



FOR PROFESSIONALS

SINCE 1941

● **PPS 2025**
Annual
Financial
Statements

Success is better, shared.

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This report comprises of audited consolidated annual financial statements of The Professional Provident Society Holdings Trust and its subsidiaries.

The report was prepared under the supervision of S G Johnson CA(SA). An audit was performed by Ernst & Young Inc. in line with requirements of the Trust Deed.

Published: 15 April 2026

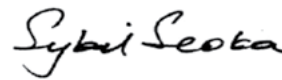
Statement of responsibility by the Board of Trustees for the year ended 31 December 2025

The Trustees accept responsibility for the fair presentation of the financial statements of The Professional Provident Society Holdings Trust, comprising the financial statements of the trust itself and the consolidated financial statements of the trust and its subsidiaries (The Group). These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and in the manner required by the Insurance Act of 2017, the South African Companies Act of 2008, and the Trust Deed. The Trustees are of the opinion that the financial statements are fairly presented in the manner required. The independent auditors are responsible for reporting on these financial statements and were given unrestricted access to all financial records and related data including minutes of the Annual General Meeting of members, minutes of the Board of Trustees and Committees of the Board. The Trustees have no reason to believe that any representations made to the independent auditors during the audit were not valid and appropriate. The Trustees accept responsibility for the maintenance of accounting records and systems of internal financial control.

The Trustees are satisfied that no material breakdown in the operations of the systems of internal financial controls and procedures occurred during the year under review.

Nothing has come to the attention of the Trustees to indicate that the Group, or any company within the Group, will not remain a going concern for at least the ensuing financial year. The financial statements have been prepared on the same basis.

The annual financial statements, which appear on pages 21 to 127, were approved by the Board of Trustees and are signed on its behalf by:



Dr S N E Seoka
Chairman



DR C M Krüger
Deputy Chairman

The Professional Provident Society Holdings Trust

Johannesburg
25 March 2026

Certificate by the Secretary

In my capacity as the Secretary of The Professional Provident Society Holdings Trust, I hereby certify in terms of section 88(2)(e) of the Companies Act of 2008 and the Trust Deed that for the year ended 31 December 2025, the Group has lodged with the Companies and Intellectual Property Commission all such returns as are required in terms of this Act. I also confirm that all returns to the Master of the High Court's office, required for The Professional Provident Society Holdings Trust in terms of its Trust Deed and the Trust Property Control Act of 1988, are to the best of my knowledge and belief true, correct and up to date.



Mr V E Barnard

Group Company Secretary

The Professional Provident Society Holdings Trust

Johannesburg

25 March 2026

Statement of responsibility by the Group Chief Executive Officer and Group Chief Financial Officer for the year ended 31 December 2025

The PPS Group Executives, whose names are stated below, hereby confirm that:

- The annual financial statements set out on pages 21 to 127 fairly present in all material respects the financial position, financial performance and cash flows of the Group in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board;
- No facts have been omitted, or untrue statements made that would make the annual financial statements false or misleading;
- Internal financial controls have been put in place to ensure that material information relating to the Trust and its consolidated subsidiaries has been provided to effectively prepare the financial statements of the Group; and
- The internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function within the combined assurance model pursuant to the principle of King IV. Where we are not satisfied, we have disclosed to the Group Audit Committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves directors and have taken the necessary remedial action.



Mr I J Smit

Group Chief Executive Officer



Mr S G Johnson

Group Chief Financial Officer

The Professional Provident Society Holdings Trust

Johannesburg
25 March 2026

Independent Auditor's Report

To the Trustees of The Professional Provident Society Holdings Trust

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the consolidated financial statements of The Professional Provident Society Trust and its subsidiaries ('the group') set out on pages 21 to 127, which comprise the consolidated statements of financial position as at 31 December 2025, and the consolidated statements of profit or loss and other comprehensive income and consolidated statements of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the group as at 31 December 2025, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Trust Deed.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the group in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements of the group and in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits of the group and in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the 136 page document titled "PPS 2025 Annual Financial Statements", which includes the Statement of responsibility by the Board of Trustees, Certificate by the Secretary, Statement of responsibility by the Group Chief Executive Officer and Group Chief Financial Officer, Investment returns and profit allocation to policyholders PPS Profit-Share Accounts, Trustees' Report, Audit Committees' Report, Group Social and Ethics Committee's Report, Group Remuneration Committee's Report and Capital Management. The other information does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

RESPONSIBILITIES OF THE TRUSTEES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Trustees are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Trust Deed, and for such internal control as the Trustees determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditor's Report (continued)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.

- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Ernst & Young Inc. has been the auditor of The Professional Provident Society Holdings Trust for four years.

Ernst & Young Inc.

Eugene Breytenbach

Director

Registered Auditor

14 April 2026

102 Rivonia Road

Sandton

2146

Investment returns and profit allocation to policyholders PPS Profit-Share Accounts™ for the year ended 31 December 2025

At the end of each year, the profit or loss net of movements in insurance policy liabilities earned over that year are allocated to policyholders' PPS Profit-Share Account, comprising the Apportionment Accounts and the Special Benefit Accounts. The PPS Profit-Share Account accumulates from until a policyholder reaches retirement age. On retirement, death or exit, policyholders can access an amount based on the balance accumulated in their PPS Profit-Share Account. This is over and above the cover enjoyed by them as policyholders. This represents a valuable pool of retirement assets for members, particularly retiring members.

The PPS Profit-Share Account represents an allocation of profits and investment returns. This account vests upon retirement, death or exit, and is then payable. The total assets backing the PPS Profit-Share Account belong to PPS at all times.

The investment returns or losses and net operating income allocated each year may be positive or negative, depending on investment return and the operating experience of PPS Insurance and/or PPS Namibia. Therefore, the PPS Profit-Share Account may increase or decrease in any year. Possible variations in the PPS Profit-Share Account are set out in the accounting policies and notes to these financial statements. No guarantees can be given by

PPS Insurance or PPS Namibia that the allocations of operating results or investment returns will always be positive, or that the PPS Profit-Share Account will not reduce in any year.

The net operating income is allocated to members' PPS Profit-Share Account, with reference to the qualifying products a policyholder holds and in accordance with the allocation rules for the specific products held. The investment returns are allocated in proportion to the size of the policyholders' PPS Profit-Share Account.

For all policyholders from age 60 to 65, the full value of the PPS Profit-Share Account is available through the Vested PPS Profit-Share Account to such policyholders on termination of cover or resignation, subject to the vesting rules as contained in the policy document. On death of a member, at any age, the PPS Profit-Share Account is payable to the policyholders' beneficiaries or their estates. For all policyholders aged 66 or older, the fair value of the PPS Profit-Share Account becomes available through the Vested PPS Profit-Share Account, for inclusion in the financial plans of such policyholders, and it is payable to the policyholders' beneficiaries or their estates on death. On surrender of a policy prior to the age of 60, policyholders are entitled to receive their PPS Profit-Share Account at the time subject to an early access charge.

TOTAL ALLOCATIONS TO PPS INSURANCE PROFIT-SHARE ACCOUNTS

	2025 R'm	2024 R'm
PPS Insurance		
Allocation to Special Benefit Accounts	5 140	2 949
Allocation to Apportionment Accounts	1 318	2 095
Allocation to Vested Profit-Share and Unclaimed Benefits	423	283
Total allocations to PPS Profit-Share Accounts	6 881	5 327

TOTAL ALLOCATIONS TO PPS NAMIBIA PROFIT-SHARE ACCOUNTS

	2025 N\$m	2024 N\$m
PPS Namibia		
Allocation to Special Benefit Accounts	307	198
Allocation to Apportionment Accounts	60	65
Allocation to Unclaimed Benefits	-	1
Total allocations to PPS Profit-Share Accounts	367	264

Investment returns and profit allocation to policyholders PPS Profit-Share Accounts™ for the year ended 31 December 2025 (continued)

ALLOCATION TO APPORTIONMENT ACCOUNTS

The allocations at 31 December to policyholders' Apportionment Accounts are set out as follows:

	2025 R'm	2024 R'm
PPS Insurance		
Investment income allocation to Apportionment Accounts*	-	354
PPS Sickness and Permanent Incapacity Benefit	442	588
Sickness Products	22	30
PPS Provider	629	908
Bonus allocation for PPS Investments' portfolios and products	96	73
Bonus allocation for PPS Medical Aid products	20	20
Bonus allocation for PPS Short-term products	29	12
PPS Profit-Share Cross-Holdings Booster allocation	79	107
BEE allocation	1	3
Total profit allocation	1 318	1 741
Total allocated	1 318	2 095

	2025 N\$m	2024 N\$m
PPS Namibia		
Investment income allocation to Apportionment Accounts*	-	3
PPS Sickness and Permanent Incapacity Benefit	31	36
Sickness Products	2	2
Lumpsum Products	15	14
Sickness and Permanent Incapacity	12	10
Total profit allocation	60	62
Total allocated	60	65

* As a result of the Profit Share Lifetime Mutuality changes introduced at the beginning of the year, no reallocation of interest from investment profit to operating profit was effected in 2025.

Investment returns and profit allocation to policyholders PPS Profit-Share Accounts™ for the year ended 31 December 2025 (continued)

ALLOCATION TO SPECIAL BENEFIT ACCOUNTS

The following investment returns were allocated to the Special Benefit Accounts:

	2025	2024
PPS Insurance	R'm	R'm
Investment income and gains	5 121	2 940
Vested PPS Profit-Share	414	269
Allocation to Unclaimed Benefits	9	14
PPS BEE investment income gains	19	8
Total allocated	5 563	3 231
	2025	2024
PPS Namibia	N\$m	N\$m
Investment income and gains	307	198
Allocation to Unclaimed Benefits	-	1
Total allocation to Special Benefit Accounts	307	199

Trustees' Report

HOLDING ENTITY

The holding entity for the PPS Group is The Professional Provident Society Holdings Trust, registration number IT 312/2011 (PPS Holdings Trust or the Trust), which controls all the entities in the PPS Group.

GOING CONCERN AND SOLVENCY

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The solvency position of the PPS Group remains resilient.

PRINCIPAL ACTIVITIES

PPS Holdings Trust is a trust registered by the Master of the High Court in terms of the Trust Property Control Act of 1988. PPS Holdings Trust's sole investment is 100% of the shares of Professional Provident Society Insurance Company Limited (PPS Insurance). The beneficiaries of PPS Holdings Trust are the PPS Group companies. Membership of PPS Holdings Trust is acquired through participation in PPS Group products. The Ordinary Members of PPS Holdings Trust control the PPS Group through the election of trustees. All the profits of the PPS Group are allocated to the Ordinary Members of PPS Holdings Trust through their participation in their policyholder PPS Profit-Share Accounts.

