experience. The VIF benefited from better than expected admin fees on both the Risk book and MRA book.
- Mainly relates to admin fees exceeding expectations.
- Positive mortality experience due to improved Covid experience.
- Higher premiums received than expected on Group Risk business resulting in a positive VIF contribution.

Embedded value information (continued)

F. DEVELOPMENT EXPENSES

Business development expenses within segments.

G. OPERATING ASSUMPTION CHANGES

OPERATING ASSUMPTION CHANGES	ANW Rm	Gross VIF Rm	Cost of required capital Rm	6 mths to 31.12.2022 EV Rm	6 mths to 31.12.2021 EV Rm	12 mths to 30.06.2022 EV Rm
Momentum Life	-	-	-	-	-	846
Mortality and morbidity assumptions	-	-	-	-	-	(64)
Termination assumptions	-	-	-	-	-	(121)
Renewal expense assumptions	-	-	-	-	-	182
Modelling, methodology and other changes	-	-	-	-	-	849
Momentum Investments	-	1	-	1	-	190
Mortality and morbidity assumptions	-	-	-	-	-	-
Termination assumptions	-	-	-	-	-	(10)
Renewal expense assumptions	-	1	-	1	-	300
Modelling, methodology and other changes	-	-	-	-	-	(100)
Metropolitan Life	-	-	-	-	-	52
Mortality and morbidity assumptions	-	-	-	-	-	196
Termination assumptions	-	-	-	-	-	(99)
Renewal expense assumptions	-	-	-	-	-	(48)
Modelling, methodology and other changes	-	-	-	-	-	3
Momentum Corporate	-	-	(10)	(10)	-	(40)
Mortality and morbidity assumptions	-	-	-	-	-	246
Termination assumptions	-	-	-	-	-	-
Renewal expense assumptions	-	-	-	-	-	(332)
Modelling, methodology and other changes	-	-	(10)	(10)	-	46
Momentum Metropolitan Africa	(13)	3	-	(10)	(8)	41
Mortality and morbidity assumptions	(15)	-	-	(15)	-	(36)
Termination assumptions	-	-	-	-	-	(44)
Renewal expense assumptions	2	3	-	5	(9)	44
Modelling, methodology and other changes	-	-	-	-	1	77
Total operating assumption changes	(13)	4	(10)	(19)	(8)	1 089

H. INVESTMENT RETURN ON ADJUSTED NET WORTH

	6 mths to 31.12.2022 Rm	6 mths to 31.12.2021 Rm	12 mths to 30.06.2022 Rm
Investment return on adjusted net worth			
Investment income	371	313	491
Capital appreciation and other ¹	14	(290)	(245)
Investment return on adjusted net worth	385	23	246

¹ This includes the revaluation of owner-occupied properties.

I. INVESTMENT VARIANCES

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

J. ECONOMIC ASSUMPTION CHANGES

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

K. EXCHANGE RATE MOVEMENTS

The impact of foreign currency movements on International covered businesses.

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

Transfer of business between covered and non-covered business.

M. OTHER CAPITAL TRANSFERS

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

Embedded value information (continued)

COVERED BUSINESS: SENSITIVITIES – 31.12.2022	Adjusted net worth Rm	In-force business			New business written		
		Net value Rm	Gross value Rm	Cost of required capital ³ Rm	Net value Rm	Gross value Rm	Cost of required capital ³ Rm
Base value	12 489	21 424	24 645	(3 221)	324	500	(176)
1% increase in risk discount rate % change		19 720 (8)	23 256 (6)	(3 536) 10	255 (21)	449 (10)	(194) 10
1% reduction in risk discount rate % change		23 370 9	26 213 6	(2 843) (12)	402 24	558 12	(156) (11)
10% decrease in future expenses % change ¹		23 233 8	26 454 7	(3 221) –	416 28	592 18	(176) –
10% decrease in lapse, paid-up and surrender rates % change		21 994 3	25 215 2	(3 221) –	414 28	590 18	(176) –
5% decrease in mortality and morbidity for assurance business % change		24 525 14	27 746 13	(3 221) –	395 22	571 14	(176) –
5% decrease in mortality for annuity business % change		20 999 (2)	24 220 (2)	(3 221) –	296 (9)	472 (6)	(176) –
1% reduction in gross investment return, inflation rate and risk discount rate % change ²	12 489 –	21 293 (1)	24 514 (1)	(3 221) –	328 1	504 1	(176) –
1% reduction in inflation rate % change		22 353 4	25 574 4	(3 221) –	383 18	559 12	(176) –
10% fall in market value of equities and properties % change ²	12 397 (1)	20 441 (5)	23 662 (4)	(3 221) –			
10% reduction in premium indexation take-up rate % change		20 720 (3)	23 941 (3)	(3 221) –	302 (7)	478 (4)	(176) –
10% decrease in non-commission- related acquisition expenses % change					398 23	574 15	(176) –
1% increase in equity/property risk premium % change		21 914 2	25 135 2	(3 221) –	341 5	517 3	(176) –

