



MMI HOLDINGS

Summary of financial information

Unaudited results for the 6 months ended 31 December 2013

MMI HOLDINGS GROUP

DIRECTORS' STATEMENT

The directors take pleasure in presenting the unaudited condensed interim results of MMI Holdings financial services group for the period ended 31 December 2013. The preparation of the group's results was supervised by the group finance director, Preston Speckmann, BCompt (Hons), CA(SA).

Corporate events

On 4 November the group announced that it will acquire 100% of Guardrisk from Alexander Forbes. In terms of the proposed transaction MMI will acquire the investment in Guardrisk from Alexander Forbes for an amount of R1,6 billion. The acquisition is subject to, inter alia, regulatory approvals by the Financial Services Board and the competition authorities.

Basis of preparation of financial information

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 (IAS 34) – Interim financial reporting; the SAICA Financial Reporting Guide as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council; JSE Listing Requirements and as well as the South African Companies Act of 2008. The accounting policies applied in the preparation of these interim financial statements are in terms of International Financial Reporting Standards (IFRS) and are consistent with those adopted in the previous periods except as described below. Critical judgements and accounting estimates are disclosed in detail in the group's integrated report for the year ended 30 June 2013, 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.

New and revised standards effective for the period ended 31 December 2013 and relevant to the group

- IFRS 10 – Consolidated financial statements, IFRS 11 – Joint arrangements, IAS 28 (revised) – Investments in associates and joint ventures (consolidation project)

IFRS 10 builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. Under IFRS 10, subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when it has power over an entity, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. If no single party controls the investee IFRS 11 provides guidance on whether a joint arrangement exists. IAS 28 was revised to incorporate amendments from this consolidation project.

- Collective investment schemes: Previously the group consolidated collective investment schemes where the group's holding in a fund was greater than 50% and investments in a fund of between 20% and 50% were considered to be interests in associates. As a result of the adoption of IFRS 10 the group no longer uses the percentage holdings referred to above as the defining parameter of control. This resulted in an increased number of collective investment schemes being reclassified to subsidiaries (from associates) and to associates (from unit linked investments).
- Cell captives: Before the adoption of IFRS 10, cells were regarded as separate entities under SIC 12 and were not included in the consolidated group results as the risks and rewards of these cells were not transferred to the group. These cells were therefore included in the consolidated results of cell owners. Under IFRS 10 a cell can only be consolidated by the cell owner if it first meets the definition of a 'silo'. Cell captives in South Africa are not legally ring-fenced and are not seen as protected cells and therefore do not meet the definition of a 'silo'. Cells are therefore no longer considered to be separate entities. This resulted in the group recognising the assets, liabilities, income and expenses relating to its cell captive business in its consolidated results. Because the risks and rewards relating to cell activities are for the benefit of cell owners, the inclusion of cell income and expenses does not impact the group's net results, as the result of cell activities are transferred back to the cell owner.
- Other financial instruments: There were no other material financial instruments that met the new consolidation criteria.

The changes resulting from the above have been applied retrospectively as required by the transitional provisions of IFRS 10.

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IFRS 12 was also issued as part of the consolidation project and includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose entities and other off balance sheet vehicles. The group will incorporate these disclosures in the 2014 integrated report.

Refer to the appendix for details of the above required restatements to the previously reported statement of financial position and income statement. The statement of other comprehensive income, statement of changes in equity, statement of cash flows and segment report has also been restated. Total assets and liabilities increased by R17.2 billion for June 2013 (December 2012: R11.2 billion). The restatements had no material impact on the current or prior period earnings, diluted earnings or headline earnings per share, nor on the net asset value of the group.

- Amendments to IAS 19 - Employee benefits

The revised employee benefit standard introduces changes to the recognition, measurement, presentation and disclosure of post-employment benefits. The standard requires the immediate recognition of all past services costs in the income statement and replaces interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset). Remeasurements as defined in the standard are now recorded in other comprehensive income. The application of this amendment did not have a significant impact on group's financial position, group earnings and cash flows in the current or prior period.

- IFRS 13 – Fair value measurements

IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. This standard is required to be applied prospectively with no restatements. The impact of this change of fair value measurement has not been material on the current period earnings, diluted earnings or headline earnings per share, nor on the net asset value of the group. IAS 34 – Interim reporting was revised for the introduction of IFRS 13 and requires additional disclosure on financial instruments carried at fair value. The group has complied with these additional disclosure requirements in these interim results.

- Other

- IFRS 7 (amendment) – Financial instruments: disclosures: offsetting financial assets and financial liabilities became effective for the first time in the current period and had no impact on the group's earnings.
- The International Accounting Standards Board (IASB) made amendments to various standards as part of their annual improvements project. These amendments had no impact on the group's earnings.

Reclassifications

The December 2012 and June 2013 results have been restated for the following reclassifications:

- The comparative segmental information has been restated, where appropriate, to ensure alignment with the way in which the chief operating decision-maker, being the MMI executive committee, monitors and evaluates the performance of the various segments of the business.
 - MMI Rewards (including Momentum Multiply) has been reallocated from Momentum Retail to Shareholder Capital as the Rewards programme is a group-wide initiative. As a result the income, expenses, employees and all related activities have moved from the Momentum Retail to the Shareholder Capital segment.
 - The Momentum Employee Benefit segment has taken over the management of the open health scheme administration business to better align this with the corporate business. As a result the income, expenses, employees and all related activities have moved from the Metropolitan Health to the Momentum Employee Benefit segment.

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These restatements had no impact on the current or prior period reported earnings, diluted earnings or headline earnings per share, nor on the net asset value or the statement of cash flows. Refer to the analysis of restatements tables for more details.

Embedded value – FNB Life

The contractual agreement between MMI and FirstRand Bank was changed with effect from 1 July 2013 reducing MMI's profit-sharing arrangement from 10% to 4%. As a result of this change, the value of new business and value of in-force of this FNB Life business has been excluded from the published MMI embedded value with effect from 1 July 2013. The profits arising from this business will therefore now be recognised in the embedded value earnings only as they emerge. The prior period numbers have not been restated as the change occurred during the current reporting period.

Corporate governance

The board has satisfied itself that appropriate principles of corporate governance were applied throughout the period under review.

Directorate changes and directors' shareholding

Blignault Gouws, a non-executive director, retired from the Board of MMI Holdings on 27 November 2013. On the same day Mary Vilakazi resigned from the Board as non-executive director in order to take up an executive position with the group as described below. Louis Leon von Zeuner was appointed as a non-executive director of MMI, with effect from 1 January 2014.

Wilhelm van Zyl, the deputy group CEO, informed the Board that he will be leaving the group, and resigning as a director, with effect from 30 June 2014. MMI would like to thank him for his 24 years of invaluable service to the group. He played a pivotal role in the creation of MMI and the successful completion of the integration phase. We wish him well in his future endeavours.

All transactions in listed shares of the company involving directors were disclosed on SENS.

Changes to the group executive committee

In November 2013 Jan Lubbe, chief risk officer, and Vuyo Lee, group executive brand - stakeholder management and sustainability, were appointed as members of the group executive committee.

Nigel Dunkley, group executive - balance sheet management has been transferred to the group's asset management business in the UK and Mary Vilakazi has been appointed as group executive - balance sheet management from 1 May 2014.

Contingent liabilities and capital commitments

As part of running a business, the group is party to legal proceedings and appropriate provisions are made when losses are expected to materialise. The group had no material capital commitments at 31 December 2013 that were not in the ordinary course of business.

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Events after the reporting period

The Competition Tribunal and FSB approved the Guardrisk transaction on 12 February 2014 and 24 February 2014 respectively. The disclosure of the initial accounting for the business combination will be included in the June 2014 financial results as the approvals were only obtained in February.

Metropolitan International acquired a significant majority stake in Kenyan insurer Cannon Assurance Ltd (Cannon) for around R300 million. The acquisition is subject to regulatory and other required approvals. The shareholders of Cannon will in turn acquire a minority stake in Metropolitan Life Kenya. This transaction will enable a merger of the two companies with the consolidation of the life licences into one and a standalone short-term insurance licence and business.

MMI intends to issue R1.5 billion of unsubordinated debt during March 2014 for which FSB approval has already been received.

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

Dividend declaration

Ordinary shares

The dividend policy for ordinary listed shares, approved by the directors, is to provide shareholders with stable dividend growth, increasing to reflect the board's long-term view on the expected underlying basic core headline earnings growth. Exceptions will be made from time to time, in order to account for, inter alia, volatile investment markets, capital requirements and changes in legislation.

On 5 March 2014 a gross interim dividend of 57 cents per ordinary share was declared, 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, 28 March 2014 and will be paid on Monday, 31 March 2014. The dividend will be subject to local dividend withholding tax at a rate of 15% unless the shareholder is exempt from paying dividend tax or is entitled to a reduced rate. The STC credits utilised per share amount to 0.01429 cents per ordinary share. This will result in a net dividend, for those shareholders who are not exempt from paying dividend tax, of 48.45214 cents per ordinary share.

The number of ordinary shares in issue at the declaration date was 1 569 803 700, whilst the last day to trade cum dividend will be Thursday, 20 March 2014. The shares will trade ex dividend from the start of business on Monday, 24 March 2014. Share certificates may not be dematerialised or rematerialised between Monday, 24 March 2014 and Friday, 28 March 2014, both days inclusive. MMI's income tax number is 975 2050 147.

Where applicable, dividends in respect of certificated shareholders will be transferred electronically to shareholders' bank accounts on payment date. In the absence of specific mandates, dividend cheques will be posted to certificated shareholders on or about payment date. Shareholders who hold dematerialised shares will have their accounts with their CSDP or broker credited on the payment date.

Preference shares

Dividends of R22.6 million (132 cents per share p.a.) were declared on the unlisted A3 MMI preference shares. The declaration rate was determined as set out in the company's articles and the total preference dividend utilised STC credits of R5 674.

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Directors' responsibility and external audit

These results are 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 group company secretary, Maliga Chetty tel: 012 684 4255.

Signed on behalf of the board

JJ Njeke *Chairman*
Nicolaas Kruger *Group chief executive officer*

Centurion
5 March 2014

DIRECTORS: MJN Njeke (chairman), JP Burger (deputy chairman), NAS Kruger (group chief executive officer), FW van Zyl (deputy group chief executive officer), PE Speckmann (group finance director), N Motsei (executive), L Crouse, F Jakoet, Prof JD Krige, PJ Moleketi, SA Muller, V Nkonyeni, SE Nxasana, KC Shubane, FJC Truter, BJ van der Ross, JC van Reenen, LL von Zeuner, SECRETARY: Maliga Chetty www.mmiholdings.com

TRANSFER SECRETARIES: Link Market Services SA (Pty) Ltd (registration number 2000/007239/07) Rennie House, 13th Floor, 19 Ameshoff Street, Braamfontein 2001. PO Box 4844, Johannesburg 2000 Telephone: +27 11 713 0800 E-mail: info@linkmarketservices.co.za SPONSOR: Merrill Lynch (registration number: 2000/031756/06)

REGISTERED OFFICE: 268 West Avenue, Centurion

JSE CODE: MMI NSX CODE: MIM ISIN NO. ZAE0001149902

MMI HOLDINGS GROUP – IFRS FINANCIAL INFORMATION

| CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION | 31.12.2013 Rm | Restated 31.12.2012 Rm | Restated 30.06.2013 Rm |
|--|------------------|------------------------------|------------------------------|
| ASSETS | | | |
| Intangible assets | 11 596 | 12 097 | 11 769 |
| Owner-occupied properties | 1 528 | 1 504 | 1 488 |
| Property and equipment | 330 | 316 | 348 |
| Investment properties | 7 343 | 5 766 | 6 433 |
| Investment in associates | 128 | 68 | 121 |
| Employee benefit assets | 330 | 308 | 327 |
| Financial instrument assets ⁽¹⁾ | 332 171 | 297 743 | 312 424 |
| Reinsurance contracts | 1 247 | 1 333 | 1 345 |
| Deferred income tax | 103 | 110 | 124 |
| Properties under development | 129 | 90 | 98 |
| Insurance and other receivables | 2 924 | 3 039 | 2 828 |
| Current income tax assets | 83 | 68 | 108 |
| Cash and cash equivalents | 21 865 | 23 347 | 22 275 |
| Non-current assets held for sale | 17 | 716 | 680 |
| Total assets | 379 794 | 346 505 | 360 368 |
| EQUITY | | | |
| Equity attributable to owners of the parent | 24 191 | 23 066 | 23 473 |
| Preference shares | - | 500 | - |
| | 24 191 | 23 566 | 23 473 |
| Non-controlling interests | 408 | 416 | 391 |
| Total equity | 24 599 | 23 982 | 23 864 |
| LIABILITIES | | | |
| Insurance contract liabilities | | | |
| Long-term insurance contracts | 100 500 | 95 496 | 96 642 |
| Financial instrument liabilities | | | |
| Investment contracts | 205 711 | 173 675 | 184 713 |
| – with discretionary participation features | 24 414 | 25 445 | 24 937 |
| – designated at fair value through income | 181 297 | 148 230 | 159 776 |
| Other financial instrument liabilities ⁽²⁾ | 34 893 | 31 257 | 38 295 |
| Deferred income tax | 4 249 | 4 279 | 3 917 |
| Employee benefit obligations | 1 244 | 1 136 | 1 328 |
| Other payables | 8 224 | 16 269 | 11 162 |
| Provisions | 153 | 164 | 180 |
| Current income tax liabilities | 221 | 247 | 267 |
| Total liabilities | 355 195 | 322 523 | 336 504 |
| Total equity and liabilities | 379 794 | 346 505 | 360 368 |

1. Financial instrument assets consist of the following:

Securities designated at fair value through income: R316 592 million (31.12.2012: R276 503 million; 30.06.2013: R289 501 million)

Investments in associates designated at fair value through income: R7 243 million (31.12.2012: R10 760 million; 30.06.2013: R13 031 million)

Derivative financial instruments: R3 442 million (31.12.2012: R4 461 million; 30.06.2013: R3 173 million)

Held-to-maturity assets: R76 million (31.12.2012: R75 million; 30.06.2013: R69 million)

Available-for-sale assets: R437 million (31.12.2012: R1 345 million; 30.06.2013: R953 million)

Loans and receivables: R4 381 million (31.12.2012: R4 599 million; 30.06.2013: R5 697 million)

2. Other financial instrument liabilities consist of the following:

Liabilities designated at fair value through income: R30 082 million (31.12.2012: R27 086 million; 30.06.2013: R34 171 million)

Derivative financial instruments: R2 925 million (31.12.2012: R2 844 million; 30.06.2013: R2 547 million)

Liabilities at amortised cost: R1 886 million (31.12.2012: R1 327 million; 30.06.2013: R1 577 million)