PPS Insurance is a wholly-owned subsidiary of PPS Holdings Trust and is a long-term insurance company registered in South Africa in terms of the Insurance Act, which offers a broad range of insurance products, including sickness and incapacity benefits, life and disability benefits, critical illness benefits and business assurance policies. PPS Insurance also issues linked living annuities and endowment policies to PPS members. PPS Insurance has over 136 000 policyholders in South Africa and Namibia.

Professional Provident Society Investments (Pty) Limited (PPS Investments) and its subsidiaries are wholly-owned subsidiaries of PPS Insurance which provide, *inter alia*, savings and investment products primarily to PPS members. The assets backing the PPS Profit-Share Account, as well as the assets underlying Risk Reserves, are managed by the in-house multi-manager, PPS Multi-Managers, a wholly-owned subsidiary of PPS Investments.

Professional Provident Society Insurance Company (Namibia) Limited (PPS Namibia) is a wholly-owned subsidiary of PPS Insurance providing insurance products exclusively to the Namibian market. PPS Namibia currently has over 6 000 Namibian policyholders.

Professional Provident Society Healthcare Administrators (Pty) Limited (PPS Healthcare Administrators) is a wholly-owned subsidiary of PPS Insurance, which administers Profmed and other medical schemes. PPS Healthcare Administrators' objective is to provide professional service and to support the sustainability of the schemes by applying scheme benefit and tariff rules properly and managing clinical risk, to enable medical schemes to provide for the health care needs of members when they need it most. The administered medical schemes have their own independent boards of trustees.

Professional Provident Society Short-Term Insurance Company Limited (PPS Short-Term Insurance) is a wholly-owned subsidiary of PPS Insurance and is a fully-fledged short-term insurer, offering personal lines, commercial lines and, through its Health Professions Indemnity Division, professional indemnity products, to PPS members.

glu is a separate brand of PPS Insurance launched in January 2025 and is a division of PPS, operating on the insurance licence of PPS. glu also operates under the ethos of mutuality, but offers products to a wider segment of the population than PPS professionals.

PPS Mutual Limited (Australia) and its operating subsidiary launched in Sydney, Australia in February 2016, are affiliates of PPS Insurance. The company's operating model replicates the PPS Group in South Africa's mutual model, focusing on the insurance needs of graduate professionals in Australia.

The PPS Mutual Limited (New Zealand) group was incorporated during 2023 in Auckland, New Zealand and is an affiliate of PPS Insurance. The company's operating model replicates the PPS Group in South Africa's mutual model, focusing on the insurance needs of graduate professionals in New Zealand.

The PPS Property Fund Trust (PPS Property Trust) is a trust controlled by PPS Insurance, registered in terms of the Trust Property Control Act of 1988, which invests directly in certain investment property for the benefit of PPS Insurance.

Financial Solutions 4 Professionals (Pty) Limited (FS4P) is a wholly-owned subsidiary of PPS Insurance, established as a brokerage, to provide a vehicle for supporting agents that are not able to sell PPS products due to Retail Distribution Review regulation, which came into effect on 1 January 2018, and enables the continuity of insurance services to members.

PPS Wealth Advisory (Pty) Ltd is a wholly-owned subsidiary of PPS Insurance, which obtained its Financial Services Provider licence during 2022, and provides wealth advisory services to PPS' clients.

The Professional Provident Society Foundation Trust is a trust founded by PPS Insurance and registered by the Master of the High Court in terms of the Trust Property Control Act of 1988. It has the principal objectives of working with strategic partners to improve access to Science, Technology, Engineering and Mathematics (STEM) related professions and build the

Trustees' report

(continued)

professional pipeline, especially the scarce skills disciplines, making a measurable contribution to sustainable development within South Africa's communities (as defined in the DTI B-BBEE Codes of Good Practice) and the Financial Sector Charter and ensuring that the Foundation's funds are spent on real sustainable, measurable benefits in support of the professional pipeline being created. The Trust also supports the Group's sustainability initiatives, benefiting PPS, its members and the community served by PPS.

UNIT TRUSTS AND POOLED FUNDS

Unit Trusts and pooled funds for which the Group renders asset management services are consolidated due to the requirements of IFRS Accounting Standards. These include the PPS Collective Investment Scheme (South African Unit Trust), PPS Global Equity Fund (Irish Unit Trust) and PPS Namibia Portable Fund (Namibian Pooled Fund).

EVENTS AFTER FINANCIAL YEAR-END

No circumstances have arisen, or events occurred, between the statement of financial position date and the date of this report in respect of matters which would require adjustment to, or disclosure in, the annual financial statements, or which should be disclosed through some other medium, except as disclosed elsewhere in the financial statements.

GOING CONCERN

The Trustees/Directors assess the Group's future performance and financial position on an ongoing basis and have no reason to believe that the Group will not be a going concern in the reporting period ahead. For this reason, these financial statements are prepared on a going concern basis.

FINANCIAL RESULTS

The financial results on pages 21 to 127 set out the results of the PPS Group (comprising PPS Holdings Trust and all its subsidiaries) for the financial year ended 31 December 2025.

Audit Committees' Report

INTRODUCTION

The PPS Holdings Trust Audit Committee (TAC) and the PPS Group Audit Committee (GAC) are committees of the PPS Holdings Trust and PPS Insurance Boards, respectively. The responsibilities of these committees are prescribed by the Trust Deed and the Companies Act, and are outlined in their written Terms of Reference, which are in line with King IV™, and are reviewed and updated annually. The Committees have an independent role, with accountability to both the Boards and PPS members in terms of the Companies Act and the Trust Deed of PPS Holdings Trust.

The TAC has oversight over PPS Holdings Trust and the PPS Group, while the GAC has oversight over PPS Insurance and its subsidiaries. This includes oversight over the separate Risk and Audit Committees of PPS Investments and PPS Short-Term Insurance, which provide reports to the GAC.

The report of the TAC and GAC is presented to the members in terms of section 94(7)(f) of the Companies Act, No 71 of 2008 (the Companies Act), and a similar provision in the Trust Deed.

COMPOSITION OF THE PPS HOLDINGS TRUST AUDIT COMMITTEE

Members:

Independent Non-executive Trustees of PPS Holdings Trust:

Prof HE Wainer, B Acc, CA(SA), (Chairman), Member of the TAC since 2020

Mr AH de Vries, B Acc, CA(SA), (Appointed as a member of the TAC on 12 May 2025)

Ms DLT Dondur, B Acc (Hons), B Compt, CA(SA), MBA, CD(SA), (Chairman), Member of the TAC since 2012 (Resigned 12 May 2025)

Mr S Trikamjee, B Com (Hons), CA(SA), Member of the TAC since 2024

The appointment of the current members of the TAC was confirmed by PPS members at the annual general meeting held on 12 May 2025.

The TAC was established pursuant to the Trust Deed of PPS Holdings Trust and comprises three independent non-executive trustees of PPS Holdings Trust. The members of the Committee are elected annually by the members of PPS Holdings Trust at its annual general meeting, after being nominated for election by the Nominations Committee and being approved by the PPS Holdings Trust Board for election. As PPS Holdings Trust is not an operating company, but consolidates the financial results of PPS Insurance and its subsidiaries, the TAC considers the recommendations of the GAC in regard to the integrated report and the annual financial statements of PPS Insurance and its subsidiaries. There is an overlap in membership of the TAC and the GAC to ensure appropriate information is exchanged between the two audit committees, and the TAC does not replicate the work performed by the GAC in regard to PPS Insurance and its subsidiaries.

Meeting attendance:

100%

Meetings:

10 Mar 2025

4 Nov 2025

COMPOSITION OF THE PPS GROUP AUDIT COMMITTEE

Members:

Independent Non-executive Directors of PPS Insurance:

Prof HE Wainer, B Acc, CA(SA), (Chairman), Member of GAC since 2001

Mr AH de Vries, B Acc, CA(SA), (Appointed as a member of the GAC on 1 July 2025)

Ms DLT Dondur, B Acc (Hons), B Compt, CA(SA), MBA, CD(SA), Member of GAC since 2013 (Resigned 12 May 2025)

Dr DP du Plessis, B Sc, MBA, DBA, CD(SA), Member of GAC since 2020

Mr C Erasmus, B Sc, FIA, FASSA, Member of GAC since 2009

Prof WE Maroun, B Acc (Hons), M Acc, PhD, CA(SA), Member of the GAC since 2024

Audit Committees' Report (continued)

Meeting attendance:

100%

Meetings:

10 Mar 2025

13 Jun 2025

12 Aug 2025

4 Nov 2025

The GAC comprises of five Non-executive PPS Insurance Directors, all of whom are independent. Three of the members of the GAC are Chartered Accountants. The remaining members of the GAC are an actuary and a risk management specialist, respectively.

The Boards are satisfied that the members of these Committees have sufficient recent and relevant financial experience to enable them to carry out their duties and responsibilities and that the members of the Committees bring a wide range of relevant experience and expertise. The GAC meets at least four times a year, while the TAC is scheduled to meet at least twice a year. The Chairmen of the Group Risk Committee and the Group Actuarial Committee are also members of the GAC. The Head of the Actuarial Function and Statutory Actuary, the Executive: Actuarial Services, the external auditors, the Head of the Internal Audit Function, the Head of the Risk Management Function and other relevant role players are present at each meeting of the GAC. The external auditors are present at each meeting of the TAC. The GAC has an oversight role in regard to the Risk and Audit Committees of PPS Investments and PPS Short-Term Insurance, which report to the GAC at its quarterly committee meetings.

The TAC and GAC meet both the external and internal auditors separately in private sessions, without executive management being present. The Group Chief Executive and the Group Chief Financial Officer, along with other members of senior management, attend Committee meetings, as necessary, at the invitation of the Chairmen of the Committees.

The PPS Group's policy on non-audit services, which is reviewed annually by the Committees, sets out what services may be provided to PPS by the external auditors. All non-audit services are pre-approved by the GAC. The Committees conduct a formal external auditor evaluation process. This evaluation occurs annually and includes various criteria and standards such as independence, audit planning, technical abilities, audit process/outputs and quality control, business insight and general factors (such as black economic empowerment credentials). The Committees keep abreast of current and emerging trends in international accounting standards.

Both committees have satisfied themselves:

- as to the effectiveness of the PPS Group's system of financial controls;
- that the financial statements of PPS Holdings Trust, PPS Insurance and its subsidiaries have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act, 2008; and
- that the external auditor is independent of PPS Holdings Trust, PPS Insurance and its subsidiaries.