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

² Bonus rates are assumed to change commensurately.

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

ANALYSIS OF CHANGES IN GROUP EMBEDDED VALUE	Adjusted net worth (ANW) Rm	Gross value of in-force (VIF) Rm	Cost of required capital Rm	6 mths to 31.12.2022 Rm	6 mths to 31.12.2021 Rm	12 mths to 30.06.2022 Rm
Momentum Life						
Embedded value from new business	(150)	172	(29)	(7)	5	(20)
Expected return – unwinding of RDR	–	422	(35)	387	304	633
Release from the cost of required capital	–	–	69	69	86	173
Expected (or actual) net of tax profit transfer to net worth	635	(635)	–	–	–	–
Operating experience variances	167	116	–	283	(192)	(125)
Development expenses	(23)	–	–	(23)	(16)	(30)
Operating assumption changes	–	–	–	–	–	846
Embedded value profit from operations	629	75	5	709	187	1 477
Investment return on adjusted net worth	44	–	–	44	(19)	61
Investment variances	48	83	(64)	67	7	(208)
Economic assumption changes	2	136	(16)	122	270	100
Embedded value profit/(loss) – covered business	723	294	(75)	942	445	1 430
Momentum Investments						
Embedded value from new business	21	196	(34)	183	232	346
Expected return – unwinding of RDR	–	80	(18)	62	46	91
Release from the cost of required capital	–	–	45	45	30	60
Expected (or actual) net of tax profit transfer to net worth	135	(135)	–	–	–	–
Operating experience variances	93	(44)	–	49	90	174
Development expenses	(3)	–	–	(3)	(6)	(1)
Operating assumption changes	–	1	–	1	–	190
Embedded value profit/(loss) from operations	246	98	(7)	337	392	860
Investment return on adjusted net worth	43	–	–	43	44	58
Investment variances	17	120	(38)	99	271	(227)
Economic assumption changes	–	7	28	35	(45)	11
Embedded value profit/(loss) – covered business	306	225	(17)	514	662	702
Metropolitan Life						
Embedded value from new business	(133)	253	(36)	84	152	244
Expected return – unwinding of RDR	–	191	(19)	172	138	310
Release from the cost of required capital	–	–	47	47	44	88
Expected (or actual) net of tax profit transfer to net worth	445	(445)	–	–	–	–
Operating experience variances	(50)	(68)	–	(118)	(50)	(188)
Development expenses	(7)	–	–	(7)	(10)	(20)
Operating assumption changes	–	–	–	–	–	52
Embedded value profit/(loss) from operations	255	(69)	(8)	178	274	486
Investment return on adjusted net worth	31	–	–	31	(10)	32
Investment variances	(15)	55	(48)	(8)	150	(113)
Economic assumption changes	–	49	–	49	(175)	(2)
Embedded value profit/(loss) – covered business	271	35	(56)	250	239	403

Embedded value information (continued)