MMI HOLDINGS GROUP – IFRS FINANCIAL INFORMATION

| CONDENSED CONSOLIDATED INCOME STATEMENT | 6 mths to 31.12.2013 Rm | Restated 6 mths to 31.12.2012 Rm | Restated 12 mths to 30.06.2013 Rm |
|--|-------------------------------|---|--|
| Net insurance premiums received | 10 511 | 12 585 | 23 304 |
| Fee income ⁽¹⁾ | 3 198 | 2 668 | 6 205 |
| Investment income | 6 982 | 6 899 | 14 375 |
| Net realised and fair value gains | 27 826 | 21 376 | 30 548 |
| Net income | 48 517 | 43 528 | 74 432 |
| Net insurance benefits and claims | 11 308 | 10 647 | 20 327 |
| Change in liabilities | 3 160 | 9 055 | 9 305 |
| Change in insurance contract liabilities | 3 848 | 7 503 | 8 501 |
| Change in investment contracts with DPF liabilities | (523) | 1 748 | 1 239 |
| Change in reinsurance provision | 118 | (12) | (21) |
| Change in cell owner liabilities | (283) | (184) | (414) |
| Fair value adjustments on investment contract liabilities | 20 321 | 12 418 | 22 715 |
| Fair value adjustments on collective investment scheme liabilities | 2 629 | 1 523 | 2 782 |
| Depreciation, amortisation and impairment expenses | 564 | 566 | 1 144 |
| Employee benefit expenses | 2 603 | 2 447 | 4 494 |
| Sales remuneration | 1 815 | 1 612 | 3 061 |
| Other expenses | 2 167 | 2 029 | 4 476 |
| Expenses | 44 567 | 40 297 | 68 304 |
| Results of operations | 3 950 | 3 231 | 6 128 |
| Share of profit of associates | 6 | 9 | 12 |
| Finance costs ⁽²⁾ | (722) | (631) | (1 685) |
| Profit before tax | 3 234 | 2 609 | 4 455 |
| Income tax expenses | (1 416) | (1 113) | (1 804) |
| Earnings | 1 818 | 1 496 | 2 651 |
| Attributable to: | | | |
| Owners of the parent | 1 796 | 1 468 | 2 587 |
| Non-controlling interests | 22 | 13 | 32 |
| MMI Group Ltd preference shares | - | 15 | 32 |
| | 1 818 | 1 496 | 2 651 |
| Basic earnings per ordinary share (cents) | 115.4 | 94.2 | 166.0 |
| Diluted earnings per ordinary share (cents) | 113.7 | 93.7 | 164.2 |

1. Fee income consists of the following:

Investment contracts: R983 million (31.12.2012: R662 million; 30.06.2013: R1 901 million)
Trust and fiduciary services: R900 million (31.12.2012: R890 million; 30.06.2013: R1 837 million)
Health administration services: R953 million (31.12.2012: R901 million; 30.06.2013: R1 866 million)
Other fee income: R362 million (31.12.2012: R215 million; 30.06.2013: R601 million)

2. Finance costs consist of the following:

Preference shares issued by MMI Holdings Ltd: R23 million (31.12.2012: R23 million; 30.06.2013: R46 million)
Subordinated redeemable debt: R55 million (31.12.2012: R56 million; 30.06.2013: R100 million)
Cost of carry and derivative financial instruments: R580 million (31.12.2012: R477 million; 30.06.2013: R1 273 million)
Other: R64 million (31.12.2012: R75 million; 30.06.2013: R266 million)

MMI HOLDINGS GROUP – IFRS FINANCIAL INFORMATION

| CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME | 6 mths to 31.12.2013 Rm | 6 mths to 31.12.2012 Rm | 12 mths to 30.06.2013 Rm |
|---|--|--|---|
| Earnings | 1 818 | 1 496 | 2 651 |
| Other comprehensive income for the period, net of tax | 109 | 69 | 88 |
| Items that may subsequently be reclassified to income | 54 | 17 | 86 |
| Exchange differences on translating foreign operations | 53 | 15 | 86 |
| Available-for-sale financial assets | 1 | 2 | - |
| Items that will not be reclassified to income | 55 | 52 | 2 |
| Land and buildings revaluation | 38 | 59 | 9 |
| Adjustments to defined benefit pension fund | 27 | - | - |
| Change in non-distributable reserves | - | - | (10) |
| Income tax relating to items that will not be reclassified | (10) | (7) | 3 |
| Total comprehensive income for the period | 1 927 | 1 565 | 2 739 |
| Total comprehensive income attributable to: | | | |
| Owners of the parent | 1 899 | 1 532 | 2 654 |
| Non-controlling interests | 28 | 18 | 53 |
| MMI Group Ltd preference shares | - | 15 | 32 |
| | 1 927 | 1 565 | 2 739 |

MMI HOLDINGS GROUP – IFRS FINANCIAL INFORMATION

| RECONCILIATION OF HEADLINE EARNINGS attributable to owners of the parent | Basic earnings | | | Diluted earnings | | |
|--|-------------------------------|-------------------------------|--------------------------------|-------------------------------|-------------------------------|--------------------------------|
| | 6 mths to 31.12.2013 Rm | 6 mths to 31.12.2012 Rm | 12 mths to 30.06.2013 Rm | 6 mths to 31.12.2013 Rm | 6 mths to 31.12.2012 Rm | 12 mths to 30.06.2013 Rm |
| Earnings | 1 796 | 1 468 | 2 587 | 1 796 | 1 468 | 2 587 |
| Finance costs – convertible preference shares | | | | 23 | 23 | 46 |
| Dilutory effect of subsidiaries ⁽¹⁾ | | | | (10) | - | (19) |
| Diluted earnings | | | | 1 809 | 1 491 | 2 614 |
| Realised gains on available-for-sale financial assets | - | - | (2) | - | - | (2) |
| Intangible asset and other impairments | 16 | 1 | 3 | 16 | 1 | 3 |
| Profit on change from associate to subsidiary | - | (54) | (67) | - | (54) | (67) |
| Loss on sale of business | 2 | - | 3 | 2 | - | 3 |
| Headline earnings ⁽²⁾ | 1 814 | 1 415 | 2 524 | 1 827 | 1 438 | 2 551 |
| Net realised and fair value gains on excess Basis and other changes and investment variances | (398) | (232) | (340) | (398) | (232) | (340) |
| Amortisation of intangible assets relating to business combinations | (64) | (10) | 367 | (64) | (10) | 367 |
| Corporate restructuring expenses ⁽³⁾ | 277 | 302 | 587 | 277 | 302 | 587 |
| Dilutory effect of subsidiaries ⁽¹⁾ | 27 | - | 58 | 27 | - | 58 |
| Investment income on treasury shares – contract holders | | | | - | (12) | - |
| | | | | 21 | 15 | 18 |
| Core headline earnings ⁽⁴⁾ | 1 656 | 1 475 | 3 196 | 1 690 | 1 501 | 3 241 |

1. Metropolitan Health is consolidated at 100% and the Metropolitan Namibian group and Metropolitan Kenya are consolidated at 96% in the results. For purposes of diluted earnings, diluted non-controlling interests and investment returns are reinstated. The dilutory impact of these subsidiaries has been included in diluted earnings in the current period and June 2013.
2. Headline earnings consist of operating profit, investment income, net realised and fair value gains, investment variances and basis and other changes.
3. Corporate restructuring expenses include once-off costs relating to the restructuring of the group.
4. Core headline earnings disclosed comprise operating profit and investment income on shareholder assets. It excludes net realised and fair value gains on investment assets, investment variances and basis and other changes which can be volatile, certain non-recurring items, as well as the amortisation of intangible assets relating to business combinations as this is part of the cost of acquiring the business.

MMI HOLDINGS GROUP – IFRS FINANCIAL INFORMATION

| EARNINGS PER SHARE (cents) attributable to owners of the parent | 6 mths to 31.12.2013 | 6 mths to 31.12.2012 | 12 mths to 30.06.2013 |
|---|---------------------------------------|-------------------------|--------------------------|
| Basic | | | |
| Core headline earnings | 106.4 | 94.7 | 205.1 |
| Headline earnings | 116.6 | 90.8 | 162.0 |
| Earnings | 115.4 | 94.2 | 166.0 |
| Weighted average number of shares (million) | 1 556 | 1 558 | 1 558 |
| Diluted | | | |
| Core headline earnings | 105.4 | 93.6 | 202.1 |
| Weighted average number of shares (million) ⁽¹⁾ | 1 604 | 1 604 | 1 604 |
| Headline earnings | 114.9 | 90.3 | 160.2 |
| Earnings | 113.7 | 93.7 | 164.2 |
| Weighted average number of shares (million) ⁽²⁾ | 1 591 | 1 592 | 1 592 |

1. For diluted core headline earnings per share, treasury shares held on behalf of contract holders are deemed to be issued.
2. For diluted earnings and headline earnings per share, treasury shares held on behalf of contract holders are deemed to be cancelled.

| DIVIDENDS | 2014 | 2013 |
|--|-------------|------------|
| Ordinary listed MMI Holdings Ltd shares (cents per share) | | |
| Interim – March | 57 | 51 |
| Final – September | | 76 |
| Total | | <u>127</u> |

MMI Holdings convertible redeemable preference shares (issued to Kagiso Tiso Holdings (KTH))

The A3 MMI preference shares are redeemable in June 2017 at a redemption value of R9.18 per share unless converted into MMI ordinary shares on a one-for-one basis prior to that date. Dividends are payable at 132 cents per annum (payable March and September).

Significant related party transactions

MMI Holdings Ltd declared R298 million (2013: R271 million) in ordinary dividends to RMI Holdings Ltd in September 2013 (2013: September 2012) and R200 million in ordinary dividends to RMI Holdings Ltd in March 2013. In September 2012, MMI Holdings Ltd also declared R255 million in special dividends to RMI Holdings Ltd.

MMI HOLDINGS GROUP – IFRS FINANCIAL INFORMATION

| CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY | 6 mths to 31.12.2013 Rm | 6 mths to 31.12.2012 Rm | 12 mths to 30.06.2013 Rm |
|---|-------------------------------|-------------------------------|--------------------------------|
| Changes in share capital | | | |
| Balance at beginning and end | 9 | 9 | 9 |
| Changes in share premium | | | |
| Balance at beginning | 13 794 | 13 805 | 13 805 |
| Treasury shares held on behalf of contract holders | 16 | 31 | (4) |
| Share buy-back | - | (7) | (7) |
| Balance at end | 13 810 | 13 829 | 13 794 |
| Changes in other reserves | | | |
| Balance at beginning | 1 631 | 1 572 | 1 572 |
| Total comprehensive income | 103 | 64 | 67 |
| Transfer from/(to) retained earnings | 3 | (3) | (8) |
| Balance at end ⁽¹⁾ | 1 737 | 1 633 | 1 631 |
| Changes in retained earnings | | | |
| Balance at beginning | 8 039 | 8 131 | 8 131 |
| Total comprehensive income | 1 796 | 1 468 | 2 587 |
| Dividend paid | (1 197) | (2 095) | (2 886) |
| Transactions with non-controlling interests | - | 88 | 87 |
| Transfer (to)/from other reserves | (3) | 3 | 8 |
| Profit on preference share buy-back | - | - | 112 |
| Balance at end | 8 635 | 7 595 | 8 039 |
| Equity attributable to owners of the parent | 24 191 | 23 066 | 23 473 |
| MMI Group Ltd preference shares | | | |
| Balance at beginning | - | 500 | 500 |
| Total comprehensive income | - | 15 | 32 |
| Dividend paid | - | (15) | (32) |
| Share buy-back | - | - | (500) |
| Balance at end | - | 500 | - |
| Changes in non-controlling interests | | | |
| Balance at beginning | 391 | 281 | 281 |
| Total comprehensive income | 28 | 18 | 53 |
| Dividends paid | (11) | (9) | (97) |
| Transactions with owners | - | 11 | 39 |
| Business combinations | - | 115 | 115 |
| Balance at end | 408 | 416 | 391 |
| Total equity | 24 599 | 23 982 | 23 864 |

1. Other reserves consist of the following:

- Land and buildings revaluation reserve: R562 million (31.12.2012: R580 million; 30.06.2013: R534 million)
- Foreign currency translation reserve: R185 million (31.12.2012: R85 million; 30.06.2013: R139 million)
- Fair value adjustment for preference shares issued by MMI: R940 million (31.12.2012: R940 million; 30.06.2013: R940 million)
- Fair value reserve: R12 million (31.12.2012: R12 million; 30.06.2013: R11 million)
- Non-distributable reserve: R8 million (31.12.2012: R13 million; 30.06.2013: R4 million)
- Equity-settled share-based payments reserve: R3 million (31.12.2012: R3 million; 30.06.2013: R3 million)
- Employee benefit revaluation reserve: R27 million (31.12.2012: Rnil; 30.06.2013: Rnil)

MMI HOLDINGS GROUP – IFRS FINANCIAL INFORMATION

| CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS | 6 mths to 31.12.2013 Rm | Restated 6 mths to 31.12.2012 Rm | Restated 12 mths to 30.06.2013 Rm |
|---|--|---|--|
| Net cash inflow from operating activities | 787 | 8 119 | 7 924 |
| Net cash outflow from investing activities | (307) | (907) | (753) |
| Net cash outflow from financing activities | (890) | (2 138) | (3 169) |
| Net cash flow | (410) | 5 074 | 4 002 |
| Cash resources and funds on deposit at beginning | 22 275 | 18 273 | 18 273 |
| Cash resources and funds on deposit at end | 21 865 | 23 347 | 22 275 |

| PRINCIPAL ASSUMPTIONS (South Africa) ⁽¹⁾ | 31.12.2013 % | 31.12.2012 % | 30.06.2013 % |
|--|-------------------------|-------------------------|-------------------------|
| Pre-tax investment return | | | |
| Equities | 11.8 | 10.5 | 11.4 |
| Properties | 9.3 | 8.0 | 8.9 |
| Government stock | 8.3 | 7.0 | 7.9 |
| Other fixed interest stocks | 8.8 | 7.5 | 8.4 |
| Cash | 7.3 | 6.0 | 6.9 |
| Risk-free return | 8.3 | 7.0 | 7.9 |
| Risk discount rate (RDR) | 10.6 | 9.4 | 10.2 |
| Investment return (before tax) – balanced portfolio | 10.5 | 9.2 | 10.1 |
| Expense inflation base rate ⁽²⁾ | 6.5 | 4.9 | 6.1 |

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. An additional 1% expense inflation is allowed for in some divisions to reflect the impact of closed books that are in run-off.

| NON-CONTROLLING INTERESTS | 31.12.2013 % | 31.12.2012 % | 30.06.2013 % |
|--|-------------------------|-------------------------|-------------------------|
| Eris Property Group | 45.7 | 45.7 | 45.7 |
| Metropolitan Botswana | 24.2 | 24.2 | 24.2 |
| Metropolitan Ghana | 5.0 | 5.0 | 5.0 |
| Metropolitan Health Botswana (previously Momentum Health Botswana) | 28.0 | 28.0 | 28.0 |
| Metropolitan Health Ghana (previously Momentum Health Ghana) | 4.8 | 4.8 | 4.8 |
| Metropolitan Health Group | 17.6 | 17.6 | 17.6 |
| Metropolitan Health Mauritius (previously Momentum Health Mauritius) | 5.0 | 5.0 | 5.0 |
| Metropolitan Health Namibia Administrators | 49.0 | 49.0 | 49.0 |
| Metropolitan Kenya | 33.7 | 33.7 | 33.7 |
| Metropolitan Namibia | 10.3 | 10.3 | 10.3 |
| Metropolitan Nigeria | 50.0 | 50.0 | 50.0 |
| Metropolitan Swaziland | 33.0 | 33.0 | 33.0 |
| Metropolitan Tanzania (previously Momentum Tanzania) | 33.0 | 33.0 | 33.0 |
| Metropolitan Zambia (previously Momentum Zambia) | 35.0 | 35.0 | 35.0 |
| Momentum Mozambique | 33.0 | 25.0 | 33.0 |
| Momentum Swaziland | 33.0 | - | 33.0 |