ROLE OF THE AUDIT COMMITTEES

The Committees, inter alia, assist the trustees and directors in discharging their responsibilities relating to the safeguarding of assets, the operation of adequate and effective systems and control processes and the preparation of the integrated report and fairly presented financial statements in compliance with all applicable legal and regulatory requirements and accounting standards.

The Committees performed their functions required in terms of the Companies Act and the Trust Deed and executed their responsibilities in accordance with their terms of reference.

The Committees, inter alia:

- Reviewed and recommended for approval the annual financial statements.
- Considered the factors and risks that might affect the financial reporting of PPS Holdings Trust and the PPS Insurance Group.
- Confirmed the going-concern basis of preparation of the annual financial statements.
- Reviewed and recommended for approval the integrated report.
- Assessed the effectiveness of internal financial control systems and formed the opinion that there were no material breakdowns in internal control.
- Ensured that a combined assurance model was applied to provide a coordinated approach to all assurance activities.
- Reviewed the Group Internal Audit Policy in line with King IV recommendations and recommended the approval thereof to the PPS Insurance Board.
- Approved the internal audit plan for the financial year.
- Reviewed and evaluated reports relating to internal audit and risk management.
- Nominated Ernst & Young Inc. (EY) as the PPS Group's external auditors.
- Determined the external auditors' terms of engagement in the external audit engagement letter and determined the audit fees payable to the external auditors.

Audit Committees' Report (continued)

- Reviewed the quality and effectiveness of the external audit process and the audit plan and assessed the competence of the external auditors.
- Obtained and considered a statement from the independent auditors confirming that their independence was not impaired.
- Confirmed that no reportable irregularities had been identified or reported by the independent auditors under the Auditing Profession Act.
- Ensured no limitations were imposed on the scope of the external audit.
- Determined the nature and extent of non-audit services that the external auditors may provide and pre-approved any such services.
- Maintained oversight over fraud and corruption risk management and the established protocol for confidential reporting.
- Considered whether there were any concerns or complaints whether from within or outside the PPS Group relating to the accounting practices and internal audit of the PPS Group, the content or auditing of the PPS Group's financial statements, the internal financial controls of the PPS Group or any related matter.
- Made submissions to the Boards on matters concerning the PPS Group's accounting policies, financial control, records and reporting.

EXTERNAL AUDITORS

EY served as the PPS Group's external auditors for the 2025 financial year. The committee determined the auditors' fees and reviewed the terms of their engagement. The Committees satisfied themselves that the external auditors' appointment complies with the Companies Act and in particular section 90(2) thereof, as well as the Auditing Profession Act.

The Committees are satisfied that both EY and the audit partner are independent. The external auditors provided assurance that their internal governance processes within their audit firm support and demonstrate their claim to independence.

The GAC was comfortable that non-audit services work was justified and necessary and did not give rise to any self-review threat for the external auditors.

EXPERTISE AND EXPERIENCE OF THE GROUP CHIEF FINANCIAL OFFICER AND THE FINANCE TEAM

The Committees are satisfied that the expertise and experience of the Group Chief Financial Officer are appropriate to meet the responsibilities of the position.

The Committees considered the expertise, resources and experience of the PPS Group's Finance function and concluded that these are appropriate to meet the requirements of the PPS Group.

APPROVAL OF THE REPORT

The TAC and GAC confirm for the 2025 financial year that they have functioned in accordance with their Terms of Reference and as required by the Companies Act and Trust Deed of PPS Holdings Trust and that their reports have been approved by the Directors and trustees.

On behalf of the Audit Committees:



Prof HE Wainer
Chairman of TAC and GAC

25 March 2026

Group Social and Ethics Committee's Report

INTRODUCTION

The PPS Group Social and Ethics Committee (GSEC) is a statutory committee of the PPS Insurance Board established by the Board in terms of section 72(4) of the Companies Act (71 of 2008) (Companies Act) and has the functions set out in Regulation 43(5) of the Companies Act.

The GSEC is tasked with monitoring specific activities of the PPS Insurance Group as set out below and to advise the PPS Insurance Group Boards in relation to such matters. The GSEC meets at least twice a year. The GSEC is supported in discharging its duties by the Group Remuneration Committee, the Group Risk Committee and the Group Audit Committee.

Members

Dr SNE Seoka (Chairman), Independent Non-executive Director (Appointed 1 July 2025)

Ms DLT Dondur (Chairman), Independent Non-executive Director (Resigned 12 May 2025)

Dr DP du Plessis, Independent Non-executive Director

Mr L du Plessis, Group Executive: Legal and Compliance (Resigned 30 June 2025)

Dr CM Krüger, Independent Non-executive Director

Dr R Putter, Independent Non-executive Trustee

Meeting attendance:

100%

Meetings:

4 Mar 2025

2 Oct 2025

4 Nov 2025

Functions

The GSEC performs all the functions as are necessary to fulfil the following statutory duties:

Monitoring the PPS Insurance Group's activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice, with regard to matters relating to:

- Social and economic development
- Good corporate citizenship
- Sustainability, the environment, health and public safety
- Assessment of the ethical risk profile
- Labour, culture and employment
- Ethics and conduct
- Consumer relationships
- The implementation of Treating Customers Fairly regulation
- Alignment of the GSEC's activities to the Broader Mutuality strategy of the PPS Group
- The PPS Group Sustainability report and recommendation thereof to the PPS Insurance Board for approval
- Drawing matters within its mandate to the attention of the PPS Insurance Group boards as may be required

Reporting, through one of its members, to the members of PPS Insurance at its annual general meeting on the matters within its mandate.

Group Social and Ethics Committee's Report (continued)

Report to PPS Insurance members by the GSEC

During 2025, the committee discharged its statutory duties and considered reports from the various contributors regarding the relevant functions and the following items were specifically noted:

Social and economic development	<ul style="list-style-type: none">• The United Nations Global Compact Principles are not legislation, but reflect international best practice. PPS conducts its business in accordance with the principles regarding human rights, labour standards, the environment and anti-corruption.• Compliance with the Employment Equity Act is managed in accordance with a report and a plan submitted to the Department of Labour, which are frequently tracked at executive management and board level.• Various action plans are in place to address the requirements of the sectoral Broad-Based Black Economic Empowerment Act and Financial Services Charter.
Good corporate citizenship	<ul style="list-style-type: none">• PPS promotes equality and prevents unfair discrimination against both employees and members.• Various corporate social investment initiatives are in place to develop the professional community and students studying towards qualifying degrees.• Various sponsorships, donations and charitable initiatives are undertaken and are regularly reviewed.• Advocacy and influencing public policy.
Assessment of the ethical risk profile	<p>Corruption and fraud management is a priority for PPS and a Fraud and Corruption Policy, as well as a confidential reporting facility, operated by an independent third party, are in place, and have been appropriately communicated to staff.</p>
Consumer relationships	<ul style="list-style-type: none">• PPS has implemented Treating Customers Fairly (TCF) regulation and has fully integrated it into its operations, achieving a high score using the self-assessment tool provided by the FSCA for this purpose.• Industry-specific consumer protection legislation is in place (FAIS, Insurance Act, etc.) and compliance therewith is actively managed and high levels of compliance have been achieved.
Health and public safety, labour and employment	<ul style="list-style-type: none">• The occupational health and safety of employees and others in buildings occupied by PPS are monitored and a high level of compliance is achieved.• Excellent working conditions are in place for all employees.• Employment relationships are valued at PPS and programmes for continued improvements to maintain best employee practices are in place and effective, as evidenced by the results of regular employee surveys.• Educational development of employees is achieved through various initiatives including internal and external training, induction programmes and bursary schemes.

Group Social and Ethics Committee's Report (continued)

Sustainability

- The Group Social and Ethics Committee oversaw meaningful progress in strengthening PPS's sustainability approach during 2025. A key milestone was the publication of PPS's first standalone Sustainability Report in October 2025, which provides an in-depth view of the organisation's environmental, social and governance performance and establishes a clear baseline for long-term measurement under the committee's oversight.


Key highlights from the 2025 Sustainability Report include:

- The embedding of a sustainability framework aligned with the United Nations Sustainable Development Goals, the Global Reporting Initiative and the King IV™ Code.
- A strengthened focus on education through bursaries, infrastructure support and work readiness programmes to build a resilient graduate professional pipeline.
- Strengthened responsible investment practices aligned with the Code for Responsible Investing in South Africa (CRISA) principles, including enhanced environmental, social and governance (ESG) integration across mandates and increased allocation to impact investments that support infrastructure, education and clean energy.
- Nearly R500 million committed to unlisted impact investments in South African infrastructure, education and clean energy, delivering both financial returns and social impact.
- Advancements in environmental stewardship, including solar photovoltaic installations that now provide 75% of daytime energy at the Parktown office and a 66% increase in solar output year-on-year.
- The full Sustainability Report published in 2025 is available on the PPS website and should be read together with this Group Social and Ethics Committee report and the rest of the Integrated Report. The next Sustainability Report will be published in the second half of 2026.

The committee is satisfied with the reporting and governance framework to ensure compliance with its statutory responsibilities in terms of the Companies Act.

No complaints were received by the GSEC during the year ended 31 December 2025 and based on the above monitoring reports, the GSEC concluded that there were no specific issues under its purview which required reporting to the PPS Insurance Board or members of the PPS Group.

On behalf of the PPS Group Social and Ethics Committee:



Dr SNE Seoka

Chairman of GSEC

25 March 2026

Group Remuneration Committee's Report

Background Statement

The purpose of the PPS Group Remuneration Committee (Remco or the Committee) is to oversee the implementation of the PPS Group Remuneration Policy as a delegated responsibility from the PPS Insurance Board. The Committee regularly reviews the PPS Group's remuneration policies to ensure that the design and management of remuneration practices enable the organisation to attract and retain top talent and motivate a high-performance culture. Remco is satisfied that it has fulfilled its mandate to provide independent oversight on remuneration-related matters.

The Committee is pleased to present the PPS Group's Remuneration Report for the year ended 31 December 2025. With this report, we aim to give an overview of the remuneration framework and practices. Additionally, the report shows our commitment to transparency, accountability and fair remuneration for all.

Business performance in 2025 was strong. Operating profit increased and investment market conditions were favourable, which contributed to a record Profit-Share allocation for our members. Membership growth exceeded expectations in several areas, strengthening the organisation's footprint.