ANALYSIS OF CHANGES IN GROUP EMBEDDED VALUE CONTINUED	Adjusted net worth (ANW) Rm	Gross value of in-force (VIF) Rm	Cost of required capital Rm	6 mths to 31.12.2022 Rm	6 mths to 31.12.2021 Rm	12 mths to 30.06.2022 Rm
Momentum Corporate						
Embedded value from new business	(90)	230	(66)	74	6	68
Expected return – unwinding of RDR	–	275	(81)	194	224	449
Release from the cost of required capital	–	–	94	94	84	167
Expected (or actual) net of tax profit transfer to net worth	296	(296)	–	–	–	–
Operating experience variances	217	30	–	247	149	325
Development expenses	(1)	–	–	(1)	(1)	(1)
Operating assumption changes	–	–	(10)	(10)	–	(40)
Embedded value profit/(loss) from operations	422	239	(63)	598	462	968
Investment return on adjusted net worth	61	–	–	61	(19)	60
Investment variances	90	(37)	113	166	62	(161)
Economic assumption changes	(10)	(49)	–	(59)	26	53
Embedded value profit – covered business	563	153	50	766	531	920
Momentum Metropolitan Africa						
Embedded value from new business	(117)	118	(11)	(10)	5	(12)
Expected return – unwinding of RDR	–	146	(26)	120	101	219
Expected (or actual) net of tax profit transfer to net worth	203	(203)	–	–	–	–
Operating experience variances	(3)	61	–	58	(103)	(159)
Operating assumption changes	(13)	3	–	(10)	(8)	41
Embedded value profit/(loss) from operations	70	125	(37)	158	(5)	89
Investment return on adjusted net worth	88	–	–	88	74	131
Investment variances	70	11	5	86	88	17
Economic assumption changes	(29)	29	29	29	14	52
Exchange rate movements	2	4	(1)	5	29	5
Embedded value profit/(loss) – covered business	201	169	(4)	366	200	294
Shareholders						
Operating experience variances	14	–	–	14	(19)	(54)
Embedded value profit/(loss) from operations	14	–	–	14	(19)	(54)
Investment return on adjusted net worth	118	–	–	118	(47)	(96)
Investment variances	9	–	–	9	40	75
Embedded value profit/(loss) – covered business	141	–	–	141	(26)	(75)

Additional information

	31.12.2022 Rm	Restated 31.12.2021 Rm	Restated 30.06.2022 Rm
ANALYSIS OF ASSETS MANAGED AND/OR ADMINISTERED¹			
Managed and/or administered by Investments			
Financial assets	526 524	545 282	501 913
Momentum Manager of Managers	158 996	161 986	150 285
Equilibrium Investment Management (<i>previously Momentum Investment Consultants</i>)	14 909	13 328	13 607
Momentum Collective Investments	102 224	98 846	96 744
Momentum Asset Management	141 707	143 484	137 071
Momentum Global Investments	71 905	86 330	70 000
Momentum Alternative Investments ²	9 038	8 607	8 458
Momentum Securities ³	27 745	32 701	25 748
Properties – Eris Property Group	17 042	15 965	16 509
On-balance sheet	9 325	9 336	9 302
Off-balance sheet	7 717	6 629	7 207
Momentum Wealth linked product assets under administration	214 874	230 356	204 026
On-balance sheet ⁴	140 899	151 639	132 517
Off-balance sheet	73 975	78 717	71 509
Managed internally or by other managers within the Group (on-balance sheet) ⁴	91 911	89 010	89 044
Managed by external managers (on-balance sheet)	14 501	19 209	14 397
Properties managed internally or by other managers within the Group or externally	2 714	2 621	2 761
Non-life Insurance - cell captives on-balance sheet	33 333	34 319	30 377
Total assets managed and/or administered	900 899	936 762	859 027
Managed and/or administered by Investments			
On-balance sheet ^{2,3}	268 289	275 513	257 836
Off-balance sheet ³	258 235	269 769	244 077
	526 524	545 282	501 913
Admin and brokerage assets ^{3,5}	115 809	119 002	106 862
Other assets ^{2,5}	410 715	426 280	395 051
	526 524	545 282	501 913

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

² R305 million restatement relates to disinvestments in a few funds that was erroneously not included in the June 2022 closing balance. 30 June 2022 has been restated accordingly.

³ R346 million restatement relates to a market value movement that was not included in the December 2021 closing balance. 31 December 2021 has been restated accordingly.

⁴ In the December 2021 and June 2022 periods, R13.9 billion and R2.6 billion were respectively misclassified between Momentum Wealth linked product assets under administration and Managed internally or by other managers within the Group. Both periods have been restated accordingly.