MMI HOLDINGS GROUP – IFRS FINANCIAL INFORMATION

| ANALYSIS OF ASSETS UNDER MANAGEMENT | 31.12.2013 Rm | Restated 31.12.2012 Rm | Restated 30.06.2013 Rm |
|--|------------------|------------------------------|------------------------------|
| On-balance sheet assets | | | |
| Managed and/or administered by Momentum Investments | 230 962 | 205 039 | 222 753 |
| Investment assets | 221 760 | 197 769 | 214 832 |
| Properties | 9 202 | 7 270 | 7 921 |
| Momentum Wealth linked product assets under administration | 74 644 | 56 421 | 63 045 |
| Managed internally or by other managers within MMI | 19 751 | 24 872 | 18 592 |
| Managed by external managers | 32 990 | 37 561 | 33 941 |
| Other assets | 21 447 | 22 612 | 22 037 |
| | 379 794 | 346 505 | 360 368 |
| Off-balance sheet assets | | | |
| Managed and/or administered by Momentum Investments | 139 846 | 134 707 | 140 874 |
| Collective investment schemes | 70 190 | 63 044 | 69 562 |
| Segregated assets and linked products | 53 240 | 53 006 | 54 005 |
| Properties | 16 416 | 18 657 | 17 307 |
| Managed internally or by other managers within MMI | 4 469 | 4 522 | 4 543 |
| Momentum Employee Benefits – segregated assets | 1 333 | 1 177 | 1 232 |
| Metropolitan Health | 10 102 | 10 228 | 9 540 |
| Momentum Wealth linked product assets under administration | 48 373 | 39 135 | 43 437 |
| Total assets under management | 583 917 | 536 274 | 559 994 |
| Total assets managed and/or administered by Momentum Investments | 370 808 | 339 746 | 363 627 |
| Other assets under management | 213 109 | 196 528 | 196 367 |
| Total assets under management | 583 917 | 536 274 | 559 994 |

| ANALYSIS OF ASSETS BACKING SHAREHOLDER EXCESS | 31.12.2013 | | 31.12.2012 | | 30.06.2013 | |
|--|----------------|--------------|------------|-------|------------|-------|
| | Rm | % | Rm | % | Rm | % |
| Equity securities | 1 050 | 4.3 | 1 080 | 4.6 | 973 | 4.1 |
| Preference shares | 967 | 4.0 | 374 | 1.6 | 538 | 2.3 |
| Collective investment schemes | 272 | 1.1 | 535 | 2.3 | 699 | 3.0 |
| Debt securities | 4 994 | 20.6 | 4 393 | 18.6 | 3 797 | 16.2 |
| Properties | 2 506 | 10.3 | 1 991 | 8.5 | 2 324 | 9.9 |
| Owner-occupied properties | 1 190 | 4.9 | 1 290 | 5.5 | 1 175 | 5.0 |
| Investment properties | 1 316 | 5.4 | 701 | 3.0 | 1 149 | 4.9 |
| Cash and cash equivalents and funds on deposit | 7 289 | 30.1 | 9 126 | 38.7 | 9 405 | 40.1 |
| Intangible assets | 7 092 | 29.3 | 7 654 | 32.5 | 7 109 | 30.3 |
| Other net assets | 1 892 | 7.9 | 311 | 1.3 | 503 | 2.1 |
| | 26 062 | 107.6 | 25 464 | 108.1 | 25 348 | 108.0 |
| Redeemable preference shares | (313) | (1.3) | (313) | (1.3) | (313) | (1.3) |
| Subordinated redeemable debt | (1 558) | (6.3) | (1 585) | (6.8) | (1 562) | (6.7) |
| Shareholder excess per reporting basis | 24 191 | 100.0 | 23 566 | 100.0 | 23 473 | 100.0 |

MMI HOLDINGS GROUP – SEGMENTAL INFORMATION

| 6 mths to 31.12.2013 | Momentum Retail Rm | Metropolitan Retail Rm | Momentum Employee Benefits Rm | Metropolitan Inter- national Rm | Momentum Investments Rm | Metropolitan Health Rm | Shareholder Capital Rm | Segmental total Rm | Reconciling items ⁽¹⁾ Rm | IFRS total Rm |
|---|--------------------------|------------------------------|--|--|-------------------------------|------------------------------|------------------------------|--------------------------|---|------------------|
| Revenue | | | | | | | | | | |
| Net insurance premiums | 11 357 | 3 450 | 7 796 | 1 421 | 3 781 | 23 | 159 | 27 987 | (17 476) | 10 511 |
| Recurring premiums | 3 860 | 2 752 | 4 014 | 1 264 | - | 23 | 154 | 12 067 | (3 333) | 8 734 |
| Single premiums | 7 497 | 698 | 3 782 | 157 | 3 781 | - | 5 | 15 920 | (14 143) | 1 777 |
| Fee income | 1 119 | 51 | 704 | 102 | 768 | 738 | 252 | 3 734 | (536) | 3 198 |
| Fee income | 1 119 | 51 | 704 | 102 | 768 | 738 | 252 | 3 734 | 63 | 3 797 |
| Inter-segmental fee income | - | - | - | - | - | - | - | - | (599) | (599) |
| Expenses | | | | | | | | | | |
| Net payments to contract holders | | | | | | | | | | |
| External payments | 10 689 | 2 896 | 5 532 | 770 | 6 653 | 21 | 195 | 26 756 | (15 448) | 11 308 |
| Other expenses | 1 707 | 1 107 | 718 | 634 | 636 | 651 | 540 | 5 993 | 1 156 | 7 149 |
| Sales remuneration | 940 | 502 | 47 | 232 | - | - | 32 | 1 753 | 62 | 1 815 |
| Administration expenses | 767 | 605 | 671 | 387 | 471 | 630 | 152 | 3 683 | 261 | 3 944 |
| Amortisation due to business combinations and impairments | - | - | - | 15 | - | 8 | 19 | 42 | 385 | 427 |
| Direct property expenses | - | - | - | - | - | - | - | - | 75 | 75 |
| Asset management and other fee expenses | - | - | - | - | 165 | 13 | 177 | 355 | 974 | 1 329 |
| Holding company expenses | - | - | - | - | - | - | 160 | 160 | - | 160 |
| Inter-segmental expenses | - | - | - | - | - | - | - | - | (601) | (601) |
| Diluted core headline earnings | 652 | 315 | 179 | 49 | 95 | 75 | 325 | 1 690 | - | 1 690 |
| Operating profit ⁽²⁾ | 908 | 434 | 242 | 62 | 117 | 91 | 56 | 1 910 | 209 | 2 119 |
| Tax on operating profit ⁽²⁾ | (256) | (119) | (63) | (13) | (37) | (20) | (34) | (542) | (209) | (751) |
| Investment income | - | - | - | - | 21 | 6 | 422 | 449 | - | 449 |
| Tax on investment income | - | - | - | - | (6) | (2) | (119) | (127) | - | (127) |
| Actuarial liabilities | 166 858 | 30 913 | 61 420 | 8 415 | 34 410 | 10 | 3 310 | 305 336 | 875 | 306 211 |

- The 'Reconciling items' column includes: an adjustment to reverse investment contract premiums (R17 584 million) and claims (R15 447 million); FNB Life excluded from Metropolitan Retail (premiums R108 million, fee income R10 million, claims R1 million, sales remuneration R33 million and expenses R84 million); corporate restructuring expenses of R36 million; direct property and asset management fees for all segments, except non-life segments, that are set off against investment income for management reporting purposes but shown as an expense for accounting purposes; the amortisation of intangibles relating to business combinations; cell captive expenses (R51 million) and sales remuneration (R35 million) attributable to cell owners; and other minor adjustments to expenses (R90 million), sales remuneration (R6 million) and fee income (R53 million).
- 'Reconciling items' represents tax payable by cell captive owners.

MMI HOLDINGS – SEGMENTAL INFORMATION

| Restated 6 mths to 31.12.2012 | Momentum Metropolitan | | | | | | | Segmental total Rm | Reconciling items ⁽¹⁾ Rm | IFRS total Rm |
|---|--------------------------|------------------------------|----------------------------|--------------------------|-------------------------------|------------------------------|------------------------------|--------------------------|---|------------------|
| | Momentum Retail Rm | Metropolitan Retail Rm | Employee Benefits Rm | Inter- national Rm | Momentum Investments Rm | Metropolitan Health Rm | Shareholder Capital Rm | | | |
| Revenue | | | | | | | | | | |
| Net insurance premiums | 8 842 | 3 141 | 6 624 | 1 267 | 11 406 | 15 | 145 | 31 440 | (18 855) | 12 585 |
| Recurring premiums | 3 740 | 2 606 | 3 417 | 1 069 | - | 15 | 144 | 10 991 | (2 026) | 8 965 |
| Single premiums ⁽²⁾ | 5 102 | 535 | 3 207 | 198 | 11 406 | - | 1 | 20 449 | (16 829) | 3 620 |
| Fee income | 899 | 45 | 522 | 100 | 746 | 735 | 188 | 3 235 | (567) | 2 668 |
| Fee income | 899 | 45 | 522 | 100 | 746 | 735 | 188 | 3 235 | 12 | 3 247 |
| Inter-segmental fee income | - | - | - | - | - | - | - | - | (579) | (579) |
| Expenses | | | | | | | | | | |
| Net payments to contract holders | | | | | | | | | | |
| External payments | 9 036 | 2 230 | 4 338 | 668 | 11 100 | 15 | 163 | 27 550 | (16 903) | 10 647 |
| Other expenses | 1 592 | 1 060 | 665 | 545 | 633 | 648 | 476 | 5 619 | 1 035 | 6 654 |
| Sales remuneration | 813 | 469 | 83 | 167 | - | - | 16 | 1 548 | 64 | 1 612 |
| Administration expenses | 779 | 591 | 582 | 377 | 506 | 637 | 187 | 3 659 | 214 | 3 873 |
| Amortisation due to business combinations and impairments | - | - | - | 1 | 1 | 8 | 19 | 29 | 409 | 438 |
| Direct property expenses | - | - | - | - | - | - | - | - | 103 | 103 |
| Asset management and other fee expenses | - | - | - | - | 126 | 3 | 107 | 236 | 818 | 1 054 |
| Holding company expenses | - | - | - | - | - | - | 147 | 147 | - | 147 |
| Inter-segmental expenses | - | - | - | - | - | - | - | - | (573) | (573) |
| Diluted core headline earnings | 514 | 242 | 159 | 39 | 74 | 70 | 403 | 1 501 | - | 1 501 |
| Operating profit ⁽³⁾ | 718 | 337 | 234 | 54 | 81 | 87 | (8) | 1 503 | 141 | 1 644 |
| Tax on operating profit ⁽³⁾ | (204) | (95) | (75) | (15) | (23) | (21) | 65 | (368) | (141) | (509) |
| Investment income | - | - | - | - | 22 | 6 | 444 | 472 | - | 472 |
| Tax on investment income | - | - | - | - | (6) | (2) | (98) | (106) | - | (106) |
| Actuarial liabilities | 146 381 | 28 794 | 50 191 | 7 127 | 33 015 | 1 | 3 188 | 268 697 | 474 | 269 171 |

- The 'Reconciling items' column includes: an adjustment to reverse investment contract premiums (R18 948 million) and claims (R16 904 million); FNB Life adjustments reconciling the 10% of FNB Life included in each of the relevant lines to the accounting treatment of the reinsurance arrangement (premiums R93 million, claims R1 million, sales remuneration R36 million and expenses R61 million); direct property and asset management fees that are set off against investment income and fee income, respectively for management reporting purposes but shown as an expense for accounting purposes; the amortisation of intangibles relating to business combinations; cell captive expenses (R18 million) and sales remuneration (R31 million) attributable to cell owners; and other minor adjustments to expenses (R135 million), sales remuneration (R3 million) and fee income (R12 million).
- Momentum Investments includes two significant client single premium inflows.
- 'Reconciling items' represents tax payable by cell captive owners.

MMI HOLDINGS GROUP – SEGMENTAL INFORMATION

| Restated 12 mths to 30.06.2013 | Momentum Metropolitan | | Momentum Metropolitan | | Momentum Investments Rm | Metropolitan Health Rm | Shareholder Capital Rm | Segmental total Rm | Reconciling items ⁽¹⁾ Rm | IFRS total Rm |
|---|-----------------------|--------------|----------------------------|--------------------------|-------------------------------|------------------------------|------------------------------|--------------------------|---|------------------|
| | Retail Rm | Retail Rm | Employee Benefits Rm | Inter- national Rm | | | | | | |
| Revenue | | | | | | | | | | |
| Net insurance premiums | 18 575 | 6 246 | 12 228 | 2 535 | 16 819 | 37 | 299 | 56 739 | (33 435) | 23 304 |
| Recurring premiums | 7 611 | 5 013 | 7 145 | 2 244 | - | 37 | 287 | 22 337 | (4 889) | 17 448 |
| Single premiums | 10 964 | 1 233 | 5 083 | 291 | 16 819 | - | 12 | 34 402 | (28 546) | 5 856 |
| Fee income | 2 089 | 134 | 1 182 | 145 | 1 467 | 1 452 | 470 | 6 939 | (734) | 6 205 |
| Fee income | 2 089 | 134 | 1 182 | 145 | 1 467 | 1 452 | 470 | 6 939 | 193 | 7 132 |
| Inter-segmental fee income | - | - | - | - | - | - | - | - | (927) | (927) |
| Expenses | | | | | | | | | | |
| Net payments to contract holders | 18 609 | 4 509 | 9 385 | 1 340 | 15 241 | 37 | 269 | 49 390 | (29 063) | 20 327 |
| External payments | 18 609 | 4 509 | 9 385 | 1 340 | 15 241 | 37 | 269 | 49 390 | (29 031) | 20 359 |
| Inter-segmental payments | - | - | - | - | - | - | - | - | (32) | (32) |
| Other expenses | 3 173 | 2 029 | 1 287 | 1 052 | 1 215 | 1 294 | 974 | 11 024 | 2 151 | 13 175 |
| Sales remuneration | 1 645 | 871 | 82 | 335 | - | - | 34 | 2 967 | 94 | 3 061 |
| Administration expenses | 1 528 | 1 158 | 1 205 | 715 | 948 | 1 279 | 352 | 7 185 | 633 | 7 818 |
| Amortisation due to business combinations and impairments | - | - | - | 2 | 1 | 15 | 39 | 57 | 795 | 852 |
| Direct property expenses | - | - | - | - | - | - | - | - | 220 | 220 |
| Asset management and other fee expenses | - | - | - | - | 266 | - | 313 | 579 | 1 359 | 1 938 |
| Holding company expenses | - | - | - | - | - | - | 236 | 236 | - | 236 |
| Inter-segmental expenses | - | - | - | - | - | - | - | - | (950) | (950) |
| Diluted core headline earnings | 1 158 | 509 | 341 | 108 | 175 | 140 | 810 | 3 241 | - | 3 241 |
| Operating profit ⁽²⁾ | 1 619 | 707 | 456 | 145 | 198 | 163 | 211 | 3 499 | 302 | 3 801 |
| Tax on operating profit ⁽²⁾ | (461) | (198) | (115) | (37) | (54) | (33) | (52) | (950) | (302) | (1 252) |
| Investment income | - | - | - | - | 43 | 14 | 860 | 917 | - | 917 |
| Tax on investment income | - | - | - | - | (12) | (4) | (209) | (225) | - | (225) |
| Actuarial liabilities | 153 463 | 29 070 | 54 614 | 7 656 | 32 703 | 11 | 3 250 | 280 767 | 588 | 281 355 |

- The 'Reconciling items' column includes: an adjustment to reverse investment contract premiums (R33 609 million) and claims (R29 034 million); FNB Life adjustments reconciling the 10% of FNB Life included in each of the relevant lines to the accounting treatment of the reinsurance arrangement (premiums R174 million, fee income R11 million, claims R3 million, sales remuneration R65 million and expenses R130 million); grossing up of fee income and expenses relating to properties under development (R121 million); corporate restructuring expenses of R67 million; direct property and asset management fees for all segments, except non-life segments, that are set off against investment income for management reporting purposes but shown as an expense for accounting purposes; the amortisation of intangibles relating to business combinations; cell captive expenses (R47 million) and sales remuneration (R46 million) attributable to cell owners; and other minor adjustments to expenses (R268 million), sales remuneration (R17 million) and fee income (R61 million).
- 'Reconciling items' represents tax payable by cell captive owners.