Key Remco Activities in 2025

In 2025, Remco focused on ensuring remuneration practices reinforced governance, supported sustainable performance, and retained critical talent. Highlights include:

- Reviewing and approving governance updates to the Group Remuneration Policy, Terms of Reference and alignment of practices across subsidiaries.
- Strengthening long-term value creation through incentive schemes, including new allocations, top-ups and updated rules for senior leaders nearing retirement. Efforts also expanded to include more middle management staff.
- Continuing the Group IT retention scheme to safeguard critical roles.
- Reviewing the Group Executive succession plan to ensure proactive cover for key roles.
- Monitoring employment equity, culture survey outcomes, and employee experience initiatives, with emphasis on succession planning, talent pipeline health, and workforce risk management.

Remco balanced responsible cost management with motivating and retaining high-performing teams, supporting PPS's strategic objectives and long-term sustainability and is satisfied that it has fulfilled its mandate to provide independent oversight on remuneration-related matters.

Remuneration governance

Remco is responsible for advising the PPS Group in relation to:

- Executive, senior management and staff remuneration.
- The remuneration of non-executive directors and trustees of the PPS Holding Trust and subsidiaries, as well as their respective entities.
- Key human resources and employee-related matters, including employment equity and transformation.

The role of Remco is to assist the PPS Group boards to ensure that:

- The PPS Group remunerates non-executive directors and trustees, the Group CEO, executives, management and staff fairly, responsibly and competitively.
- The disclosure of director/trustee and executive remuneration by the PPS Group is accurate and in accordance with the Companies Act and IFRS.
- The functions prescribed by the Prudential Authority in terms of the Prudential Standards are performed.

Remco is chaired by an independent non-executive director and is comprised of non-executive directors of PPS Insurance. No employee is involved in deciding their own remuneration. The Group CEO and the Group Executive: Human Resources attend the meetings of Remco by invitation; however, they are recused from any discussions and/or decisions pertaining to their own remuneration.

Remco does not assume the functions of management, which remain the responsibility of the executive directors, officers and other members of senior management. The Committee operates in accordance with Terms of Reference approved by the PPS Insurance Board. Remco has complied with the obligations as set out in the Terms of Reference and is satisfied that the objectives of the Remuneration Policy have been achieved.

Group Remuneration Committee Members

Dr DP du Plessis (Chairman)
Mr C Erasmus
Dr SNE Seoka
Prof HE Wainer

Meeting attendance:

100%

Meetings:
20 Feb 2025
5 June 2025
5 November 2025

Group Remuneration Committee's Report

(continued)

Remuneration Policy

The PPS Group is dedicated to maintaining a competitive remuneration strategy that rewards both individual and corporate performance. Recognising that our people are a key strategic differentiator, we support the achievement of our organisational goals by valuing and rewarding employees' contributions. Our remuneration approach is crucial not only for attracting top talent but also for retaining, engaging and motivating our employees. It forms a fundamental part of the psychological contract between employer and employee, reinforcing our commitment to a compelling Employee Value Proposition.

Remuneration Framework

The determination of the total remuneration packages of employees is overseen on an annual basis by Remco within the context of a total reward approach, balanced design and pay mix.

The PPS Group remuneration structure is based on the following remuneration principles:

Driving high-performance culture	Balance between fixed and variable remuneration	Long-term value creation	Pay parity and fairness
<ul style="list-style-type: none"> Performance contracts include financial and non-financial, qualitative and quantitative, as well as lag and lead metrics. Performance measurement metrics are set annually and are reviewed for broad alignment to the PPS Group's objectives and strategies. The mix of short-term and long-term incentives is aligned to appropriate risk management principles, in order that management's performance is aligned with members' long-term interests and the remuneration structure does not induce excessive or inappropriate risk-taking. 	<ul style="list-style-type: none"> The mix of guaranteed pay and short- and long-term incentives is in line with the risk appetite and culture of the Group and is designed to meet the PPS Group's operational needs and strategic objectives, based on targets that are stretched, verifiable and relevant. 	<ul style="list-style-type: none"> Given the long-term nature of the business, the remuneration structure needs to support both long-term value creation and the achievement of short-term objectives. 	<ul style="list-style-type: none"> PPS employees are remunerated equitably for the work that they do, based on job role responsibilities and performance. PPS is committed to equal pay for work of equal value to eliminate disparities and build trust within the organisation.

Fair and responsible remuneration

PPS is committed to employment equity and the principle of equal pay for work of equal value. Remco ensures pay practices are fair, competitive, and aligned with industry standards.

To uphold fairness and inclusivity, disparities are actively addressed through progressive measures, while remuneration policies are regularly benchmarked against evolving market trends. Initiatives also focus on improving working conditions and fostering a supportive environment for all employees.

External advisors

Remco keeps abreast of emerging remuneration trends and leading practices in the financial services and insurance industries. Annually, Remco benchmarks PPS's employees' remuneration using Remchannel and 21st Century for niche surveys.

Executive contracts

Executive directors and prescribed officers are appointed in terms of employment contracts that are indefinite or until normal retirement age. The notice period is six months for executive directors and prescribed officers and three months for Group executives and other senior leaders. Normal retirement age is 65 years.

King V™

The King V™ Report on Corporate Governance for South Africa was released on 31 October 2025 and is effective for financial years commencing from 1 January 2026.

Remco is exploring the adoption of the King V™ Disclosure Framework to improve the clarity, consistency, and overall quality of the remuneration reporting and will review its existing policies, Terms of Reference and annual work plan to ensure alignment with the 13 King V™ principles.

Non-executive directors and trustees' remuneration

Non-executive directors/trustees are remunerated based on annual retainers, as well as attendance fees for each meeting attended. The value of the annual retainers and the attendance fees are benchmarked against fees paid in the financial and insurance industry by companies of a similar size to PPS. Non-executive directors/trustees do not participate in the PPS Group's long-term or short-term incentive schemes. The trustees' fees for the PPS Holdings Trust Board and its committees are subject to the ultimate approval by the Ordinary Members of PPS Holdings Trust at its annual general meeting (AGM) and for the remainder of the PPS Group companies at their respective AGMs.

Group Remuneration Committee's Report

(continued)

Remuneration Structure

The PPS Group's remuneration structure balances short and long term financial and non-financial rewards to drive a high-performance culture. The key components of this model (including policy elements) are elaborated on in the table below:

Remuneration Element	Purpose	Eligibility	Policy
Guaranteed Pay	PPS Group manages total cost to company (TCTC), which incorporates base pay, retirement, medical aid and other optional benefits. The purpose is to ensure we attract and retain the right talent that is qualified and experienced.	All Staff	Guaranteed pay is market related and informed by regular benchmarking within the Financial Services industry, targeted at the market median. The upper quartile of the market is considered where there is scarcity and criticality of skills. Increases are determined by Remco in conjunction with executive management and take into consideration market-related increases, individual and PPS Group performance and other economic indicators. Remco reviews staff increases as determined by management within guidelines approved by Remco and approves increases for PPS Group Executives and senior management.
Benefits	The PPS Group provides its employees with benefits that ensure they are well taken care of in a time of need. These benefits include retirement fund and risk benefits.	All Staff	Benefits form part of the total cost to company (TCTC) and include retirement, risk, recognition, wellness, education, etc. Reward and recognition schemes to enable performance and motivation to drive PPS Group initiatives and objectives and living up to the PPS Group's values. Other non-financial benefits are offered to staff - focusing on personal development and different aspects of well-being, such as financial, physical, social, emotional, and mental health.
Short-term Incentives	PPS Group's short-term incentives aim to reward short-term performance to drive a high performance culture that motivates and rewards substantial achievement of performance objectives.	All Staff, excluding sales employees who participate in commission-based structures	The short-term incentive bonus pool is determined and approved by Remco based on the achievement of financial, strategic and operational objectives, influenced by the financial performance of the PPS Group. This is done to encourage a high-performance culture across the Group, allowing for sufficient differentiation between performers and non-performers. The senior leadership group has the option to defer a portion of their bonus to the long-term incentive scheme.
Long-term Incentives	The key objectives of the long-term incentives are to focus participants on long-term key performance indicators in line with the vision, strategy, roles, expectations, financial and risk parameters of the organisation and to retain key members of management.	Senior Managers and Group Executives	Long-term incentives are structured to ensure alignment of the interests of key management with members' interests. Remco has final discretion over the participation of eligible employees in long-term incentives and allocation values. Long-term incentive awards are based on a five-year plan for Group Executives and senior management and a three-year plan for selected key and critical roles where retention is necessary.

On behalf of the PPS Group Remuneration Committee



Dr D P du Plessis
Chairman of Remco
25 March 2026

Consolidated statement of financial position as at 31 December 2025

		Group		
		2025	2024	2023
		R'm	Restated*	Restated*
		R'm	R'm	R'm
		Note		
Assets				
Property and equipment	2	672	642	546
Investment property	3	195	269	285
Intangible assets	4	772	300	264
Deferred tax	16	280	269	203
Investment in Joint Ventures	5	527	179	171
Financial assets – Investments at fair value through profit or loss	6	81 146	69 434	59 945
Attributable to Group		56 520	49 741	44 480
Attributable to Unit trusts and pooled funds managed for third parties		24 626	19 693	15 465
Reinsurance contract assets	8.1	261	1 390	1 873
Receivables	12	1 972	2 236	1 885
Attributable to Group		1 250	1 638	1 358
Attributable to Unit trusts and pooled funds managed for third parties		722	598	527
Current income tax asset		768	218	654
Non-current Assets held for sale		39	-	29
Cash and cash equivalents	13	3 466	2 658	2 958
Attributable to Group		1 044	734	814
Attributable to Unit trusts and pooled funds managed for third parties		2 422	1 924	2 144
Total assets		90 098	77 595	68 813

Consolidated statement of financial position as at 31 December 2025

		Group		
		2025	2024	2023
		R'm	Restated*	Restated*
		R'm	R'm	R'm
	Note			
Profit-Share and other liabilities				
PPS Profit-Share accounts and Long-term insurance contract liabilities	9	50 173	46 492	43 270
PPS Profit-Share accounts	9	43 743	38 337	34 684
Liability for remaining coverage and incurred claims		6 758	7 636	8 314
Residual interest in the net assets of the PPS Group		(328)	519	272
Short-Term Insurance liabilities	7.1	227	174	138
Investment contract liabilities	14	9 097	6 862	5 529
Unit Trust holders	15	27 361	21 902	17 925
Deferred tax	16	1 418	919	614
Reinsurance contract liabilities	8.1	27	22	17
Employee and post retirement obligations (a)	17	490	417	367
Payables	18	710	582	303
Current income tax liabilities		595	225	650
Total Profit-Share and other liabilities		90 098	77 595	68 813

* Refer to Note 33 for the detail of the restatement.