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

Additional information (continued)

	Gross single inflows Rm	Gross recurring inflows Rm	Gross inflow Rm	Gross outflow Rm	Net inflow/ (outflow) Rm
NET FUNDS RECEIVED FROM CLIENTS¹					
6 mths to 31.12.2022					
Momentum Life	302	4 800	5 102	(5 015)	87
Momentum Investments	14 932	467	15 399	(13 022)	2 377
Metropolitan Life	839	3 353	4 192	(3 227)	965
Momentum Corporate	2 438	7 062	9 500	(10 207)	(707)
Momentum Metropolitan Health	–	602	602	(386)	216
Non-life Insurance	1 639	5 700	7 339	(3 701)	3 638
Momentum Metropolitan Africa	474	1 922	2 396	(1 560)	836
Long-term insurance business fund flows	20 624	23 906	44 530	(37 118)	7 412
Off-balance sheet fund flows					
Managed and/or administered by Investments			47 437	(43 020)	4 417
Properties – Eris Property Group			1 467	(957)	510
Momentum Wealth linked product assets under administration			4 577	(5 981)	(1 404)
Total net funds received from clients			98 011	(87 076)	10 935
Restated					
6 mths to 31.12.2021²					
Momentum Life	218	4 551	4 769	(6 412)	(1 643)
Momentum Investments	16 542	422	16 964	(14 294)	2 670
Metropolitan Life	789	3 306	4 095	(3 319)	776
Momentum Corporate	1 348	6 245	7 593	(8 333)	(740)
Momentum Metropolitan Health	–	573	573	(338)	235
Non-life Insurance	1 393	5 768	7 161	(3 047)	4 114
Momentum Metropolitan Africa	1 025	2 024	3 049	(1 905)	1 144
Long-term insurance business fund flows	21 315	22 889	44 204	(37 648)	6 556
Off-balance sheet fund flows					
Managed and/or administered by Investments			48 991	(47 393)	1 598
Properties – Eris Property Group			451	–	451
Momentum Wealth linked product assets under administration			8 085	(4 732)	3 353
Total net funds received from clients			101 731	(89 773)	11 958
12 mths to 30.06.2022					
Momentum Life	497	9 392	9 889	(11 250)	(1 361)
Momentum Investments	29 863	869	30 732	(27 035)	3 697
Metropolitan Life	1 789	6 450	8 239	(6 485)	1 754
Momentum Corporate	4 711	12 798	17 509	(19 917)	(2 408)
Momentum Metropolitan Health	–	1 186	1 186	(724)	462
Non-life Insurance	3 128	10 907	14 035	(6 373)	7 662
Momentum Metropolitan Africa	1 605	4 015	5 620	(3 418)	2 202
Long-term insurance business fund flows	41 593	45 617	87 210	(75 202)	12 008
Off-balance sheet fund flows					
Managed and/or administered by Investments			97 003	(99 080)	(2 077)
Properties - Eris Property Group			1 119	(90)	1 029
Momentum Wealth linked product assets under administration			13 289	(10 702)	2 587
Total net funds received from clients			198 621	(185 074)	13 547

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

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

ANALYSIS OF ASSETS BACKING SHAREHOLDER EXCESS	31.12.2022		31.12.2021		30.06.2022	
	Rm	%	Rm	%	Rm	%
Equity securities	1 375	5.4	1 574	7.1	1 161	4.7
Preference shares	361	1.4	376	1.7	356	1.4
CISs	1 026	4.0	963	4.3	966	3.9
Debt securities	6 891	27.1	6 531	29.4	7 208	29.3
Properties	4 124	16.2	4 354	19.6	3 850	15.7
Owner-occupied properties	2 416	9.5	2 467	11.1	2 477	10.1
Investment properties	1 708	6.7	1 887	8.5	1 373	5.6
Cash and cash equivalents and funds on deposit	10 867	42.7	7 121	32.1	10 400	42.2
Intangible assets	4 179	16.4	4 449	20.0	4 617	18.8
Other net assets	2 464	9.8	2 883	13.0	2 690	10.9
	31 287	123.0	28 251	127.2	31 248	126.9
Redeemable preference shares	(262)	(1.0)	(245)	(1.1)	(252)	(1.0)
Subordinated redeemable debt	(4 312)	(16.9)	(4 392)	(19.8)	(5 327)	(21.6)
Treasury shares held on behalf of employees	(773)	(3.0)	(851)	(3.8)	(641)	(2.6)
Treasury shares held on behalf of contract holders	(498)	(2.0)	(558)	(2.5)	(407)	(1.7)
Shareholder excess per reporting basis	25 442	100.0	22 205	100.0	24 621	100.0