MMI HOLDINGS GROUP – SEGMENTAL INFORMATION

| Analysis of reclassifications | Momentum Retail Rm | Metropolitan Retail Rm | Momentum Employee Benefits Rm | Metropolitan International Rm | Momentum Investments Rm | Metropolitan Health Rm | Shareholder Capital Rm | Segmental total Rm | Reconciling items Rm | IFRS total Rm |
|---|--------------------------|------------------------------|--|-------------------------------------|-------------------------------|------------------------------|------------------------------|--------------------------|----------------------------|------------------|
| The comparative segmental information has been restated for the effect of IFRS 10 and, where appropriate, to ensure alignment with the way in which the chief operating decision-maker, being the MMI executive committee, monitors and evaluates the performance of the various segments of the business. Refer to table below for detail. These restatements had no impact on total core headline earnings. | | | | | | | | | | |
| December 2012 | | | | | | | | | | |
| Fee income | | | | | | | | | | |
| Published December 2012 | 1 028 | 45 | 384 | 100 | 746 | 873 | 59 | 3 235 | (546) | 2 689 |
| Reclassifications | (129) | - | 138 | - | - | (138) | 129 | - | (21) | (21) |
| Restated December 2012 | 899 | 45 | 522 | 100 | 746 | 735 | 188 | 3 235 | (567) | 2 668 |
| Other expenses | | | | | | | | | | |
| Published December 2012 | 1 611 | 1 060 | 531 | 545 | 633 | 779 | 350 | 5 509 | 1 032 | 6 541 |
| Reclassifications | (19) | - | 134 | - | - | (131) | 126 | 110 | 3 | 113 |
| Restated December 2012 | 1 592 | 1 060 | 665 | 545 | 633 | 648 | 476 | 5 619 | 1 035 | 6 654 |
| Actuarial liabilities | | | | | | | | | | |
| Published December 2012 | 146 381 | 28 794 | 50 191 | 7 127 | 33 015 | 1 | 3 188 | 268 697 | (488) | 268 209 |
| Reclassifications | - | - | - | - | - | - | - | - | 962 | 962 |
| Restated December 2012 | 146 381 | 28 794 | 50 191 | 7 127 | 33 015 | 1 | 3 188 | 268 697 | 474 | 269 171 |
| Diluted core headline earnings | | | | | | | | | | |
| Published December 2012 | 522 | 242 | 163 | 39 | 74 | 66 | 395 | 1 501 | - | 1 501 |
| Reclassifications | (8) | - | (4) | - | - | 4 | 8 | - | - | - |
| Restated December 2012 | 514 | 242 | 159 | 39 | 74 | 70 | 403 | 1 501 | - | 1 501 |

MMI HOLDINGS GROUP – SEGMENTAL INFORMATION

| Analysis of reclassifications | Momentum Retail Rm | Metropolitan Retail Rm | Momentum Employee Benefits Rm | Metropolitan International Rm | Momentum Investments Rm | Metropolitan Health Rm | Shareholder Capital Rm | Segmental total Rm | Reconciling items Rm | IFRS total Rm |
|----------------------------------|--------------------------|------------------------------|--|-------------------------------------|-------------------------------|------------------------------|------------------------------|--------------------------|----------------------------|------------------|
| June 2013 | | | | | | | | | | |
| Net insurance premiums | | | | | | | | | | |
| Published June 2013 | 18 575 | 6 246 | 12 072 | 2 535 | 16 819 | 193 | 299 | 56 739 | (33 435) | 23 304 |
| Reclassifications | - | - | 156 | - | - | (156) | - | - | - | - |
| Restated June 2013 | 18 575 | 6 246 | 12 228 | 2 535 | 16 819 | 37 | 299 | 56 739 | (33 435) | 23 304 |
| Fee income | | | | | | | | | | |
| Published June 2013 | 2 369 | 134 | 862 | 145 | 1 467 | 1 772 | 190 | 6 939 | (705) | 6 234 |
| Reclassifications | (280) | - | 320 | - | - | (320) | 280 | - | (29) | (29) |
| Restated June 2013 | 2 089 | 134 | 1 182 | 145 | 1 467 | 1 452 | 470 | 6 939 | (734) | 6 205 |
| Net payments to contract holders | | | | | | | | | | |
| Published June 2013 | 18 609 | 4 509 | 9 240 | 1 340 | 15 241 | 182 | 269 | 49 390 | (29 063) | 20 327 |
| Reclassifications | - | - | 145 | - | - | (145) | - | - | - | - |
| Restated June 2013 | 18 609 | 4 509 | 9 385 | 1 340 | 15 241 | 37 | 269 | 49 390 | (29 063) | 20 327 |
| Other expenses | | | | | | | | | | |
| Published June 2013 | 3 215 | 2 029 | 983 | 1 052 | 1 215 | 1 619 | 700 | 10 813 | 2 089 | 12 902 |
| Reclassifications | (42) | - | 304 | - | - | (325) | 274 | 211 | 62 | 273 |
| Restated June 2013 | 3 173 | 2 029 | 1 287 | 1 052 | 1 215 | 1 294 | 974 | 11 024 | 2 151 | 13 175 |
| Actuarial liabilities | | | | | | | | | | |
| Published June 2013 | 153 463 | 29 070 | 54 614 | 7 656 | 32 703 | 11 | 3 250 | 280 767 | (444) | 280 323 |
| Reclassifications | - | - | - | - | - | - | - | - | 1 032 | 1 032 |
| Restated June 2013 | 153 463 | 29 070 | 54 614 | 7 656 | 32 703 | 11 | 3 250 | 280 767 | 588 | 281 355 |
| Diluted core headline earnings | | | | | | | | | | |
| Published June 2013 | 1 179 | 509 | 330 | 108 | 175 | 151 | 789 | 3 241 | - | 3 241 |
| Reclassifications | (21) | - | 11 | - | - | (11) | 21 | - | - | - |
| Restated June 2013 | 1 158 | 509 | 341 | 108 | 175 | 140 | 810 | 3 241 | - | 3 241 |

MMI HOLDINGS GROUP – SEGMENTAL INFORMATION

| CHANGE IN DILUTED CORE HEADLINE EARNINGS | | 6 mths to 31.12.2013 Rm | Restated 6 mths to 31.12.2012 Rm | Restated 12 mths to 30.06.2013 Rm |
|---|---------------|--|---|--|
| | Change | | | |
| Momentum Retail | 27% | 652 | 514 | 1 158 |
| Metropolitan Retail | 30% | 315 | 242 | 509 |
| Momentum Employee Benefits | 13% | 179 | 159 | 341 |
| Metropolitan International | 26% | 49 | 39 | 108 |
| Momentum Investments | 28% | 95 | 74 | 175 |
| Metropolitan Health | 7% | 75 | 70 | 140 |
| Operating divisions | 24% | 1 365 | 1 098 | 2 431 |
| Shareholder Capital | (19%) | 325 | 403 | 810 |
| Total diluted core headline earnings | 13% | 1 690 | 1 501 | 3 241 |

| RECONCILIATION OF MOMENTUM INVESTMENTS | 6 mths to 31.12.2013 Rm | 6 mths to 31.12.2012 Rm | 12 mths to 30.06.2013 Rm |
|---|--|--|---|
| Revenue | | | |
| Fee income | 768 | 746 | 1 467 |
| Expenses and finance costs | (647) | (639) | (1 234) |
| Other expenses | (636) | (633) | (1 215) |
| Finance costs | (11) | (6) | (19) |
| Share of profit of associates | 10 | - | 5 |
| Non-controlling interests | (14) | (27) | (42) |
| | 117 | 80 | 196 |
| Core adjustments | - | 1 | 2 |
| Operating profit before tax | 117 | 81 | 198 |

| RECONCILIATION OF METROPOLITAN HEALTH | 6 mths to 31.12.2013 Rm | Restated 6 mths to 31.12.2012 Rm | Restated 12 mths to 30.06.2013 Rm |
|---|--|---|--|
| Revenue | 761 | 750 | 1 489 |
| Net insurance premiums | 23 | 15 | 37 |
| Fee income | 738 | 735 | 1 452 |
| Expenses and finance costs | (672) | (663) | (1 331) |
| Net payments to contract holders | (21) | (15) | (37) |
| Other expenses | (651) | (648) | (1 294) |
| | 89 | 87 | 158 |
| Core adjustments | 2 | - | 5 |
| Impairments and amortisation of intangibles relating to business combinations | 8 | 8 | 15 |
| Adjustments for dilution | (6) | (7) | (10) |
| Other | - | (1) | - |
| Operating profit before tax | 91 | 87 | 163 |

MMI HOLDINGS GROUP – SEGMENTAL INFORMATION

| RECONCILIATION OF SHAREHOLDER CAPITAL | 6 mths to 31.12.2013 Rm | 6 mths to 31.12.2012 Rm | Restated 12 mths to 30.06.2013 Rm |
|--|-------------------------------|-------------------------------|--|
| Revenue | | | |
| Net insurance premiums (excluding investment business) | 154 | 144 | 287 |
| Balance Sheet Management income including fee income | 363 | 323 | 711 |
| Guaranteed portfolios earnings | 178 | 121 | 174 |
| Returns in excess of benchmark | 71 | 78 | 138 |
| Returns on working capital and other | 114 | 124 | 399 |
| Other income | 147 | 62 | 306 |
| Total income | 664 | 529 | 1 304 |
| Expenses | | | |
| Net payments to contract holders (excluding investment business) | (87) | (80) | (158) |
| Other expenses | (521) | (457) | (935) |
| Balance Sheet Management | (112) | (97) | (173) |
| Strategic initiatives and other ⁽¹⁾ | (249) | (213) | (526) |
| Holding company | (160) | (147) | (236) |
| Total expenses | (608) | (537) | (1 093) |
| Operating profit/(loss) before tax | 56 | (8) | 211 |

1. Includes Momentum Short-term Insurance, Solvency Assessment and Management (SAM) costs, redeployment centre costs (in prior periods), MMI Rewards and India project costs.

MMI HOLDINGS GROUP – SEGMENTAL INFORMATION

| PAYMENTS TO CONTRACT HOLDERS | 6 mths to 31.12.2013 Rm | 6 mths to 31.12.2012 Rm | Restated 12 mths to 30.06.2013 Rm |
|---|-------------------------------|-------------------------------|--|
| Momentum Retail | 10 689 | 9 036 | 18 609 |
| Death and disability claims | 1 794 | 1 624 | 3 018 |
| Maturity claims | 3 214 | 2 649 | 5 726 |
| Annuities | 2 145 | 1 914 | 3 849 |
| Withdrawal benefits | 15 | 71 | 140 |
| Surrenders | 3 919 | 3 331 | 6 655 |
| Re-insurance recoveries | (398) | (553) | (779) |
| Metropolitan Retail | 2 896 | 2 230 | 4 509 |
| Death and disability claims | 748 | 683 | 991 |
| Maturity claims | 1 307 | 836 | 1 688 |
| Annuities | 280 | 268 | 540 |
| Withdrawal benefits | 33 | 33 | 61 |
| Surrenders | 775 | 626 | 1 324 |
| Re-insurance recoveries | (247) | (216) | (95) |
| Momentum Employee Benefits | 5 532 | 4 338 | 9 385 |
| Death and disability claims | 1 681 | 1 531 | 3 241 |
| Maturity claims | 291 | 203 | 491 |
| Annuities | 716 | 581 | 1 321 |
| Withdrawals and surrenders | 1 381 | 1 609 | 2 550 |
| Terminations and disinvestments | 1 895 | 711 | 2 454 |
| Re-insurance recoveries | (432) | (297) | (672) |
| Metropolitan International | 770 | 668 | 1 340 |
| Death and disability claims | 332 | 270 | 556 |
| Maturity claims | 148 | 121 | 234 |
| Annuities | 47 | 43 | 84 |
| Withdrawal benefits | 42 | 40 | 70 |
| Surrenders | 197 | 173 | 362 |
| Terminations and disinvestments | 28 | 34 | 64 |
| Re-insurance recoveries | (24) | (13) | (30) |
| Momentum Investments | | | |
| Withdrawals | 6 653 | 11 100 | 15 241 |
| Metropolitan Health | | | |
| Claims | 21 | 15 | 37 |
| Shareholder Capital | | | |
| Claims | 195 | 163 | 269 |
| Total payments to contract holders | 26 756 | 27 550 | 49 390 |
| Reconciling items | (15 448) | (16 903) | (29 063) |
| Net insurance benefits and claims per income statement | 11 308 | 10 647 | 20 327 |

MMI HOLDINGS GROUP – SEGMENTAL INFORMATION

| NET FUNDS RECEIVED FROM CLIENTS | Gross single inflows Rm | Gross recurring inflows Rm | Gross inflow Rm | Gross outflow Rm | 6 mths to 31.12.2013 Net inflow/ (outflow) Rm | Restated 6 mths to 31.12.2012 Net inflow/ (outflow) Rm | Restated 12 mths to 30.06.2013 Net inflow/ (outflow) Rm |
|--|----------------------------|-------------------------------|--------------------|---------------------|--|---|--|
| Momentum Retail | 7 497 | 3 860 | 11 357 | (10 689) | 668 | (194) | (34) |
| Metropolitan Retail | 698 | 2 752 | 3 450 | (2 896) | 554 | 911 | 1 737 |
| Momentum Employee Benefits | 3 782 | 4 014 | 7 796 | (5 532) | 2 264 | 2 286 | 2 843 |
| Metropolitan International | 157 | 1 264 | 1 421 | (770) | 651 | 599 | 1 195 |
| Momentum Investments | 3 781 | - | 3 781 | (6 653) | (2 872) | 306 | 1 578 |
| Metropolitan Health | - | 23 | 23 | (21) | 2 | - | - |
| Shareholder Capital | 5 | 154 | 159 | (195) | (36) | (18) | 30 |
| Long-term insurance business fund flows | 15 920 | 12 067 | 27 987 | (26 756) | 1 231 | 3 890 | 7 349 |
| Off-balance sheet fund flows | | | | | | | |
| Momentum Retail | 6 153 | 166 | 6 319 | (5 258) | 1 061 | 987 | 3 422 |
| Momentum Employee Benefits | - | 1 360 | 1 360 | (1 040) | 320 | 348 | 667 |
| Metropolitan International | 345 | - | 345 | (465) | (120) | 134 | 175 |
| Momentum Investments | 40 522 | 2 596 | 43 118 | (43 089) | 29 | (8 087) | (7 931) |
| Momentum Investments – Eris | - | - | - | - | - | 18 678 | 18 678 |
| Property acquisition | - | - | - | - | - | - | - |
| Metropolitan Health | - | 20 197 | 20 197 | (11 192) | 9 005 | 7 875 | 4 924 |
| Total net funds received from clients | 62 940 | 36 386 | 99 326 | (87 800) | 11 526 | 23 825 | 27 284 |

| NUMBER OF EMPLOYEES | 31.12.2013 | Restated 31.12.2012 | Restated 30.06.2013 |
|----------------------------|---------------|---------------------|---------------------|
| Indoor staff | 9 634 | 9 894 | 9 597 |
| Momentum Retail | 1 672 | 1 692 | 1 573 |
| Metropolitan Retail | 1 322 | 1 462 | 1 452 |
| Momentum Employee Benefits | 1 421 | 1 275 | 1 361 |
| Metropolitan International | 828 | 856 | 852 |
| Momentum Investments | 691 | 798 | 693 |
| Metropolitan Health | 2 706 | 2 800 | 2 638 |
| Shareholder Capital | | | |
| Balance Sheet Management | 68 | 56 | 66 |
| Group services | 751 | 810 | 806 |
| Short-term insurance | 175 | 139 | 156 |
| Redeployment centre | - | 6 | - |
| Field staff | 6 921 | 6 700 | 6 798 |
| Momentum Retail | 996 | 1 019 | 993 |
| Metropolitan Retail | 4 610 | 4 344 | 4 369 |
| Metropolitan International | 1 315 | 1 337 | 1 436 |
| Total | 16 555 | 16 594 | 16 395 |