(a) Post retirement obligations was previously disclosed separately and has been aggregated into Employee and post retirement obligations.

Consolidated statement of profit or loss and other comprehensive income

for the year ended 31 December 2025

		Group	
		2025	2024
	Note	R'm	Restated* R'm
Net insurance service result		539	1 065
Insurance service result	19	(1 169)	(16)
Insurance revenue		5 085	5 489
Insurance claims and service expenses		(6 036)	(5 116)
Net expense from reinsurance contracts held		(218)	(389)
Insurance Net Finance Income	23	1 708	1 081
Finance income from insurance contract issued		2 753	1 234
Finance expenses from reinsurance contracts held		(1 045)	(153)
Other Income	20	916	854
Operating expenses	24	(1 467)	(1 353)
Finance expenses		(11)	(7)
Net investment result		9 138	6 699
Investment income(a)	21	3 458	3 371
Interest income at amortised cost		154	128
Investment income - other		3 304	3 243
Fair value gains on investments	22	12 171	6 184
Attributable to unit trust holders	15	(6 049)	(2 455)
Asset manager fees		(442)	(401)
Movement in fair value of policyholder liabilities under investment contracts	14	(1 079)	(720)
Share of profit – Associates and joint ventures	5	8	8
Profit before tax		8 044	6 546
Tax	25	(1 035)	(661)

Consolidated statement of profit or loss and other comprehensive income

for the year ended 31 December 2025

		Group	
		2025	2024
		R'm	Restated*
		R'm	R'm
	Note		
Profit after tax		7 009	5 885
Other comprehensive income			
Surplus on revaluation of owner-occupied property, net of deferred tax		-	9
Total comprehensive income for the period		7 009	5 894
Allocated to qualifying policyholders' PPS Profit-Share accounts (b)		(7 249)	(5 590)
Change in residual net assets of the PPS Group arising in the year		240	(304)
Total comprehensive income after allocations to Profit-Share accounts and change in residual net assets		-	-

* Refer to Note 33 for the detail of the restatement.

(a) In the prior period, investment income was presented as a single aggregated line item. In the current period, the investment income was disaggregated between interest income - amortised cost calculated using the effective interest rate method and investment income - other. The comparative information has been restated to reflect the correct presentation.

(b) This is the accounting measure, which is not the same as the actuarially determined total amount allocated to PPS Profit-Share accounts, derived from the actuarially determined investment and operating profit allocation. The mutual nature of PPS should be noted. The allocation to PPS Insurance and PPS Namibia policyholders - described above as "Allocated to qualifying policyholders' PPS Profit-Share accounts" of R7 249 million (2024: R5 590 million) - is the annual allocation to members' PPS Profit-Share Account in their capacity as policyholders.

Consolidated statement of cash flows for the year ended 31 December 2025

		Group	
	Note	2025 R'm	2024 Restated* R'm
Cash flows from operating activities			
Cash utilised by operations	27	(396)	(2 243)
Interest received		1 650	1 919
Dividends received		1 131	875
Interest paid		(11)	(7)
Tax paid	25	(786)	(446)
Net cash flow from operating activities		1 588	98
Cash flows from investing activities			
Purchases of property and equipment	2	(65)	(42)
Acquisition of intangible assets	4	(578)	(140)
Advances of loans to related parties		(96)	(215)
Proceeds from sale of investment property		34	29
Payment for improvements to investment property	3	(2)	(4)
Net cash used in investing activities		(707)	(372)
Cash flows from financing activities			
Payments of principal portion of lease liabilities		(12)	(17)
Net cash used in financing activities		(12)	(17)
Net increase/(decrease in cash and cash equivalents		869	(311)
Effect of exchange rate changes on cash and cash equivalents		(61)	11
Cash and cash equivalents at beginning of year		2 658	2 958
Cash and cash equivalents at end of year	13	3 466	2 658

* Refer to Note 27 for detail of the restatement.

Group accounting policies

The principal accounting policies applied are set out below:

1. BASIS OF PREPARATION

These financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or those where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 30.

The financial statements have been rounded to the nearest R million, unless otherwise indicated.

Standards and Interpretations Not Yet Effective

The Group has elected not to early adopt the following standards and interpretations that are mandatory for accounting periods beginning on or after 1 January 2026, or later periods:

Standard	Effective date	Summary
Amendments to IFRS 9 and IFRS 7 (Classification and Measurement of Financial Instruments)	Annual periods beginning on or after 1 January 2026	The amendments clarify that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice to derecognise financial liabilities settled using an electronic payment system before the settlement date. Other clarifications include the classification of financial assets with ESG-linked features via additional guidance on the assessment of contingent features.
IFRS 18 Presentation and	Annual periods beginning on or	IFRS 18 aims to improve how companies communicate in their financial

Standard	Effective date	Summary
Disclosure in Financial Statements	after 1 January 2027	statements, with a focus on information about financial performance in the statement of profit or loss. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of cash flows.
Annual Improvements to IFRS Accounting Standards - Volume 11	Annual periods beginning on or after 1 January 2026	These amendments include clarifications, simplifications, corrections and changes aimed at improving the consistency of several IFRS Accounting Standards. The amended Standards are IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statement of Cash Flows.
IFRS 19 - Subsidiaries without public accountability: Disclosure	Annual periods beginning on or after 1 January 2027	IFRS 19 specifies the disclosure requirements an entity is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards. An entity electing to apply this Standard applies the requirements in other IFRS Accounting Standards, except for the disclosure requirements. Instead, the entity applies the requirements in this Standard.

Group accounting policies

(continued)

Under IFRS 18, effective from 1 January 2027, the presentation of results on the Consolidated Statement of Profit or Loss and Other Comprehensive Income will change. There is a requirement to restate comparatives, however the group's profit for the year will not change.

Presentational changes include the disclosure of certain "non-IFRS" measures – management performance measures (MPMs) which will form part of the audited financial statements, as well guidance on aggregation and disaggregation of subtotals and line items in the primary financial statements. The Group is in the process of assessing the impact of the amendments, particularly with respect to the collation of additional information needed to meet the new disclosure requirements.

The Group does not expect the above or other amendments to standards issued by the IASB, but not yet effective, to have a material impact.

2. CONSOLIDATION

The financial statements include the assets, liabilities, and results of the operations of PPS Group.

Subsidiaries

Subsidiaries are entities over which the Group directly or indirectly has control. Control is achieved when the Group:

- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to affect those returns through its power over the investee.

Subsidiaries are consolidated from the date on which control is obtained and are derecognised when control ceases. All the Group's subsidiaries were established by the Group, and there are no acquired subsidiaries or goodwill arising on consolidation. Unit trusts and pooled funds controlled by a PPS entity are consolidated in accordance with IFRS 10. Interests of third-party unit holders are recognised as liabilities.

Intra-group transactions, balances, and unrealised gains on transactions are eliminated. Unrealised losses are also eliminated unless they indicate impairment of the asset. In the

Parent's separate annual financial statements, the interests in subsidiaries are accounted for at cost, with a provision for impairment recognised if there is evidence of impairment.

Interests in Associates and Joint Ventures

An associate is an entity over which the Group has significant influence but not control, through participation in the financial and operating policy decisions of the entity. Judgment is applied in assessing which entities the Group has significant influence over. The Group has no shareholding in some associates and thus no rights to net profits, losses, or net assets of these associates.

Joint ventures are entities over which the Group has joint control, which is the contractually agreed sharing of control of an arrangement. The Group's interests in associates and joint ventures are recognised in the consolidated financial statements based on the equity-accounted carrying amounts recognised in the underlying holding entities.

Joint ventures are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition and decreased by the dividends received from the investee. The Group's share of its equity-accounted investees' post-acquisition profits or losses is recognised in the Statement of profit or loss and other comprehensive income.

The Group determines at each reporting date whether there is any objective evidence that the investment in associates and joint ventures is impaired. If this is the case, the Group calculates the amount of the impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount adjacent to share of profit or loss of associates and joint ventures in the Statement of profit or loss and other comprehensive income.

The Group determines the dates of obtaining or losing joint control based on an assessment of all pertinent facts and circumstances affecting the ability to jointly control the relevant activities of the entity. Key factors include the contractual agreements with the counterparty, their practical operation, and the need for regulatory approval.

Group accounting policies

(continued)

3. FINANCIAL INSTRUMENTS

3.1 General

The Group initially recognises financial assets and liabilities (including assets and liabilities designated at fair value through profit or loss) when it becomes a party to the contractual provisions of the instrument.

Financial instruments recognised in the Consolidated Statement of Financial Position include financial assets through profit or loss, other receivables, cash and cash equivalents, investment contract liabilities, accruals, third-party liabilities arising on consolidation of unit trusts, and other payables.

3.2 Financial Assets

The Group has the following financial asset categories: financial assets at fair value through profit or loss, and financial assets at amortised cost.

All financial assets are initially measured at fair value, including any directly attributable transaction costs for those financial assets measured at amortised cost. All financial asset purchases and sales are recognised using trade date accounting.

Financial Assets at Fair Value Through Profit or Loss

A financial asset is placed in this category if mandatorily classified as such.

Financial assets classified as fair value through profit or loss consist of loans to related parties, local and foreign equities, money market instruments, government bonds, corporate bonds, pooled funds and unit trusts. Subsequent to initial recognition, these financial assets are accounted for at fair value. Fair value gains and losses arising from changes in fair value are included in the Consolidated statement of profit or loss and other Comprehensive Income as fair value gains on investments.

Equity fair values are based on regulated exchange-quoted bid prices at the close of business on the last trading day on or before the reporting date. Bond fair values are based on regulated exchange-quoted closing prices at the close of business on the last trading day before the reporting date. Unit trust fair values are based on the net asset value (price) on the reporting date.

Financial Assets at Amortised Cost

Other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are initially measured at fair value plus transactions costs and subsequently at amortised cost using the effective interest rate method, less impairment adjustments. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand and demand deposits with banks and similar instruments. Cash and cash equivalents are carried at amortised cost.

3.3 Financial Liabilities

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another entity.

Financial liabilities that include other payables and borrowings are categorised as financial liabilities at amortised cost. Investment contract liabilities, and liabilities to outside unit trust holders, are designated on initial recognition as measured at fair value through profit or loss.

Other payables are initially measured at fair value less transaction costs and subsequently at amortised cost using the effective interest rate method. Any difference between the proceeds, net of transaction costs, and the fair value at initial recognition is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income over the period of the borrowing.

