

STATUTORY EXCESS

AT 30 JUNE 2016

	2016 Rm	2015 Rm
REPORTING BASIS		
Group excess per reporting basis	24 109	24 547
Net assets – other businesses	(2 939)	(3 256)
Fair value adjustments on Metropolitan business acquisition and other consolidation adjustments	(3 471)	(3 826)
Excess – long-term insurance business, net of non-controlling interests¹	17 699	17 465
Disregarded assets ²	(983)	(1 010)
Difference between statutory and published valuation methods	(582)	(839)
Write-down of subsidiaries and associates for statutory purposes	(1 246)	(1 210)
Unsecured subordinated debt	3 557	3 320
Consolidation adjustments	(53)	141
Statutory excess – long-term insurance business	18 392	17 867
Capital adequacy requirement (CAR) ³	6 238	6 639
Ratio of long-term insurance business excess to CAR (times)	2.9	2.7
Discretionary margins	12 702	13 620

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; in respect of Guardrisk only MMI's promoter exposure to the South African long-term insurance business, Guardrisk Life Ltd. It excludes the short-term insurance businesses of Guardrisk, Momentum Short-term Insurance and Cannon (Kenya) due to them being classified as non-covered, as well as the other non-life insurance entities, including African health operations. The figures are after non-controlling interests but excludes certain items which are eliminated on consolidation.

² Disregarded assets are those as defined in the South African Long-term Insurance Act, 52 of 1998, 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 R491 million (2015: R518 million).

³ Aggregation of separate companies' capital adequacy requirements (CARs), with no assumption of diversification benefits.

INTRODUCTION

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