MMI HOLDINGS GROUP – FINANCIAL INSTRUMENTS

| FINANCIAL ASSETS SUMMARISED BY MEASUREMENT CATEGORY | 31.12.2013 Rm |
|---|------------------|
| Financial assets designated at fair value through income | 327 714 |
| Securities designated at fair value through income | 316 592 |
| Investments in associates designated at fair value through income | 7 243 |
| Derivative financial instruments | 3 442 |
| Available-for-sale | 437 |
| Financial assets carried at amortised cost | 26 322 |
| Held-to-maturity | 76 |
| Loans and receivables | 4 381 |
| Cash and cash equivalents | 21 865 |
| Total financial assets | 354 036 |

Fair value of financial assets carried at amortised cost:

| | |
|---------------------------|---------------|
| Held-to-maturity | 76 |
| Loans and receivables | 4 381 |
| Cash and cash equivalents | 21 865 |
| | 26 322 |

| FINANCIAL LIABILITIES SUMMARISED BY MEASUREMENT CATEGORY | 31.12.2013 Rm |
|---|------------------|
| Investment contracts with DPF | 24 414 |
| Financial liabilities designated at fair value through income | 214 304 |
| Investment contracts designated at fair value through income | 181 297 |
| Liabilities designated at fair value through income | 30 082 |
| Derivative financial instruments | 2 925 |
| Financial liabilities carried at amortised cost | 10 110 |
| Financial liabilities | 1 886 |
| Other payables | 8 224 |
| Total financial liabilities | 248 828 |

Fair value of financial liabilities carried at amortised cost:

| | |
|---|---------------|
| Financial liabilities at amortised cost | 2 443 |
| Other payables | 8 224 |
| | 10 667 |

MMI HOLDINGS GROUP – FINANCIAL INSTRUMENTS

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:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, prices) or indirectly (that is, derived from prices)
- **Level 3:** Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

FINANCIAL ASSETS

| 31.12.2013 | Level 1 Rm | Level 2 Rm | Level 3 Rm | Total Rm |
|---|-----------------------|-----------------------|-----------------------|---------------------|
| Securities designated at fair value through income | 209 597 | 99 590 | 7 405 | 316 592 |
| Equity securities | | | | |
| Local listed | 75 533 | 421 | - | 75 954 |
| Foreign listed | 18 771 | 508 | - | 19 279 |
| Unlisted | - | 66 | 630 | 696 |
| Debt securities | | | | |
| Stock and loans to government and other public bodies | | | | |
| Local listed | 16 521 | 10 204 | - | 26 725 |
| Foreign listed | 186 | 1 203 | 24 | 1 413 |
| Unlisted | - | 121 | 1 262 | 1 383 |
| Other debt instruments | | | | |
| Local listed | 22 | 26 562 | - | 26 584 |
| Foreign listed | 37 | 359 | - | 396 |
| Unlisted | 15 | 20 673 | 2 762 | 23 450 |
| Funds on deposit and other money market instruments | 402 | 21 448 | - | 21 850 |
| Unit-linked investments | | | | |
| Collective investment schemes | | | | |
| Local unlisted or listed quoted | 69 368 | 147 | - | 69 515 |
| Foreign unlisted or listed quoted | 26 341 | 154 | - | 26 495 |
| Foreign unlisted unquoted | - | 608 | 606 | 1 214 |
| Other unit-linked investments | | | | |
| Local unlisted or listed quoted | 2 080 | 2 777 | 2 | 4 859 |
| Local unlisted unquoted | - | 12 483 | 2 118 | 14 601 |
| Foreign unlisted unquoted | - | 1 856 | 1 | 1 857 |
| Foreign unlisted or listed quoted | 321 | - | - | 321 |
| Investments in associates designated at fair value through income | 7 243 | - | - | 7 243 |
| Derivative financial instruments | 270 | 3 172 | - | 3 442 |
| Held for trading | 270 | 3 143 | - | 3 413 |
| Held for hedging purposes | - | 29 | - | 29 |
| Available-for-sale | 28 | 31 | 378 | 437 |
| Equity securities | | | | |
| Local listed | 17 | 8 | - | 25 |
| Unlisted | - | - | 4 | 4 |
| Debt securities | 2 | 16 | 374 | 392 |
| Funds on deposit and other money market instruments | - | 7 | - | 7 |
| Local unlisted quoted collective investment schemes | 9 | - | - | 9 |
| | 217 138 | 102 793 | 7 783 | 327 714 |

MMI HOLDINGS GROUP – FINANCIAL INSTRUMENTS

| FINANCIAL LIABILITIES | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| 31.12.2013 | Level 1 Rm | Level 2 Rm | Level 3 Rm | Total Rm |
| Investment contracts | | | | |
| Designated at fair value through income | 1 388 | 177 726 | 2 183 | 181 297 |
| Liabilities designated at fair value through income | 23 726 | 6 356 | - | 30 082 |
| Collective investment scheme liabilities | 23 668 | - | - | 23 668 |
| Subordinated call notes | - | 1 047 | - | 1 047 |
| Carry positions | - | 5 309 | - | 5 309 |
| Other borrowings | 58 | - | - | 58 |
| Derivative financial instruments | | | | |
| Held for trading | 372 | 2 553 | - | 2 925 |
| | <u>25 486</u> | <u>186 635</u> | <u>2 183</u> | <u>214 304</u> |

| RECONCILIATION OF THE FAIR VALUE OF LEVEL 3 FINANCIAL ASSETS | Financial assets | | | | Total Rm |
|---|--|-----------------------------------|---|---|---------------------|
| | Designated at fair value through income | | | | |
| | Equity securities Rm | Debt securities Rm | Unit-linked investments Rm | Other investments⁽¹⁾ Rm | |
| 31.12.2013 | | | | | |
| Opening balance | 820 | 4 846 | 2 571 | 439 | 8 676 |
| Transfer from/(to) other asset classes | - | - | 41 | (41) | - |
| Total realised losses in net realised and fair value gains in the income statement | - | (28) | (6) | - | (34) |
| Total unrealised gains in net realised and fair value gains in the income statement | 64 | 156 | 146 | - | 366 |
| Purchases | 124 | 168 | 308 | - | 600 |
| Sales | (378) | (76) | (260) | (20) | (734) |
| Settlements | - | (972) | (39) | - | (1 011) |
| Transfers into level 3 | - | 25 | - | - | 25 |
| Transfers out of level 3 | - | (71) | (34) | - | (105) |
| Closing balance | <u>630</u> | <u>4 048</u> | <u>2 727</u> | <u>378</u> | <u>7 783</u> |

1. Includes investments in associates' unit-linked investments as well as available-for-sale instruments.

MMI HOLDINGS GROUP – FINANCIAL INSTRUMENTS

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

| | Financial assets Designated at fair value through income | | | | Total Rm |
|----------------------------------|---|---|--|---|--------------|
| | Equity securities Rm | Debt securities Rm | Unit-linked investments Rm | Other investments ⁽¹⁾ Rm | |
| 31.12.2013 | | | | | |
| Carrying value | 630 | 4 048 | 2 727 | 378 | 7 783 |
| Assumption change | 10% increase/ (decrease) in markets | 1% increase/ (decrease) in interest rates | 10% increase/ (decrease) in unit price | Not sensitive | |
| Effect of increase in assumption | 63 | (382) | 273 | N/A | |
| Effect of decrease in assumption | (63) | 408 | (273) | N/A | |

| RECONCILIATION OF THE FAIR VALUE OF LEVEL 3 FINANCIAL LIABILITIES | | Investment contracts designated at fair value through income Rm |
|--|--|--|
| 31.12.2013 | | |
| Opening balance | | 2 200 |
| Total realised losses in net realised and fair value gains in the income statement | | 1 |
| Total unrealised losses in net realised and fair value gains in the income statement | | 37 |
| Contract holder movements | | |
| Premiums received | | 7 |
| Benefits paid | | (67) |
| Investment return | | 5 |
| Closing balance | | 2 183 |

Sensitivity: Increasing/decreasing the investment return by 10% would decrease/increase the carrying value of level 3 financial instrument liabilities by R46 million and R70 million respectively.

MMI HOLDINGS GROUP – FINANCIAL INSTRUMENTS

VALUATION TECHNIQUES USED IN DETERMINING THE FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

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.

| Instrument | Valuation basis | Main assumptions |
|--|---|--|
| Equities and similar securities | | |
| - Listed, local and foreign | External valuations/quoted prices (<i>level 2</i>) | Management applies judgement if an adjustment is required to the quoted prices |
| - Unlisted | External valuations/price-earnings ratios (<i>level 3</i>) | Management applies judgement if an adjustment is required to the relevant price-earnings ratio |
| Stock and loans to other public bodies | | |
| - Listed, local | Yield of benchmark (listed government) bond (<i>level 2</i>) | Market inputs |
| - Listed, foreign | DCF, benchmarked against similar instrument with the same issuer (<i>level 2</i>) | Market inputs |
| - Unlisted | DCF, real interest rates or 6-month j-bar plus fixed spread (<i>level 2</i>) | Market inputs and fixed spread |
| | DCF, risk free yield curve plus fixed spread (<i>level 3</i>) | Market inputs and fixed spread |
| Other debt securities | | |
| - Listed, local | DCF (BESA and ASSA bond perfect fit zero curve and other published real or nominal yields, uplifted with inflation)/external valuations (linked notes)/published price quotations on JSE equity (preference shares) and interest rate market (<i>level 2</i>) | Market inputs, uplifted with inflation |
| - Listed, foreign | External valuations which are based on published market inputs (<i>level 2</i>) | Market inputs |
| - Unlisted | DCF (market related nominal and real discount rates, zero coupon bond curve plus issuer spread, non-observable nominal rates, bank and credit default swap curves/external valuations/NAV of a hedge fund (debenture) (<i>level 2 & 3</i>)) | Market inputs, fixed spread |

MMI HOLDINGS GROUP – FINANCIAL INSTRUMENTS

| Instrument | Valuation basis | Main assumptions |
|---|---|--|
| Funds on deposit and other money market instruments | | |
| - Listed | DCF (market related yields)/issue price/external valuations (<i>level 2</i>) | Market inputs (which are based on quotes received from market participants and valuation agents) |
| - Unlisted | Deposit rates/DCF (market related yields) (<i>level 2</i>) | |
| Unit-linked investments | External valuations (<i>level 2 & 3</i>) | Net asset value (assets and liabilities are carried at fair value) |
| Derivative assets and liabilities | Black-Scholes model/net present value of estimated floating costs less the performance of the underlying index over the contract term//DCF (using fixed contract rates and market related variable rates adjusted for credit risk, credit default swap premiums, offset between strike price and market projected forward value, yield curve of similar market-traded instruments) (<i>level 2</i>) | Market inputs, credit spreads, contract inputs |
| Subordinated call notes (Liability) | Price quotations on JSE interest rate market (which are based on yield of benchmark bond) (<i>level 2</i>) | Market inputs |
| Carry positions (Liability) | DCF (in accordance with JSE interest rate market repo pricing methodology) (<i>level 2</i>) | Market inputs, contract inputs |

There were no significant changes in the valuation methods applied since 30 June 2013.

MMI HOLDINGS GROUP – STATEMENT OF ASSETS AND LIABILITIES

| STATEMENT OF ASSETS AND LIABILITIES ON REPORTING BASIS | 31.12.2013 Rm | Restated 31.12.2012 Rm | Restated 30.06.2013 Rm |
|--|------------------|------------------------------|------------------------------|
| Total assets | 379 794 | 346 505 | 360 368 |
| Actuarial value of policy liabilities | (306 211) | (269 171) | (281 355) |
| Other liabilities | (48 984) | (53 352) | (55 149) |
| Non-controlling interests | (408) | (416) | (391) |
| Group excess per reporting basis | 24 191 | 23 566 | 23 473 |
| Net assets – other businesses | (2 557) | (1 503) | (1 547) |
| Fair value adjustments on Metropolitan business acquisition and other consolidation adjustments | (4 638) | (5 675) | (5 001) |
| Excess – long-term insurance business, net of non-controlling interests⁽¹⁾ | 16 996 | 16 388 | 16 925 |
| RECONCILIATION OF CHANGE IN LONG-TERM INSURANCE EXCESS TO THE INCOME STATEMENT | | | |
| Change in excess of long-term insurance business⁽¹⁾ | 71 | (394) | 143 |
| Increase in share capital | (11) | (21) | (29) |
| Change in other reserves | (146) | (37) | (62) |
| Dividend paid – ordinary shares | 2 080 | 2 289 | 3 140 |
| Change in non-controlling interests | 4 | (7) | - |
| Other | - | (29) | (22) |
| Total surplus arising, net of non-controlling interests | 1 998 | 1 801 | 3 170 |
| Operating profit | 1 318 | 1 237 | 2 636 |
| Investment income on excess | 359 | 377 | 683 |
| Net realised and fair value gains on excess | 255 | 179 | 221 |
| Investment variances | 149 | 189 | 117 |
| Basis and other changes | (83) | (181) | (487) |
| Net consolidation adjustments | 16 | (27) | (43) |
| Earnings after non-controlling interests of long-term insurance business | 2 014 | 1 774 | 3 127 |
| Earnings after non-controlling interests of other group businesses and consolidation adjustments | 5 | (83) | (94) |
| Amortisation of intangibles relating to the merger | (223) | (223) | (446) |
| Earnings attributable to owners of the parent as per income statement | 1 796 | 1 468 | 2 587 |

1. The long-term insurance business includes both insurance and investment contract business and is the simple aggregate of all the life insurance companies in the group, including life insurance companies in Africa. It is after non-controlling interests but excludes certain items which are eliminated on consolidation. It also excludes non-insurance business.