Borrowings are recognised initially at fair value, net of transaction costs incurred. They are subsequently measured at amortised cost using the effective interest rate method. Interest is recognised in the Statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest method.

Third-party financial liabilities arising on consolidation of unit trusts are measured at fair value, based on unquoted unit values derived by the fund administrator, with reference to the rules of each particular fund. Fair value gains or losses are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Group accounting policies

(continued)

3.4 Derecognition of Financial Assets and Financial Liabilities

The Group derecognises an asset:

- When the contractual rights to the cash flows from the asset expire;
- When there is a transfer of contractual rights to receive cash flows on the asset in a transaction in which substantially all the risks and rewards of ownership of the asset are transferred;
- When the Group retains the contractual rights to the cash flows from these assets but assumes a corresponding liability to transfer these contractual rights to another party and consequently transfers all or substantially all the risks and benefits associated with the assets; and
- Where the Group retains substantially all the risks and rewards of ownership of the financial asset, it continues to recognise the asset.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

3.5 Fair Value Hierarchy of Financial Statement Line Items Held at Fair Value

IFRS 13 indicates a three-tier hierarchy for fair value measurement disclosures:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities. These prices are readily available in the market and are normally obtainable from multiple sources.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

4. INSURANCE, INVESTMENT, AND REINSURANCE CONTRACTS

4.1 Classification of Contracts

Insurance contracts are agreements where the Group accepts significant insurance risk from a policyholder, compensating them if a specified uncertain future event adversely affects them. These contracts may also transfer financial risk. The Group defines significant insurance risk as the possibility of having to pay benefits on the occurrence of an insured event that are significantly more than the benefits payable if the insured event did not occur.

Contract classification occurs at inception and remains unchanged unless the terms are significantly modified. This assessment considers all substantive rights and obligations, using judgment to determine if a contract transfers significant insurance risk and whether that risk is substantial.

Insurance contracts are categorised into long-term and short-term insurance based on risk exposure. Long-term contracts that have a discretionary participation feature (DPF), also known as a participating portfolio. The DPF component in the Group's insurance contracts cannot be determined and separated from the insurance component from inception. The DPF entitles the contract holder to additional benefits that are:

- A significant portion of the total benefits;
- At the Group's discretion; and
- Based on the performance of investment returns and the Group's profit and loss.

Judgment is applied in assessing whether amounts payable to policyholders represent a substantial share of the fair value return on the underlying items. This judgement was based on the Group's mutual operating model, whereby profits and losses arising from participating business are allocated to qualifying policyholders through PPS Profit Share Accounts, and policyholder benefits vary with the performance of the underlying items. The assessment was made based on expectations at contract inception.

The Group uses reinsurance to mitigate risk and transfers to the reinsurer significant risk from the underlying insurance contracts.

All references to insurance contracts in these statements include issued insurance contracts and held reinsurance contracts unless stated otherwise.

Group accounting policies

(continued)

4.1.1 Unit of Account Including Separating Components and Level of Aggregation

The Group manages insurance contracts by product lines, grouping contracts with similar risks into portfolios. Each portfolio is divided into annual cohorts of:

- Onerous contracts at initial recognition, where applicable;
- Contracts with no significant possibility of becoming onerous; and
- Remaining contracts.

These groups form the initial recognition and measurement level and are not reconsidered later. Reinsurance contracts are assessed separately, with similar grouping criteria.

Before recognition, the Group checks if a contract has components that must be separated, including:

- Embedded derivatives;
- Distinct investment components; and
- Promises to transfer distinct goods or services other than insurance services.

The Group applies IFRS 17 to all remaining components and does not require further separation or combination of contracts.

Due to the PPS mutual operating model, profits and losses belong to qualifying policyholders and are allocated to their PPS Profit-Share accounts. Policyholder equity is reported as a component of these accounts and Liability for remaining coverage. Profits or losses from non-participating portfolios are allocated to the participating portfolio, with participating contracts having a PPS Profit-Share feature and non-participating contracts not having this feature. The Group uses different measurement approaches, depending on the type of contract, as follows:

PPS Insurance Policy	Portfolio	IFRS 17 Measurement Model
<ul style="list-style-type: none"> • PPS Provider Policy • Sickness and permanent incapacity benefit • Professional Life Provider • Critical Illness Cover • Professional Disability Provider • PPS Education Cover 	Life Risk: Participating	Variable Fee Approach (VFA)
<ul style="list-style-type: none"> • Legacy PPS Life and Disability Policy • Legacy Professional Health Preserver PPS Provider Policy • Business Provider 	Life Risk: Non-participating	General Measurement Model (GMM)
<ul style="list-style-type: none"> • Personal Lines • Commercial Lines Value Added Services Health Professional Indemnity 	Non-Life Insurance	Premium Allocation Approach (PAA)
<ul style="list-style-type: none"> • Reinsurance contracts 	Life insurance	General Measurement Model (GMM)
	Non-Life insurance	Premium Allocation Approach (PAA)

4.1.2 Recognition and Derecognition

Initial Recognition:

Groups of insurance contracts held are recognised at the earliest of:

- The beginning of the coverage period; or
- The date of the first payment due or received; or
- When a group becomes onerous.

Group accounting policies

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Proportionate coverage and excess of loss reinsurance is recognised at the later of:

- The beginning of the coverage period; or
- Initial recognition of any underlying insurance contract; or
- Other reinsurance groups are recognised from the coverage period's start, or when an onerous group of underlying contracts is recognised.

Only contracts meeting recognition criteria by the reporting period's end are included in groups. Contracts meeting criteria after the reporting date are added to the relevant groups in the period they qualify, adhering to annual cohorts.

Derecognition and modification:

An insurance contract is derecognised when:

- It is extinguished (expired, discharged, or cancelled);
- It is modified and meets additional criteria.

When an insurance contract is modified by the Group as a result of an agreement with the counterparties or due to a change in regulations, the Group treats changes in cash flows caused by the modification as changes in estimates of the Fulfilment Cash Flows (FCF), unless the conditions for the derecognition of the original contract are met. The Group derecognises the original contract and recognises the modified contract as a new contract if the modifications resulting in derecognition include changes that:

- Move the contract outside the scope of IFRS 17;
- Change separable components or contract boundaries;
- Reassign the contract to a different group;
- The original contract represents an insurance contract with direct participation features, but the modified contract no longer meets that definition, or vice versa; or
- The original contract was accounted for under the PAA, but the modification means that the contract no longer meets the eligibility criteria for that approach.

When a new contract is required to be recognised as a result of modification and it is within the scope of IFRS 17, the new contract is recognised from the date of modification and is assessed for, amongst other things, contract classification, including the VFA eligibility, component separation requirements and contract aggregation requirements.

When an insurance contract that is not measured under the PAA is derecognised from an insurance group, the Group:

- Adjusts the FCF to remove the present value of future cash flows and risk adjustment for non-financial risk related to the derecognised rights and obligations;
- Adjusts the CSM based on the reason for derecognition:
 - Extinguished Contract: Adjusts the CSM by the same amount as the FCF adjustment related to future service;
 - Transferred Contract: Adjusts the CSM by the FCF adjustment amount minus the premium charged by the third party;
 - Modified Contract: Adjusts the CSM by the FCF adjustment amount, adjusted for the premium the Group would have charged for a new contract with equivalent terms, less any additional premium for the modification. For the new contract, the Group assumes this hypothetical premium as received; and
- Adjusts the number of coverage units for the remaining insurance contract services to reflect the units removed.

When an insurance contract accounted for under the PAA is derecognised, adjustments to remove related rights and obligations to account for the effect of the derecognition result in the following amounts being charged immediately to profit or loss:

- if the contract is extinguished, any net difference between the derecognised part of the LRC of the original contract and any other cash flows arising from extinguishment;
- if the contract is transferred to the third party, any net difference between the derecognised part of the LRC of the original contract and the premium charged by the third party; or

Group accounting policies

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- if the original contract is modified resulting in its derecognition, any net difference between the derecognised part of the LRC and the hypothetical premium that the entity would have charged if it had entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification.

4.1.3 Measurement Fulfilment Cash Flows Within Contract Boundary

The Fulfilment Cash Flows (FCF) are current estimates of future cash flows within the contract boundary of a group of contracts. These estimates include premiums collected and payments for claims, benefits, and expenses, adjusted for timing and uncertainty.

Estimates of future cash flows:

- Are based on a probability-weighted mean of all possible outcomes;
- Are determined from the Group's perspective, consistent with observable market prices for market variables; and
- Reflect conditions at the measurement date.

Due to the Group's mutual operating model, expected future cash flows are split into:

- Estimates of present value of future cash flows; and
- PPS Profit-Share Accounts.

Surpluses or deficits in DPF component and surplus from non-participating contracts, reinsurance contracts, and unrelated cash flows are treated as changes in fair value of underlying items and are presented as insurance finance income or expenses.

Profit allocations for the year, in line with the bonus basis, are processed in the statement of comprehensive income from changes in fair value of underlying items attributable to policyholders not resulting from financial risk or time value of money after reserving for statutory solvency requirements.

Risk Adjustment

An explicit risk adjustment for non-financial risk is estimated separately from other estimates.

Contract Boundary

The Group uses the concept of contract boundary to determine which cash flows should be considered in measuring groups of insurance contracts. Cash flows are within the boundary if they arise from substantive rights and obligations during the reporting period in which the Group can compel the policyholder to pay premiums or has a substantive obligation to provide insurance contract services.

A substantive obligation ends when the Group can reassess the risks of a policyholder and set a price or level of benefits that fully reflects those risks or can reprice the contract or portfolio to fully reflect the reassessed risk.

In assessing the ability to reprice, risks transferred from the policyholder to the Group are considered, while other risks, such as lapse or surrender and expense risk, are not included.

Cash flows outside the insurance contract boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

For reinsurance contracts held, cash flows are within the boundary if they arise from substantive rights and obligations during the reporting period in which the Group is compelled to pay amounts to the reinsurer or has a substantive right to receive insurance contract services from the reinsurer.

Reinsurance agreements remain in place until the underlying contracts expire, mirroring the contract boundary of the underlying agreement. This aligns the contract boundary and coverage periods of reinsurance agreements with those of the ceded contracts.

Cash flows not directly attributable to a portfolio of insurance contracts, such as product development and training costs, are recognised in other operating expenses as incurred.

Insurance Acquisition Costs

Acquisition cash flows arise from selling, underwriting, and starting a group of insurance contracts and are directly attributable to the portfolio of insurance contracts. These are allocated to groups of insurance contracts on a systematic and rational basis.