NUMBER OF EMPLOYEES	31.12.2022	31.12.2021	30.06.2022
Indoor staff	9 871	9 966	9 940
SA	8 878	8 883	8 867
International	993	1 083	1 073
Field staff	6 641	6 795	6 618
Momentum Life & Investments	1 362	1 267	1 430
Metropolitan Life	4 086	4 299	4 002
International	1 193	1 229	1 186
Total	16 512	16 761	16 558

Stock exchange performance

	31.12.2022	30.06.2022	31.12.2021	30.06.2021
6 month period				
Value of listed shares traded (rand million)	8 592	8 171	7 774	5 380
Volume of listed shares traded (million)	524	489	396	299
Shares traded (% of average listed shares in issue) ¹	76	70	56	42
Trade prices				
Highest (cents per share)	1 845	2 061	2 270	2 098
Lowest (cents per share)	1 386	1 405	1 755	1 502
Last sale of period (cents per share)	1 720	1 426	1 895	1 950
Annualised percentage (%) change during period	41	(49)	(6)	53
Annualised percentage (%) change – life insurance sector (J857)	(7)	(26)	24	22
Annualised percentage (%) change – top 40 index (J200)	23	(21)	12	4
31 December/30 June				
Price/normalised headline earnings (segmental) ratio	5.8	5.0	9.3	29.1
Dividend yield % (dividend on listed shares) ¹	6.7	7.0	1.8	2.1
Dividend yield % – top 40 index (J200) ¹	3.6	3.8	3.8	2.4
Total shares issued (million)				
Ordinary shares listed on JSE	1 453	1 466	1 498	1 498
Treasury shares held on behalf of employees	(45)	(45)	(45)	(45)
Treasury shares held on behalf of contract holders	(29)	(30)	(28)	(30)
Basic number of shares in issue	1 379	1 391	1 425	1 423
Adjustment to employee share scheme ²	11	9	–	–
Convertible redeemable preference shares ³	28	28	–	–
Diluted number of shares in issue	1 418	1 428	1 425	1 423
Adjustment to employee share scheme ²	(11)	(9)	–	–
Convertible redeemable preference shares ³	–	–	28	28
Treasury shares held on behalf of contract holders	29	30	28	30
Treasury shares held on behalf of employees	45	45	45	45
Diluted number of shares in issue for normalised headline earnings purposes⁴	1 481	1 494	1 526	1 526
Market capitalisation at end (Rbn) ⁵	25	21	29	30

¹ Percentages have been annualised.

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 On a diluted basis, the KTH preference shares were anti-dilutive in the December 2021 period. For diluted earnings and headline earnings, these preference shares were therefore ignored in accordance with IAS 33 for that year. Normalised headline earnings treats the preference shares as if they were ordinary equity. This treatment is consistent with how the preference shares are treated when dilutive.

⁴ The diluted number of shares in issue takes into account all issued shares, assuming conversion of the convertible redeemable preference shares, and includes the treasury shares held on behalf of contract holders as well as the treasury shares held on behalf of employees.

⁵ The market capitalisation is calculated on the fully diluted number of shares in issue.

Administration

DIRECTORS

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

GROUP COMPANY SECRETARY

Gcobisa Tyusha

WEBSITE

www.momentummetropolitan.co.za

TRANSFER SECRETARIES – SOUTH AFRICA

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Braamfontein 2001. PO Box 4844, Johannesburg 2000
Telephone: +27 11 713 0800
Email: info@jseinvestorservices.co.za

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SPONSOR – SOUTH AFRICA

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

SPONSOR – NAMIBIA

Simonis Storm Securities (Pty) Ltd

SENS ISSUE

8 March 2023

AUDITORS

Ernst & Young Inc.

REGISTERED OFFICE

268 West Avenue, Centurion 0157

REGISTRATION NUMBER

2000/031756/06

JSE CODE

MTM

A2X CODE

MTM

NSX CODE

MMT

ISIN CODE

ZAE000269890

MOMENTUM METROPOLITAN LIFE LTD

(Incorporated in the Republic of South Africa)

REGISTRATION NUMBER

1904/002186/06

LEI

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COMPANY CODE

MMIG