MMI HOLDINGS GROUP – STATEMENT OF ASSETS AND LIABILITIES

| RECONCILIATION OF REPORTING EXCESS TO STATUTORY EXCESS | 31.12.2013 Rm | 31.12.2012 Rm | 30.06.2013 Rm |
|---|------------------|------------------|------------------|
| Reporting excess – long-term insurance business ⁽¹⁾ | 16 996 | 16 388 | 16 925 |
| Disregarded assets ⁽²⁾ | (986) | (977) | (977) |
| Difference between statutory and published valuation methods | (660) | (452) | (551) |
| Write-down of subsidiaries and associates for statutory purposes | (1 305) | (871) | (936) |
| Unsecured subordinated debt | 1 549 | 1 576 | 1 553 |
| Consolidation adjustments | (83) | (150) | (119) |
| Statutory excess – long-term insurance business | 15 511 | 15 514 | 15 895 |
| Capital adequacy requirement (CAR) (Rm) ⁽³⁾ | 6 044 | 6 581 | 6 167 |
| Ratio of long-term insurance business excess to CAR (times) | 2.6 | 2.4 | 2.6 |
| Discretionary margins | 12 646 | 11 041 | 11 378 |

1. The long-term insurance business includes both insurance and investment contract business and is the simple aggregate of all the life insurance companies in the group, including life insurance companies in Africa. It is after non-controlling interests but excludes certain items which are eliminated on consolidation. It also excludes non-insurance business.
2. Disregarded assets are those as defined in the South African Long Term Insurance Act and are only applicable to South African Long Term insurance companies. Adjustments are also made for the international insurance companies from reporting excess to statutory excess as required by their regulators. It includes Sage intangible assets of R548 million (31.12.2012: R576 million; 30.06.2013: R562 million).
3. Aggregation of separate company CAR's, with no assumption of diversification benefits.

MMI HOLDINGS GROUP – EMBEDDED VALUE INFORMATION

| EMBEDDED VALUE RESULTS AS AT | 31.12.2013 Rm | 31.12.2012 Rm | 30.06.2013 Rm |
|--|------------------|------------------|------------------|
| Covered business | | | |
| Reporting excess – long-term insurance business | 16 996 | 16 388 | 16 925 |
| Reclassification to non-covered business | (1 629) | (1 306) | (1 482) |
| | 15 367 | 15 082 | 15 443 |
| Disregarded assets ⁽¹⁾ | (678) | (726) | (693) |
| Difference between statutory and published valuation methods | (660) | (452) | (551) |
| Dilutory effect of subsidiaries ⁽²⁾ | (28) | (31) | (26) |
| Consolidation adjustments ⁽³⁾ | - | (202) | (36) |
| Value of MMI Group Ltd preference shares issued | (500) | (483) | (500) |
| Diluted adjusted net worth – covered business | 13 501 | 13 188 | 13 637 |
| Net value of in-force business ⁽⁴⁾ | 19 370 | 16 547 | 17 870 |
| Diluted embedded value – covered business | 32 871 | 29 735 | 31 507 |
| Non-covered business | | | |
| Net assets – non-covered business within life insurance companies | 1 629 | 1 306 | 1 482 |
| Net assets – non-covered business outside life insurance companies | 2 557 | 1 503 | 1 547 |
| Consolidation adjustments ⁽³⁾ | (1 295) | (835) | (1 011) |
| Adjustments for dilution ⁽⁵⁾ | 758 | 637 | 698 |
| Diluted adjusted net worth – non-covered business | 3 649 | 2 611 | 2 716 |
| Write-up to directors' value | 868 | 1 107 | 925 |
| Non-covered business | 2 566 | 2 447 | 2 543 |
| Holding company expenses ⁽⁶⁾ | (1 288) | (998) | (1 208) |
| International holding company expenses ⁽⁶⁾ | (410) | (342) | (410) |
| Diluted embedded value – non-covered business | 4 517 | 3 718 | 3 641 |
| Diluted adjusted net worth | 17 150 | 15 799 | 16 353 |
| Net value of in-force business | 19 370 | 16 547 | 17 870 |
| Write-up to directors' value | 868 | 1 107 | 925 |
| Diluted embedded value | 37 388 | 33 453 | 35 148 |
| Required capital – covered business (adjusted for qualifying debt and preference shares) | 8 424 | 8 095 | 8 620 |
| Surplus capital – covered business | 5 077 | 5 093 | 5 017 |
| Diluted embedded value per share (cents) | 2 331 | 2 086 | 2 191 |
| Diluted adjusted net worth per share (cents) | 1 069 | 985 | 1 020 |
| Diluted number of shares in issue (million) ⁽⁷⁾ | 1 604 | 1 604 | 1 604 |

- Disregarded assets include Sage intangible assets of R548 million (31.12.2012: R576 million; 30.06.2013: R562 million), goodwill and various other items.
- For accounting purposes, Metropolitan Health has been consolidated at 100%, while Metropolitan Namibia and Metropolitan Kenya have been consolidated at 96% for the current period, in the statement of financial position. For embedded value purposes, disclosed on a diluted basis, the non-controlling interests and related funding have been reinstated.
- Consolidation adjustments include mainly goodwill and intangibles in subsidiaries that are eliminated.
- The FNB Life value of in-force is excluded from the embedded value from 1 July 2013. The FNB Life net value of in-force amounted to R141 million and R91 million at 31.12.2012 and 30.06.2013 respectively.
- Adjustments for dilution are made up as follows:
 - Dilutory effect of subsidiaries (note 2): R110 million (31.12.2012: R121 million; 30.06.2013: R119 million)
 - Treasury shares held on behalf of contract holders: R335 million (31.12.2012: R203 million; 30.06.2013: R266 million)
 - Liability – MMI Holdings Ltd convertible preference shares issued to KTH: R313 million (31.12.2012: R313 million; 30.06.2013: R313 million)
- 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 life assurance and health businesses.
- 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.

MMI HOLDINGS GROUP – EMBEDDED VALUE INFORMATION

ANALYSIS OF NET VALUE OF IN-FORCE BUSINESS PER DIVISION

| | 31.12.2013 Rm | 31.12.2012 Rm | 30.06.2013 Rm |
|---|------------------|------------------|------------------|
| Momentum Retail | 9 441 | 8 588 | 8 967 |
| Gross value of in-force business | 10 952 | 10 036 | 10 490 |
| Less cost of required capital | (1 511) | (1 448) | (1 523) |
| Metropolitan Retail ⁽¹⁾ | 3 811 | 3 532 | 3 555 |
| Gross value of in-force business | 4 490 | 4 203 | 4 312 |
| Less cost of required capital | (679) | (671) | (757) |
| Momentum Employee Benefits | 3 447 | 2 386 | 3 106 |
| Gross value of in-force business | 4 052 | 3 079 | 3 776 |
| Less cost of required capital | (605) | (693) | (670) |
| Metropolitan International | 1 783 | 1 445 | 1 659 |
| Gross value of in-force business | 1 911 | 1 527 | 1 772 |
| Less cost of required capital | (128) | (82) | (113) |
| Shareholder Capital | 888 | 596 | 583 |
| Gross value of in-force business ⁽²⁾ | 888 | 596 | 583 |
| Less cost of required capital | - | - | - |
| Net value of in-force business | 19 370 | 16 547 | 17 870 |

Notes

1. The FNB Life value of in-force is excluded from the embedded value from 1 July 2013. The FNB Life net value of in-force amounted to R141 million and R91 million at 31.12.2012 and 30.06.2013 respectively.
2. The value of in-force in the Shareholder Capital represents discretionary margins managed centrally by Balance Sheet Management.

MMI HOLDINGS GROUP – EMBEDDED VALUE INFORMATION

| EMBEDDED VALUE PER DIVISION | Adjusted net worth Rm | Net value of in-force Rm | 31.12.2013 Rm | 31.12.2012 Rm | 30.06.2013 Rm |
|---|----------------------------------|--|--------------------------|--------------------------|--------------------------|
| Covered business | | | | | |
| MMI Group Ltd ⁽¹⁾ | 12 177 | 17 587 | 29 764 | 27 272 | 28 652 |
| Metropolitan Odyssey Ltd | 49 | - | 49 | 49 | 49 |
| Metropolitan International | 1 275 | 1 783 | 3 058 | 2 414 | 2 806 |
| Metropolitan Life (Namibia) Ltd | 458 | 1 176 | 1 634 | 1 371 | 1 523 |
| Metropolitan Life of Botswana Ltd | 165 | 143 | 308 | 203 | 266 |
| Metropolitan Lesotho Ltd | 319 | 422 | 741 | 590 | 655 |
| Other international businesses | 333 | 42 | 375 | 250 | 362 |
| Total covered business | 13 501 | 19 370 | 32 871 | 29 735 | 31 507 |
| | Adjusted net worth Rm | Write up to directors' value Rm | 31.12.2013 Rm | 31.12.2012 Rm | 30.06.2013 Rm |
| Non-covered business | | | | | |
| Momentum Investments ⁽²⁾ | 812 | 867 | 1 679 | 1 686 | 1 746 |
| Health businesses ⁽³⁾ | 304 | 1 369 | 1 673 | 1 524 | 1 662 |
| Momentum Retail (Wealth) ⁽⁴⁾ | 275 | 156 | 431 | 431 | 379 |
| Momentum Short-term Insurance (MSTI) | 146 | 154 | 300 | 296 | 300 |
| Metropolitan International Holdings ⁽⁵⁾ | 88 | (390) | (302) | (183) | (285) |
| MMI Holdings (after consolidation adjustments) ⁽⁵⁾ | 2 024 | (1 288) | 736 | (36) | (161) |
| Total non-covered business | 3 649 | 868 | 4 517 | 3 718 | 3 641 |
| Total embedded value | 17 150 | 20 238 | 37 388 | 33 453 | 35 148 |
| Diluted adjusted net worth – non-covered business | (3 649) | | | | |
| Adjustments to covered business – adjusted net worth | 3 495 | | | | |
| Reporting excess – long-term insurance business | 16 996 | | | | |

1. The FNB Life value of in-force is excluded from the embedded value from 1 July 2013. The FNB Life net value of in-force amounted to R141 million and R91 million at 31.12.2012 and 30.06.2013 respectively.
2. Momentum Investments subsidiaries are valued using forward Price Earnings multiples applied to the relevant sustainable earnings bases.
3. All Health businesses have been valued using Embedded Value methodology.
4. Momentum Retail (Wealth) has been valued using Embedded Value methodology.
5. 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 life assurance and health businesses.

MMI HOLDINGS GROUP – EMBEDDED VALUE INFORMATION

| ANALYSIS OF CHANGES IN GROUP EMBEDDED VALUE | Notes | Covered business | | | 6 mths to | 6 mths to | 12 mths to |
|--|-------|-----------------------------|----------------------------------|----------------|---------------------------|---------------------------|---------------------------|
| | | Adjusted net worth (ANW) Rm | Gross Value of in-force (VIF) Rm | Cost of CAR Rm | 31.12.2013 Total EV Rm | 31.12.2012 Total EV Rm | 30.06.2013 Total EV Rm |
| Profit from new business | | (713) | 1 200 | (84) | 403 | 362 | 799 |
| Embedded value from new business | A | (713) | 1 175 | (84) | 378 | 340 | 711 |
| Expected return to end of period | B | - | 25 | - | 25 | 22 | 88 |
| Profit from existing business | | 1 901 | (618) | 220 | 1 503 | 1 267 | 3 336 |
| Expected return – unwinding of RDR | B | - | 1 047 | (151) | 896 | 706 | 1 487 |
| Release from the cost of required capital | C | - | - | 217 | 217 | 278 | 417 |
| Expected (or actual) net of tax profit transfer to net worth | D | 1 762 | (1 762) | - | - | - | - |
| Operating experience variances | E | 142 | 156 | 80 | 378 | 504 | 912 |
| Operating assumption changes | F | (3) | (59) | 74 | 12 | (221) | 520 |
| Embedded value profit from operations | | 1 188 | 582 | 136 | 1 906 | 1 629 | 4 135 |
| Investment return on adjusted net worth | G | 583 | - | - | 583 | 507 | 919 |
| Investment variances | H | 191 | 979 | 8 | 1 178 | 989 | 1 011 |
| Economic assumption changes | I | (18) | (204) | (3) | (225) | 175 | (221) |
| Acquisition of covered business | | - | - | - | - | - | 89 |
| Exchange rate movements | | 10 | 3 | (1) | 12 | 10 | 39 |
| Embedded value profit – covered business | | 1 954 | 1 360 | 140 | 3 454 | 3 310 | 5 972 |
| Transfer of business (to)/from non-covered business | J | (56) | - | - | (56) | 299 | 267 |
| Changes in share capital | | 2 | - | - | 2 | 21 | 37 |
| Dividend paid | | (2 078) | - | - | (2 078) | (2 301) | (3 140) |
| Change in reserves | | 42 | - | - | 42 | 13 | (22) |
| Change in embedded value – covered business | | (136) | 1 360 | 140 | 1 364 | 1 342 | 3 114 |
| Non-covered business | | | | | | | |
| Change in directors' valuation and other items | | | | | 44 | (38) | 131 |
| Holding company expenses | | | | | (80) | (177) | (455) |
| Embedded value profit – non-covered business | | | | | (36) | (215) | (324) |
| Changes in share capital | | | | | (2) | (21) | (37) |
| Dividend paid | | | | | 881 | 197 | 236 |
| Finance costs – preference shares | | | | | (23) | (23) | (46) |
| Transfer of business from/(to) covered business | J | | | | 56 | (299) | (267) |
| Change in embedded value – non-covered business | | | | | 876 | (361) | (438) |
| Total change in group embedded value | | | | | 2 240 | 981 | 2 676 |
| Total embedded value profit | | | | | 3 418 | 3 095 | 5 648 |
| Return on embedded value (%) - internal rate of return | | | | | 20.4% | 20.0% | 17.4% |