Group accounting policies

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Acquisition cash flows included in the present value of future cash flows calculate the CSM at initial recognition for non-participating and reinsurance contracts held and the present value of the policyholder share of the change in fair value of underlying items for participating business.

Amortisation of acquisition costs is based on the expected run-off of the sum assured over the life of the contracts for each cohort and has no effect on total profit and loss, as the portion released as recovery into insurance revenue matches the expense amortisation in insurance expenses.

Risk adjustment for non-Financial Risk

The risk adjustment for non-financial risk is applied to the present value of estimated future cash flows, reflecting the compensation required for bearing uncertainty about the amount and timing of cash flows from non-financial risk as the Group fulfils insurance contracts.

For reinsurance contracts held, the risk adjustment represents the risk transferred by the Group to the reinsurer. Methods and assumptions for determining the risk adjustment are discussed in Note 31.

Contractual Service Margin (CSM)

The CSM is part of the asset or liability for a group of insurance contracts, representing the unearned profit to be recognised as the Group provides insurance contract services.

At initial recognition, the CSM is an amount that results in no income or expenses arise from:

- a. Initial recognition of the FCF.
- b. Cash flows from contracts in the group.
- c. Derecognition of any insurance acquisition cash flows asset.
- d. Derecognition of any other pre-recognition cash flow.

Coverage units are reassessed at each reporting period's end.

For reinsurance contracts held, any net gain or loss at initial recognition is recognised as the CSM unless the net cost of purchasing reinsurance relates to past events. The CSM

represents a deferred gain or loss recognised as a reinsurance expense as the Group receives insurance contract services from the reinsurer and is calculated as the sum of:

- a. Initial recognition of the FCF.
- b. Cash flows from contracts in the group.
- c. Amount derecognised at initial recognition of any asset or liability previously recognised for cash.
- d. Cash flows related to the group of reinsurance contracts held.
- e. Income recognised in profit or loss when recognising a loss on initial recognition of an onerous group of underlying insurance contracts.

No CSM is required for the Group's participating contracts as all net cash flows are returned to qualifying policyholders via the PPS Profit-share account.

4.1.4 Subsequent Measurement

The carrying amount at the end of each reporting period of a group of insurance contracts not measured under the PAA, issued is the sum of:

- a. the liability for remaining coverage (LRC), comprising:
 - the FCF related to future service allocated to the group at that date; and
 - the CSM of the group at that date.
- b. the liability for incurred claims (LIC), comprising the FCF related to past service allocated to the group at the reporting date.

The carrying amount at the end of each reporting period of a group of reinsurance contracts held is the sum of:

- the remaining coverage, comprising:
 - the FCF related to future service allocated to the group at that date;
 - the CSM of the group at that date.
- the incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

Group accounting policies

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Changes in Fulfilment Cash Flows

The FCF are updated by the Group for current assumptions at the end of every reporting period.

Changes in estimates of the FCF are treated based on which estimate is being updated:

- a. changes that relate to current or past service are recognised in profit or loss;
- b. changes that relate to future service are recognised by adjusting the CSM or the loss component within the LRC.
- c. Profit-sharing and discretionary participation features give rise to cash flows that are included in fulfilment cash flows to the extent that the Group has a substantive obligation to policyholders arising from contractual terms.

For insurance contracts, the following adjustments relate to future service and thus adjust the CSM:

- a. experience adjustments from premiums received in the period that relate to future service and related cash flows;
 - b. changes in estimates of the present value of future cash flows in the LRC, except as described;
 - c. differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period; and
 - d. changes in the risk adjustment for non-financial risk that relate to future service.
- Adjustments above are measured using discount rates determined on initial recognition (the locked-in discount rates).

Changes to the Contractual Service Margin

For insurance contracts under the GMM, the following adjustments do not adjust the CSM:

- a. changes in the FCF for the effect of the time value of money and financial risk;
- b. changes in the FCF relating to the LIC;
- c. experience adjustments from premiums received in the period that do not relate to future service;
- d. experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

For insurance contracts issued, at the end of each reporting period, the carrying amount of the CSM is adjusted for:

- a. new contracts added to the group;
- b. interest accreted on the carrying amount of the CSM;
- c. changes in the FCF relating to future service, adjusting the CSM to the extent available. Excess FCF is recognised in insurance service expenses; and
- d. the amount recognised as insurance revenue for insurance contract services provided during the period.

For reinsurance contracts held, at the end of each reporting period, the carrying amount of the CSM is adjusted for:

- a. new contracts added to the group;
- b. interest accreted on the carrying amount of the CSM;
- c. income recognised in profit or loss when the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts;
- d. reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held;
- e. changes in the FCF, to the extent related to future service; and
- f. the amount recognised in profit or loss for insurance contract services received during the period.

Release of the CSM to Profit or Loss

The amount of the CSM recognised in profit or loss for insurance contract services is determined by the allocation of the CSM remaining at the end of the reporting period over the current and remaining expected coverage period of the group of insurance contracts based on coverage units.

The coverage period is defined as a period during which the Group provides insurance contract services. Insurance contract services include coverage for an insured event (insurance coverage), the generation of an investment return for the policyholder, if applicable (investment-return service) for the contracts under the GMM, and the management of underlying items on behalf of the policyholder (investment-related service) for the contracts under the VFA.

Group accounting policies

(continued)

Interest is accreted on the CSM using discount rates at initial recognition, and the CSM is recognised in profit or loss over the coverage period as insurance services are provided.

Coverage Units

The number of coverage units is the quantity of services provided by the contracts in the Group, determined by the quantity of benefits provided and its expected coverage period. Coverage units are reviewed and updated at each reporting date to adjust for claims paid, expectations of lapses, and contract cancellations, then allocated based on the probability-weighted average duration of each coverage unit.

The Group determines coverage units as follows:

Non-participating portfolios	Benefits	Coverage units
Business Provider	Range of benefits including death disability, and critical illness under one contract.	Weighted average discounted expected sum assured
Legacy PPS Life and Disability Policy	Death and disability benefits	
Legacy Health Preserver	Critical illness benefits	
Reinsurance Contracts		

4.1.5 Non-Life Insurance Contracts Measurement

The Group applies the PAA model to all non-life insurance contracts it issues, as the coverage period for each contract is one year or less. This includes insurance contract services arising from all premiums within the contract boundary. For a group of contracts that is not onerous at initial recognition, the Group measures the liability for remaining coverage as the premiums, if any, received at initial recognition.

The insurance contracts liabilities under this model includes the liability for incurred claims (LIC) determined by discounting expected future cash flows at a risk-free rate, plus an illiquidity premium where applicable, and includes an explicit risk adjustment for non-financial risk. The liability includes the Group's obligation to pay Unallocated Loss Adjustment Expenses (ULAE) incurred.

For contracts measured under the PAA approach, the Group elected to expense its insurance acquisition cash flows for its insurance product lines immediately upon payment being incurred. It does not discount the liability for remaining coverage to reflect the time value of money and the effect of financial risk due to the expected time between providing each part of the services and the related premium due date being no more than a year.

For reinsurance contracts held, the Group applies the PAA to measure its reinsurance assets on the same basis as underlying insurance contracts that it issues. The Health Professions Indemnity reinsurance held, relates to group of contracts for a period of one year with risk attaching, resulting in a coverage period greater than one year. However, based on the eligibility assessment, there is no material difference in the measurement between PAA and the general model, therefore, these qualify for PAA measurement.

Under the PAA, the initial measurement of the asset for remaining coverage equals the reinsurance premium paid. The Group measures the amount relating to remaining service by allocating the premium paid over the coverage period of the group. For all reinsurance contracts held, the allocation is based on the passage of time.

Group accounting policies

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4.1.6 Insurance Revenue

As the Group provides insurance contract services, it reduces the LRC and recognises insurance revenue. The amount of insurance revenue recognised depicts the transfer of promised services at an amount reflecting the consideration expected for those services.

For life insurance contracts, insurance revenue includes:

- claims and other directly attributable expenses incurred in the period;
- changes in the risk adjustment for non-financial risk;
- amounts of the CSM recognised for services provided in the period; and
- experience adjustments from premiums received other than those that relate to future service.
- amortisation of insurance acquisition cash flows, which is recognised at the same amount in both insurance service expenses and insurance contract revenue

4.1.7 Insurance Finance Income or Expenses

Insurance finance income or expenses include changes in the carrying amount of the group of insurance contracts from:

- the effect of the time value of money; and
- the effect of financial risk and changes in financial risk.

For contracts measured under the GMM, the main amounts are:

- interest accreted on the FCF and the CSM; and
- changes in interest rates and other financial assumptions.

For contracts measured under the VFA, insurance finance income or expenses include changes in the value of underlying items (excluding additions and withdrawals). The Group allocates expected total insurance finance income or expenses over the contract duration to profit or loss using discount rates determined at initial recognition. Changes include adjustments in contract measurement caused by underlying item value changes, relevant to PPS profit-share accounts, including exits net of forfeitures and profit allocations.

4.1.8 Insurance Service Expenses

Insurance service expenses include:

- incurred claims and benefits, excluding investment components reduced by loss component allocations;
- other directly attributable expenses incurred;
- insurance acquisition cash flows amortisation;
- changes in the FCF relating to past service;
- changes in the FCF resulting in onerous contract losses or reversals; and
- insurance acquisition cash flows assets impairment, net of reversals.
- amortisation of insurance acquisition cash flows, which is recognised at the same amount in both insurance service expenses and insurance contract revenue

4.1.9 Net Income or Expense from Reinsurance Contracts Held

The Group aggregates expected recoveries from reinsurers and reinsurance premiums paid on the Statement of profit or loss and other comprehensive income. Reinsurance cash flows contingent on claims are treated as part of expected reimbursements, excluding investment components and commissions. Recoveries from losses on reinsurance of onerous contracts are included as amounts recoverable from the reinsurer.

4.2 Valuation and Recognition

4.2.1 Insurance Contracts

The Group measures the liability for remaining coverage at the end of each reporting period as the liability at the beginning of the period:

- Plus premiums received in the period.
- Minus the amount recognised as insurance revenue for services provided in the period.

The Group estimates liabilities for incurred claims by considering the associated cash flows, including adjustments for non-financial risk (risk adjustment). Future cash flows are adjusted for the time value of money and financial risk for claims expected to be paid within one year.

Group accounting policies

(continued)

When a group of insurance contracts is onerous, the Group recognises a loss in profit or loss, adjusting the liability to equal to the fulfilment cash flows. A loss component is established for the liability for remaining coverage of the onerous group.

4.2.2 Investment Contracts

Investment contracts are recognised as financial liabilities at fair value in the Statement of Financial Position when the Group becomes a party to their contractual provisions.