MMI HOLDINGS GROUP – EMBEDDED VALUE INFORMATION

A. VALUE OF NEW BUSINESS

| VALUE OF NEW BUSINESS | Momentum Retail Rm | Metropoli- tan Retail (1) Rm | Momentum Employee Benefits Rm | Metropoli- tan Internatio- nal Rm | Total Rm | Metropoli- tan Retail (excl. FNB Life) (1) Rm | Comparative Segmental total (excl FNB Life) Rm |
|--|-----------------------|---------------------------------------|--|---|---------------|---|--|
| 6 mths to 31.12.2013 | | | | | | | |
| Value of new business | 136 | 122 | 90 | 30 | 378 | | |
| Gross | 170 | 143 | 113 | 37 | 463 | | |
| Less cost of required capital | (34) | (21) | (23) | (7) | (85) | | |
| New business premiums | 8 128 | 1 250 | 2 236 | 284 | 11 898 | | |
| Recurring premiums | 519 | 558 | 532 | 166 | 1 775 | | |
| Single premiums | 7 609 | 692 | 1 704 | 118 | 10 123 | | |
| New business premiums (APE) | 1 280 | 627 | 702 | 178 | 2 787 | | |
| New business premiums (PVP) | 10 499 | 2 831 | 6 506 | 943 | 20 779 | | |
| Profitability of new business as a % of APE | 10.6 | 19.5 | 12.8 | 16.9 | 13.6 | | |
| Profitability of new business as a % of PVP | 1.3 | 4.3 | 1.4 | 3.2 | 1.8 | | |
| 6 mths to 31.12.2012 | | | | | | | |
| Value of new business | 93 | 153 | 66 | 28 | 340 | 120 | 307 |
| Gross | 118 | 167 | 108 | 30 | 423 | 133 | 389 |
| Less cost of required capital | (25) | (14) | (42) | (2) | (83) | (13) | (82) |
| New business premiums | 5 965 | 1 090 | 3 381 | 300 | 10 736 | 1 042 | 10 688 |
| Recurring premiums | 539 | 557 | 253 | 156 | 1 505 | 509 | 1 457 |
| Single premiums | 5 426 | 533 | 3 128 | 144 | 9 231 | 533 | 9 231 |
| New business premiums (APE) | 1 083 | 610 | 566 | 170 | 2 429 | 562 | 2 381 |
| New business premiums (PVP) | 8 459 | 2 866 | 4 977 | 874 | 17 176 | 2 783 | 17 093 |
| Profitability of new business as a % of APE | 8.6 | 25.1 | 11.7 | 16.5 | 14.0 | 21.3 | 12.9 |
| Profitability of new business as a % of PVP | 1.1 | 5.3 | 1.3 | 3.2 | 2.0 | 4.3 | 1.8 |
| 12 mths to 30.06.2013 | | | | | | | |
| Value of new business | 203 | 239 | 213 | 56 | 711 | 209 | 681 |
| Gross | 268 | 268 | 275 | 63 | 874 | 238 | 844 |
| Less cost of required capital | (65) | (29) | (62) | (7) | (163) | (29) | (163) |
| New business premiums | 12 433 | 2 305 | 5 836 | 473 | 21 047 | 2 220 | 20 962 |
| Recurring premiums | 1 057 | 1 075 | 769 | 298 | 3 199 | 990 | 3 114 |
| Single premiums | 11 376 | 1 230 | 5 067 | 175 | 17 848 | 1 230 | 17 848 |
| New business premiums (APE) | 2 195 | 1 198 | 1 276 | 316 | 4 985 | 1 113 | 4 900 |
| New business premiums (PVP) | 17 421 | 5 126 | 11 627 | 1 635 | 35 809 | 5 042 | 35 725 |
| Profitability of new business as a % of APE | 9.2 | 19.9 | 16.7 | 17.7 | 14.3 | 18.8 | 13.9 |
| Profitability of new business as a % of PVP | 1.2 | 4.7 | 1.8 | 3.4 | 2.0 | 4.2 | 1.9 |

- Value of new business and new business premiums are net of non-controlling interests.
 - The value of new business has been calculated on closing 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 end of the period have been used.
1. The FNB Life business was excluded in the Metropolitan Retail VNB at 31.12.2013 and included in the Metropolitan Retail VNB at 31.12.2012 and 30.06.2013. Comparative figures, excluding FNB Life, have been provided.

MMI HOLDINGS GROUP – EMBEDDED VALUE INFORMATION

| ANALYSIS OF NEW BUSINESS PREMIUMS | Momentum Retail Rm | Metropoli- tan Retail (1) Rm | Momentum Employee Benefits Rm | Metropoli- tan International Rm | Total Rm | Compara- tive | Segmen- tal total |
|-----------------------------------|--------------------|------------------------------|-------------------------------|---------------------------------|---------------|---|--------------------|
| | | | | | | Metropo- litan Retail (excl. FNB Life) (1) Rm | (excl FNB Life) Rm |
| 6 mths to 31.12.2013 | | | | | | | |
| New business premiums | 8 128 | 1 250 | 2 236 | 284 | 11 898 | | |
| Recurring premiums | 519 | 558 | 532 | 166 | 1 775 | | |
| Risk | 260 | 365 | 160 | - | 785 | | |
| Savings/Investments | 259 | 193 | 372 | - | 824 | | |
| International | - | - | - | 166 | 166 | | |
| Single premiums | 7 609 | 692 | 1 704 | 118 | 10 123 | | |
| Savings/Investments | 7 215 | 296 | 1 583 | - | 9 094 | | |
| Annuities | 394 | 396 | 121 | - | 911 | | |
| International | - | - | - | 118 | 118 | | |
| New business premiums (APE) | 1 280 | 627 | 702 | 178 | 2 787 | | |
| Risk | 260 | 365 | 160 | - | 785 | | |
| Savings/Investments | 981 | 222 | 530 | - | 1 733 | | |
| Annuities | 39 | 40 | 12 | - | 91 | | |
| International | - | - | - | 178 | 178 | | |
| 6 mths to 31.12.2012 | | | | | | | |
| New business premiums | 5 965 | 1 090 | 3 381 | 300 | 10 736 | 1 042 | 10 688 |
| Recurring premiums | 539 | 557 | 253 | 156 | 1 505 | 509 | 1 457 |
| Risk | 269 | 390 | 110 | - | 769 | 342 | 721 |
| Savings/Investments | 270 | 167 | 143 | - | 580 | 167 | 580 |
| International | - | - | - | 156 | 156 | - | 156 |
| Single premiums | 5 426 | 533 | 3 128 | 144 | 9 231 | 533 | 9 231 |
| Savings/Investments | 5 179 | 250 | 1 548 | - | 6 977 | 250 | 6 977 |
| Annuities | 247 | 283 | 1 580 | - | 2 110 | 283 | 2 110 |
| International | - | - | - | 144 | 144 | - | 144 |
| New business premiums (APE) | 1 083 | 610 | 566 | 170 | 2 429 | 562 | 2 381 |
| Risk | 270 | 390 | 110 | - | 770 | 342 | 722 |
| Savings/Investments | 788 | 192 | 298 | - | 1 278 | 192 | 1 278 |
| Annuities | 25 | 28 | 158 | - | 211 | 28 | 211 |
| International | - | - | - | 170 | 170 | - | 170 |

MMI HOLDINGS GROUP – EMBEDDED VALUE INFORMATION

| ANALYSIS OF NEW BUSINESS PREMIUMS | Momentum Retail Rm | Metropolitan Retail (1) Rm | Momentum Employee Benefits Rm | Metropolitan International Rm | Total Rm | Metropolitan Retail (excl. FNB Life) (1) Rm | Comparative Segment (excl. FNB Life) Rm |
|-----------------------------------|--------------------|----------------------------|-------------------------------|-------------------------------|---------------|---|---|
| | | | | | | | |
| 12 mths to 30.06.2013 | | | | | | | |
| New business premiums | 12 433 | 2 305 | 5 836 | 473 | 21 047 | 2 220 | 20 962 |
| Recurring premiums | 1 057 | 1 075 | 769 | 298 | 3 199 | 990 | 3 114 |
| Risk | 508 | 748 | 369 | - | 1 625 | 663 | 1 540 |
| Savings/Investments | 549 | 327 | 400 | - | 1 276 | 327 | 1 276 |
| International | - | - | - | 298 | 298 | - | 298 |
| Single premiums | 11 376 | 1 230 | 5 067 | 175 | 17 848 | 1 230 | 17 848 |
| Savings/Investments | 10 921 | 589 | 2 267 | - | 13 777 | 589 | 13 777 |
| Annuities | 455 | 641 | 2 800 | - | 3 896 | 641 | 3 896 |
| International | - | - | - | 175 | 175 | - | 175 |
| New business premiums (APE) | 2 195 | 1 198 | 1 276 | 316 | 4985 | 1 113 | 4 900 |
| Risk | 508 | 748 | 369 | - | 1 625 | 663 | 1 540 |
| Savings/Investments | 1 641 | 386 | 627 | - | 2 654 | 386 | 2 654 |
| Annuities | 46 | 64 | 280 | - | 390 | 64 | 390 |
| International | - | - | - | 316 | 316 | - | 316 |

1. The FNB Life business was excluded in the Metropolitan Retail VNB at 31.12.2013 and included in the Metropolitan Retail VNB at 31.12.2012 and 30.06.2013. Comparative figures, excluding FNB Life, have been provided.

MMI HOLDINGS GROUP – EMBEDDED VALUE INFORMATION

| RECONCILIATION OF LUMP SUM INFLOWS | 6 mths to 31.12.2013 Rm | 6 mths to 31.12.2012 Rm | 12 mths to 30.06.2013 Rm |
|--|-------------------------------|-------------------------------|--------------------------------|
| Total lump sum inflows | 62 940 | 82 323 | 148 881 |
| Inflows not included in value of new business | (53 145) | (73 453) | (131 698) |
| Momentum Retail | (6 264) | (6 582) | (14 816) |
| Momentum Employee Benefits | (2 203) | (53) | (184) |
| Metropolitan International | (370) | (573) | (1 024) |
| Momentum Investments | | | |
| On-balance sheet inflows | (3 781) | (11 406) | (16 819) |
| Off-balance sheet inflows | | | |
| Eris Property acquisition | - | (18 678) | (18 678) |
| Other | (40 522) | (36 161) | (80 165) |
| Balance Sheet Management | (5) | - | (12) |
| Term extensions on maturing policies | 223 | 379 | 610 |
| Non-controlling interests and other adjustments | 105 | (18) | 55 |
| Single premiums included in value of new business | 10 123 | 9 231 | 17 848 |

B. EXPECTED RETURN

The expected return is determined by applying the risk discount rate applicable at the beginning of the reporting period to the present value of in-force covered business at the beginning of the reporting period and adding the expected return on new business, which 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 period.

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 period.

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 statutory valuation method.

MMI HOLDINGS GROUP – EMBEDDED VALUE INFORMATION

E. OPERATING EXPERIENCE VARIANCES

| OPERATING EXPERIENCE VARIANCES | Notes | 6 mths to 31.12.2013 | | | 6 mths to | 12 mths to |
|---|-------|----------------------|---------------|-------------|------------------------|------------------------|
| | | ANW Rm | Net VIF Rm | EV Rm | 31.12.2012 EV Rm | 30.06.2013 EV Rm |
| Momentum Retail | | (37) | 109 | 72 | (16) | 128 |
| Mortality and morbidity | 1 | 73 | 4 | 77 | 118 | 259 |
| Terminations, premium cessations and policy alterations | 2 | (47) | 67 | 20 | (42) | 17 |
| Expense variance | | (5) | 23 | 18 | (10) | - |
| Other | 3 | (58) | 15 | (43) | (82) | (148) |
| Metropolitan Retail | | 60 | 44 | 104 | (39) | 62 |
| Mortality and morbidity | 1 | 57 | 3 | 60 | 46 | 97 |
| Terminations, premium cessations and policy alterations | 4 | 11 | 16 | 27 | (40) | (97) |
| Expense variance | | (6) | - | (6) | 13 | 59 |
| FNB Life – share of profits | | 22 | - | 22 | - | - |
| Other | | (24) | 25 | 1 | (58) | 3 |
| Momentum Employee Benefits | | 43 | 65 | 108 | 266 | 306 |
| Mortality and morbidity | 1 | 12 | - | 12 | 56 | 17 |
| Terminations | 5 | 17 | 42 | 59 | 212 | 233 |
| Expense variance | | (13) | 23 | 10 | - | 9 |
| Other | 6 | 27 | - | 27 | (2) | 47 |
| Metropolitan International | | 34 | 18 | 52 | 72 | 152 |
| Mortality and morbidity | 1 | 41 | 4 | 45 | 30 | 81 |
| Terminations, premium cessations and policy alterations | | (1) | 5 | 4 | 18 | 65 |
| Expense variance | | (4) | 6 | 2 | (2) | 16 |
| Other | | (2) | 3 | 1 | 26 | (10) |
| Shareholder Capital | 7 | 42 | - | 42 | 228 | 242 |
| Opportunity cost of required capital | | - | - | - | (7) | 22 |
| Total operating experience variances | | 142 | 236 | 378 | 504 | 912 |

Notes

- Overall, mortality and morbidity experience for the six months were better compared to what was allowed for in the valuation basis.
- Favourable persistency due to improvement in quality of business underwritten.
- Various items including non-recurring costs related to strategic initiatives and under-recovery of intergroup sales costs.
- Favourable persistency arising from corrective action taken in the previous period.
- Favourable persistency impacting positively on fee income.
- Various small other operating experience variances.
- The income recorded in respect of Shareholder Capital relates mostly to earnings from holding company activities and the management of MMI's capital and shareholder balance sheet risks. Other sources of earnings such as variations in actual tax payments and corporate expenses not allocated to underlying business units are also included here.

MMI HOLDINGS GROUP – EMBEDDED VALUE INFORMATION

F. OPERATING ASSUMPTION CHANGES

| OPERATING ASSUMPTION CHANGES | Notes | 6 mths to 31.12.2013 | | | 6 mths to | 12 mths to |
|---|-------|----------------------|---------------|----------|------------------------|------------------------|
| | | ANW Rm | Net VIF Rm | EV Rm | 31.12.2012 EV Rm | 30.06.2013 EV Rm |
| Momentum Retail | | - | 17 | 17 | (63) | 78 |
| Mortality and morbidity assumptions | | - | - | - | - | 66 |
| Renewal expense assumptions | | - | - | - | - | 104 |
| Termination assumptions | | - | - | - | - | 104 |
| Modelling, methodology and other changes | 1 | - | 17 | 17 | (63) | (196) |
| Metropolitan Retail | | (19) | (47) | (66) | (73) | 149 |
| Mortality and morbidity assumptions | | - | - | - | (3) | 205 |
| Renewal expense assumptions | | - | - | - | (5) | 90 |
| Termination assumptions | | - | 1 | 1 | 4 | (178) |
| FNB Life | 2 | - | (91) | (91) | - | - |
| Modelling, methodology and other changes | 1 | (19) | 43 | 24 | (69) | 32 |
| Momentum Employee Benefits | | - | 7 | 7 | 27 | 387 |
| Assumed mortality and morbidity profit margin | | - | - | - | - | (29) |
| Termination assumptions | | - | 2 | 2 | - | 201 |
| Renewal expense assumptions | | - | - | - | 4 | 81 |
| Modelling, methodology and other changes | 1 | - | 5 | 5 | 23 | 134 |
| Metropolitan International | | (15) | (7) | (22) | (118) | (18) |
| Mortality and morbidity assumptions | | 2 | 1 | 3 | (20) | 4 |
| Renewal expense assumptions | 3 | (3) | (17) | (20) | (40) | 24 |
| Termination assumptions | | 9 | 2 | 11 | 19 | (21) |
| Modelling, methodology and other changes | 1 | (23) | 7 | (16) | (77) | (25) |
| Shareholder Capital | | 31 | 25 | 56 | 6 | 20 |
| Methodology change: cost of required capital | 1 | - | 20 | 20 | - | (96) |
| Total operating assumption changes | | (3) | 15 | 12 | (221) | 520 |

Notes

1. Various changes to models and methodology.
2. Future profits no longer recognised in the value of in-force for FNB Life business.
3. Strengthening of expense reserving basis.

MMI HOLDINGS GROUP – EMBEDDED VALUE INFORMATION

G. INVESTMENT RETURN ON ADJUSTED NET WORTH

| INVESTMENT RETURN ON ADJUSTED NET WORTH | 6 mths to 31.12.2013 Rm | 6 mths to 31.12.2012 Rm | 12 mths to 30.06.2013 Rm |
|---|-------------------------------|-------------------------------|--------------------------------|
| Investment income | 349 | 322 | 681 |
| Capital appreciation | 246 | 202 | 267 |
| Preference share dividends paid and change in fair value of preference shares | (12) | (17) | (29) |
| Investment return on adjusted net worth | 583 | 507 | 919 |

H. 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.

I. 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.

J. TRANSFER OF BUSINESS (TO)/FROM NON-COVERED BUSINESS

Represents the alignment of net assets and value of in-force of mainly international subsidiaries between covered and non-covered business.

MMI HOLDINGS GROUP – EMBEDDED VALUE INFORMATION

| COVERED BUSINESS: SENSITIVITIES – 31.12.2013 | Adjusted net worth | In-force business | | | New business written | | |
|---|--------------------------|-------------------|----------------|-------------------------------|----------------------|----------------|-------------------------------|
| | | Net value | Gross value | Cost of CAR ⁽³⁾ | Net value | Gross value | Cost of CAR ⁽³⁾ |
| | Rm | Rm | Rm | Rm | Rm | Rm | Rm |
| Base value | 13 501 | 19 370 | 22 293 | (2 923) | 378 | 463 | (85) |
| 1% increase in risk discount rate % change | | 17 802 (8) | 21 101 (5) | (3 299) 13 | 309 (18) | 403 (13) | (94) 11 |
| 1% reduction in risk discount rate % change | | 21 161 9 | 23 652 6 | (2 491) (15) | 456 21 | 531 15 | (75) (12) |
| 10% decrease in future expenses % change ⁽¹⁾ | | 20 544 6 | 23 456 5 | (2 912) - | 433 15 | 518 12 | (85) - |
| 10% decrease in lapse, paid-up and surrender rates % change | | 20 039 3 | 22 995 3 | (2 956) 1 | 457 21 | 546 18 | (89) 5 |
| 5% decrease in mortality and morbidity for assurance business % change | | 20 953 8 | 23 908 7 | (2 955) 1 | 461 22 | 545 18 | (84) (1) |
| 5% decrease in mortality for annuity business % change | | 19 076 (2) | 22 005 (1) | (2 929) - | 374 (1) | 460 (1) | (86) 1 |
| 1% reduction in gross investment return, inflation rate and risk discount rate % change ⁽²⁾ | 13 509 - | 19 883 3 | 22 818 2 | (2 935) - | 426 13 | 509 10 | (83) (2) |
| 1% reduction in inflation rate % change | | 20 132 4 | 23 037 3 | (2 905) (1) | 415 10 | 500 8 | (85) - |
| 10% fall in market value of equities and properties % change | 13 182 (2) | 18 199 (6) | 21 158 (5) | (2 959) 1 | | | |
| 10% reduction in premium indexation take-up rate % change | | 19 093 (1) | 21 989 (1) | (2 896) (1) | 359 (5) | 444 (4) | (85) - |
| 10% decrease in non-commission related acquisition expenses % change | | | | | 434 15 | 519 12 | (85) - |
| 1% increase in equity/property risk premium % change | | 19 839 2 | 22 728 2 | (2 889) (1) | 390 3 | 475 3 | (85) - |

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.

MMI HOLDINGS GROUP – STOCK EXCHANGE PERFORMANCE

| STOCK EXCHANGE PERFORMANCE | 31.12.2013 | 30.06.2013 | 31.12.2012 | 30.06.2012 |
|--|--------------|--------------|--------------|--------------|
| 6 month period | | | | |
| Value of listed shares traded (rand million) | 6 992 | 9 268 | 6 792 | 7 946 |
| Volume of listed shares traded (million) | 299 | 398 | 335 | 445 |
| Shares traded (% of average listed shares in issue) ⁽¹⁾ | 38 | 51 | 43 | 59 |
| Value of shares traded – life insurance (J857 – Rbn) | 77 | 93 | 62 | 65 |
| Value of shares traded – top 40 index (J200 – Rbn) | 1 502 | 1 691 | 1 368 | 1 423 |
| Trade prices | | | | |
| Highest (cents per share) | 2 622 | 2 700 | 2 232 | 1 976 |
| Lowest (cents per share) | 2 039 | 1 951 | 1 792 | 1 645 |
| Last sale of period (cents per share) | 2 530 | 2 217 | 2 217 | 1 800 |
| Annualised percentage (%) change during period | 30 | - | 52 | 11 |
| Annualised percentage (%) change – life insurance sector (J857) | 33 | 20 | 57 | 34 |
| Annualised percentage (%) change – top 40 index (J200) | 40 | 2 | 38 | 8 |
| 31 December/30 June | | | | |
| Price/diluted core headline earnings (segmental) ratio | 12.0 | 11.0 | 11.8 | 9.8 |
| Dividend yield % (dividend on listed shares) ⁽¹⁾ | 5.3 | 5.7 | 5.4 | 6.3 |
| Dividend yield % – top 40 index (J200) ⁽¹⁾ | 2.7 | 2.9 | 2.8 | 3.0 |
| Total shares issued (million) | | | | |
| Ordinary shares listed on JSE | 1 570 | 1 570 | 1 570 | 1 571 |
| Treasury shares held on behalf of contract holders | (13) | (14) | (11) | (13) |
| Basic number of shares in issue | 1 557 | 1 556 | 1 559 | 1 558 |
| Treasury shares held on behalf of contract holders | 13 | 14 | 11 | 13 |
| Convertible redeemable preference shares | 34 | 34 | 34 | 34 |
| Diluted number of shares in issue ⁽²⁾ | 1 604 | 1 604 | 1 604 | 1 605 |
| Market capitalisation at end (Rbn) ⁽³⁾ | 41 | 36 | 36 | 29 |
| Percentage (%) of life insurance sector ⁽¹⁾ | 13 | 13 | 13 | 13 |

1. Percentages have been annualised.

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

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

Appendix – Restatement of prior period financial statements

| CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION | As previously reported Rm | Reclassification of CIS Rm | Reclassification of cell captives Rm | Restated 31.12.2012 Rm |
|--|---------------------------|----------------------------|--------------------------------------|------------------------|
| ASSETS | | | | |
| Intangible assets | 12 097 | - | - | 12 097 |
| Owner-occupied properties | 1 504 | - | - | 1 504 |
| Property and equipment | 316 | - | - | 316 |
| Investment properties | 5 766 | - | - | 5 766 |
| Investment in associates | 68 | - | - | 68 |
| Employee benefit assets | 308 | - | - | 308 |
| Financial instrument assets | 288 235 | 8 408 | 1 100 | 297 743 |
| Reinsurance contracts | 1 565 | - | (232) | 1 333 |
| Deferred income tax | 110 | - | - | 110 |
| Properties under development | 90 | - | - | 90 |
| Insurance and other receivables | 3 091 | - | (52) | 3 039 |
| Current income tax assets | 68 | - | - | 68 |
| Cash and cash equivalents | 21 333 | 1 610 | 404 | 23 347 |
| Non-current assets held for sale | 716 | - | - | 716 |
| Total assets | 335 267 | 10 018 | 1 220 | 346 505 |
| EQUITY | | | | |
| Equity attributable to owners of the parent | 23 066 | - | - | 23 066 |
| Preference shares | 500 | - | - | 500 |
| | 23 566 | - | - | 23 566 |
| Non-controlling interests | 416 | - | - | 416 |
| Total equity | 23 982 | - | - | 23 982 |
| LIABILITIES | | | | |
| Insurance contract liabilities | | | | |
| Long-term insurance contracts | 95 787 | - | (291) | 95 496 |
| Financial instrument liabilities | | | | |
| Investment contracts | 172 422 | - | 1 253 | 173 675 |
| – with discretionary participation features | 25 445 | - | - | 25 445 |
| – designated at fair value through income | 146 977 | - | 1 253 | 148 230 |
| Other financial instrument liabilities | 20 926 | 9 965 | 366 | 31 257 |
| Deferred income tax | 4 279 | - | - | 4 279 |
| Employee benefit obligations | 1 136 | - | - | 1 136 |
| Other payables | 16 324 | 53 | (108) | 16 269 |
| Provisions | 164 | - | - | 164 |
| Current income tax liabilities | 247 | - | - | 247 |
| Total liabilities | 311 285 | 10 018 | 1 220 | 322 523 |
| Total equity and liabilities | 335 267 | 10 018 | 1 220 | 346 505 |

Appendix – Restatement of prior period financial statements

| CONDENSED CONSOLIDATED INCOME STATEMENT | As previously reported Rm | Reclass- ification of CIS Rm | Reclassifi- cation of cell captives Rm | Restated 6 mths to 31.12.2012 Rm |
|--|------------------------------------|--|--|---|
| Net insurance premiums received | 12 585 | - | - | 12 585 |
| Fee income | 2 689 | (21) | - | 2 668 |
| Investment income | 6 543 | 327 | 29 | 6 899 |
| Net realised and fair value gains | 21 013 | 314 | 49 | 21 376 |
| Net income | 42 830 | 620 | 78 | 43 528 |
| Net insurance benefits and claims | 10 647 | - | - | 10 647 |
| Change in liabilities | 9 257 | - | (202) | 9 055 |
| Change in insurance contract liabilities | 7 637 | - | (134) | 7 503 |
| Change in investment contracts with DPF liabilities | 1 748 | - | - | 1 748 |
| Change in reinsurance provision | (128) | - | 116 | (12) |
| Change in cell owner liabilities | - | - | (184) | (184) |
| Fair value adjustments on investment contract liabilities | 12 328 | - | 90 | 12 418 |
| Fair value adjustments on collective investment scheme liabilities | 967 | 556 | - | 1 523 |
| Depreciation, amortisation and impairment expenses | 566 | - | - | 566 |
| Employee benefit expenses | 2 447 | - | - | 2 447 |
| Sales remuneration | 1 581 | - | 31 | 1 612 |
| Other expenses | 1 947 | 64 | 18 | 2 029 |
| Expenses | 39 740 | 620 | (63) | 40 297 |
| Results of operations | 3 090 | - | 141 | 3 231 |
| Share of profit of associates | 9 | - | - | 9 |
| Finance costs | (631) | - | - | (631) |
| Profit before tax | 2 468 | - | 141 | 2 609 |
| Income tax expenses | (972) | - | (141) | (1 113) |
| Earnings | 1 496 | - | - | 1 496 |
| Attributable to: | | | | |
| Owners of the parent | 1 468 | - | - | 1 468 |
| Non-controlling interests | 13 | - | - | 13 |
| MMI Group Ltd preference shares | 15 | - | - | 15 |
| | 1 496 | - | - | 1 496 |
| Basic earnings per ordinary share (cents) | 94.2 | - | - | 94.2 |
| Diluted earnings per ordinary share (cents) | 93.7 | - | - | 93.7 |

Appendix – Restatement of prior period financial statements

| CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION | Audited As previously reported Rm | Reclassification of CIS Rm | Reclassification of cell captives Rm | Restated 30.06.2013 Rm |
|--|-----------------------------------|----------------------------|--------------------------------------|------------------------|
| ASSETS | | | | |
| Intangible assets | 11 769 | - | - | 11 769 |
| Owner-occupied properties | 1 488 | - | - | 1 488 |
| Property and equipment | 348 | - | - | 348 |
| Investment properties | 6 433 | - | - | 6 433 |
| Investment in associates | 121 | - | - | 121 |
| Employee benefit assets | 327 | - | - | 327 |
| Financial instrument assets | 297 847 | 13 534 | 1 043 | 312 424 |
| Reinsurance contracts | 1 519 | - | (174) | 1 345 |
| Deferred income tax | 124 | - | - | 124 |
| Properties under development | 98 | - | - | 98 |
| Insurance and other receivables | 2 857 | - | (29) | 2 828 |
| Current income tax assets | 108 | - | - | 108 |
| Cash and cash equivalents | 19 424 | 2 430 | 421 | 22 275 |
| Non-current assets held for sale | 680 | - | - | 680 |
| Total assets | 343 143 | 15 964 | 1 261 | 360 368 |
| EQUITY | | | | |
| Equity attributable to owners of the parent | 23 473 | - | - | 23 473 |
| Preference shares | - | - | - | - |
| | 23 473 | - | - | 23 473 |
| Non-controlling interests | 391 | - | - | 391 |
| Total equity | 23 864 | - | - | 23 864 |
| LIABILITIES | | | | |
| Insurance contract liabilities | | | | |
| Long-term insurance contracts | 96 817 | - | (175) | 96 642 |
| Financial instrument liabilities | | | | |
| Investment contracts | 183 506 | - | 1 207 | 184 713 |
| – with discretionary participation features | 24 937 | - | - | 24 937 |
| – designated at fair value through income | 158 569 | - | 1 207 | 159 776 |
| Other financial instrument liabilities | 22 152 | 15 812 | 331 | 38 295 |
| Deferred income tax | 3 917 | - | - | 3 917 |
| Employee benefit obligations | 1 328 | - | - | 1 328 |
| Other payables | 11 112 | 152 | (102) | 11 162 |
| Provisions | 180 | - | - | 180 |
| Current income tax liabilities | 267 | - | - | 267 |
| Total liabilities | 319 279 | 15 964 | 1 261 | 336 504 |
| Total equity and liabilities | 343 143 | 15 964 | 1 261 | 360 368 |

Appendix – Restatement of prior period financial statements

| CONDENSED CONSOLIDATED INCOME STATEMENT | Audited As previously reported Rm | Reclass- ification of CIS Rm | Reclassifi- cation of cell captives Rm | Restated 12 mths to 30.06.2013 Rm |
|--|--|---|---|--|
| Net insurance premiums received | 23 304 | - | - | 23 304 |
| Fee income | 6 234 | (29) | - | 6 205 |
| Investment income | 13 537 | 788 | 50 | 14 375 |
| Net realised and fair value gains | 29 152 | 1 322 | 74 | 30 548 |
| Net income | 72 227 | 2 081 | 124 | 74 432 |
| Net insurance benefits and claims | 20 327 | - | - | 20 327 |
| Change in liabilities | 9 677 | - | (372) | 9 305 |
| Change in insurance contract liabilities | 8 525 | - | (24) | 8 501 |
| Change in investment contracts with DPF liabilities | 1 237 | - | 2 | 1 239 |
| Change in reinsurance provision | (85) | - | 64 | (21) |
| Change in cell owner liabilities | - | - | (414) | (414) |
| Fair value adjustments on investment contract liabilities | 22 614 | - | 101 | 22 715 |
| Fair value adjustments on collective investment scheme liabilities | 882 | 1 900 | - | 2 782 |
| Depreciation, amortisation and impairment expenses | 1 144 | - | - | 1 144 |
| Employee benefit expenses | 4 494 | - | - | 4 494 |
| Sales remuneration | 3 015 | - | 46 | 3 061 |
| Other expenses | 4 249 | 180 | 47 | 4 476 |
| Expenses | 66 402 | 2 080 | (178) | 68 304 |
| Results of operations | 5 825 | 1 | 302 | 6 128 |
| Share of profit of associates | 12 | - | - | 12 |
| Finance costs | (1 684) | (1) | - | (1 685) |
| Profit before tax | 4 153 | - | 302 | 4 455 |
| Income tax expenses | (1 502) | - | (302) | (1 804) |
| Earnings | 2 651 | - | - | 2 651 |
| Attributable to: | | | | |
| Owners of the parent | 2 587 | - | - | 2 587 |
| Non-controlling interests | 32 | - | - | 32 |
| MMI Group Ltd preference shares | 32 | - | - | 32 |
| | 2 651 | - | - | 2 651 |
| Basic earnings per ordinary share (cents) | 166.0 | - | - | 166.0 |
| Diluted earnings per ordinary share (cents) | 164.2 | - | - | 164.2 |