Contributions from policyholders are accounted for as deposits, not recognised in profit or loss. Amounts paid to policyholders are deducted from investment contract liabilities.

All investment contracts issued by the Group are designated as fair value through profit or loss, reducing measurement inconsistency, as the backing assets are measured at fair value. Changes in the fair value of investment contracts are included in profit or loss in the period they arise. The fair value change represents the change in the fair value of the assets linked to these contracts. The investment contract liability equals the assets' fair value in the unitised fund underlying the policies, reflecting the value of units held by each policyholder.

Receivables and Payables Related to Investment Contracts

Amounts due from and to policyholders and agents in respect of investment contracts are included in other receivables and payables.

Presentation

The Group separately presents in the statement of financial position the carrying amount of portfolios of insurance contracts issued (liabilities) and reinsurance contracts held (assets). In the Statement of profit or loss and other comprehensive income, the Group disaggregates amounts into an insurance service result (comprising insurance revenue and service expenses) and insurance finance income or expenses. The change in risk adjustment for non-financial risk is included entirely in the insurance service result.

The Group does not disaggregate insurance finance income or expenses into profit or loss; and other comprehensive income. Income or expenses from reinsurance contracts held are presented separately from those of insurance contracts issued.

The PPS Profit-share account is presented separately as part of Life contracts with DPF.

5. FOREIGN CURRENCY TRANSLATION

5.1 Transactions and Balances

The consolidated financial statements are presented in Rand (the Group's presentation currency as per IFRS Accounting Standards). Foreign currency transactions are translated into Rand using the exchange rates at the transaction dates. Foreign exchange gains and losses from settling such transactions and translating monetary assets and liabilities at year-end rates are recognised in the Statement of profit or loss and other comprehensive income. Translation differences on non-monetary items, such as equities at fair value through profit or loss, are included in the fair value gain or loss.

5.2 Group Companies

For Group entities with a functional currency different from the presentation currency:

- Assets and liabilities are translated at the closing rate of the latest statement of financial position.
- Income and expenses are translated at average exchange rates (or the transaction dates if the average isn't reasonable).
- Resulting exchange differences will be recognised in line with the underlying assets and liabilities.

6. DIRECT AND INDIRECT TAX

Direct tax includes South African and foreign corporate tax payable and capital gains tax.

Current tax is based on the year's results, using enacted or substantively enacted tax rates by the reporting date in each jurisdiction.

Tax for the South African life insurance operations is determined using the five-fund method applicable to life insurance companies.

Group accounting policies

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7. PROPERTY AND EQUIPMENT

Owner-occupied property, used for administrative purposes and capital appreciation, is initially recorded at cost and subsequently shown at fair value based on annual external valuations. Depreciation on revalued buildings is eliminated against the carrying amount, with net amounts restated to the revalued amount.

The revaluation movement is allocated to the revaluation reserve, mirrored by insurance policy liabilities changes. Revaluation changes are recognised through other comprehensive income.

Other fixed assets are stated at historical cost less depreciation, which includes direct acquisition costs. Subsequent costs are capitalised only if future economic benefits are probable and measurable. Repairs and maintenance are charged to profit or loss as incurred.

Depreciation is charged on a straight-line basis over the estimated useful lives of the assets. The residual values, useful lives and depreciation methods are reviewed at each reporting date and adjusted prospectively if necessary.

Depreciation is calculated on a straight-line basis over estimated useful lives:

- Buildings: 50 years
- Vehicles: 5 years
- Computer hardware: 3 years
- Furniture and fittings: 6 years
- Office equipment: 5 years
- Leasehold improvements: the lesser of 5 years or the lease term
- Right-of-use assets: the lesser of the asset life or lease term

Owner-occupied property is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition is recognised in profit or loss.

Land is not depreciated. Residual values and useful lives are reviewed annually. An asset's carrying amount is written down to its recoverable amount if impaired. Gains and losses on disposals are included in the profit or loss.

Repairs and maintenance costs are charged to the profit or loss during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits from the existing asset will flow to the Group.

The revalued amount is depreciated for the year and the net carrying value is stated fair value at the subsequent year-end. The land and buildings revaluation surplus/(deficit) represents the capital appreciation/(depreciation) on the owner-occupied properties. As the properties are held to back insurance policy liabilities, with discretionary participation features, the movement in insurance policy liabilities as a result of the revaluation is recognised in other comprehensive income.

Deferred tax has been recognised on the revaluation difference arising on owner-occupied property owned by PPS Insurance Company Limited, based on the amounts and at the rate applicable to recovery through use.

8. INTANGIBLE ASSETS

Software Development & Computer Software

Software is capitalised at acquisition cost where acquired or development cost were internally developed. Capitalised software is amortised over their useful lives, usually three years or longer if deemed appropriate. Useful lives are reviewed annually. Other software costs are expensed as incurred.

Customer Relationships

Customer relationships, acquired as rights to income streams, are recognised at cost less accumulated amortisation and impairment. Amortisation is on a straight-line basis over an average useful life of eight years, estimated from the cancellation experience of the acquired business.

Group accounting policies

(continued)

9. INVESTMENT PROPERTY

Investment properties are held for earning rental income and for capital appreciation. Initially recorded at cost, including transaction costs on acquisition. Subsequent expenditure is capitalised only when future economic benefits are probable and measurable.

Investment properties are valued annually by external independent valuers and adjusted to fair value as at the reporting date.

Gains or losses from fair value adjustments are included in the Statement of profit or loss and other comprehensive income. Gains and losses on disposal are recognised in the Statement of profit or loss and other comprehensive income, calculated as the difference between the sale price and the carrying value.

If an investment property becomes owner-occupied, it is reclassified under owner-occupied properties, and its fair value at the date of reclassification becomes its cost for subsequent accounting purposes, and vice versa.

10. NON-CURRENT ASSETS HELD FOR SALE

Non-current assets are classified as held for sale if they will be recovered primarily through sale rather than continuing use. They are measured at the lower of carrying amount and fair value less costs to sell. Impairment losses on initial classification and subsequent gains and losses on remeasurement are recognised in the Statement of profit or loss and other comprehensive income.

11. LEASES

Leases where a Group Entity is the Lessee

The Group leases various offices. Rental contracts are typically fixed for one month to ten years and may contain lease and non-lease components. Consideration is allocated based on their relative stand-alone prices. Lease terms are negotiated individually and contain diverse terms and conditions.

Leases are recognised as a right-of-use asset and a corresponding liability at the lease commencement date. The Group presents right-of use assets in 'Property and equipment' and lease liabilities in 'Borrowings at amortised cost' in the Statement of financial position.

Right-Of-Use Asset

Initially the right-of-use asset is measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset, less any lease incentives received.

Right-of-use assets are generally depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the asset's useful life.

Lease Liability

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date.

Lease liabilities include fixed payments, variable lease payments based on an index or rate, amounts expected to be payable under residual value guarantees, the exercise price of a purchase option if the Group is reasonably certain to exercise it, and payments of penalties for terminating the lease if the lease term reflects the Group exercising that option. Lease payments under extension options are also included.

Lease payments are discounted using the interest rate implicit in the lease or, if not readily determined, the Group's notional incremental borrowing rate. The notional incremental borrowing rate is determined using a build-up approach starting with a risk-free interest rate adjusted for credit risk and specific lease factors.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss to produce a constant periodic interest rate on the remaining liability balance.

Group accounting policies

(continued)

Payments for short-term leases and low-value assets are recognised on a straight-line basis as an expense in profit or loss.

Leases where a Group Entity is the Lessor

Rental income from investment property is recognised as revenue on a straight-line basis over the lease term. Rental income from investment property is classified as part of other income and recognised on a straight-line basis.

12. IMPAIRMENT OF ASSETS

Financial Assets

The Group assesses expected credit losses associated with debt instruments carried at amortised cost on a forward-looking basis. The Group applies 12-month expected credit losses to financial assets unless clear and observable evidence indicates that credit risk has significantly increased since initial recognition. For receivables, the simplified approach requiring expected lifetime losses is applied.

Non-Financial Assets

Assets subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Indicators include continued losses, and changes in technology, market, economic, legal, and operating environments.

An impairment loss is recognised when an asset's carrying amount exceeds its recoverable amount, measured using the higher of fair value less costs to sell and value-in-use. The carrying amount is reduced by the impairment loss, recognised in the Statement of profit or loss and other comprehensive income.

If a subsequent decrease in impairment loss can be objectively related to an event after recognition, the previously recognised impairment loss is reversed by adjusting the impairment provision account, recognising the reversal in the Statement of profit or loss and other comprehensive income.

13. DEFERRED TAXATION

Deferred tax is provided using the liability method on temporary differences between the tax value of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is not recognised on initial recognition of assets and liabilities where it does not impact accounting or taxable profit. Deferred tax is determined using tax rates and laws enacted or substantively enacted by the reporting date and expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. For Investment Property measured at fair value, deferred tax is provided at rates applicable to capital gains.

Deferred tax assets related to the carry forward of unutilised tax losses are recognised when it is probable that future taxable profit will be available against which the tax losses can be utilised. Deferred tax liabilities and assets are not discounted.

14. EMPLOYEE BENEFITS

14.1 Retirement Obligations

The Group provides retirement benefits through a defined contribution provident fund, with assets held in a separate umbrella fund controlled by trustees appointed by the administrator.

14.2 Post-Retirement Medical Obligations

The Group provides unfunded post-retirement healthcare benefits for a small number of retirees employed before 4 October 1999, their spouses, and dependents. The entitlement to post-retirement healthcare benefits is based on an employee remaining in service up to retirement and completion of a minimum service period. The present value of post-retirement medical aid employer contributions is actuarially determined using interest rates referencing the market yield of government bonds at the reporting date.

An independent actuary performs annual valuations of the defined benefit obligation using the projected unit credit method.

Group accounting policies

(continued)

Actuarial gains and losses from experience adjustments and changes in assumptions are charged or credited in the Statement of profit or loss and other comprehensive income in the period they arise.

14.3 Termination Benefits

Termination benefits are recognised as an expense and liability when the Group has a present obligation related to termination.

14.4 Leave Pay Provision

The Group recognises employees' rights to annual leave entitlement in respect of past service accumulated at the reporting date.

14.5 Management Bonuses

Management bonuses are recognised as an expense in staff costs when probable and reliably measurable, arising from a contractual obligation but at the employer's discretion.

14.6 Retention Schemes

Long-term incentive and retention schemes are in place for qualifying employees, based on remaining in service for three to five years. The benefit growth under executive retention schemes is based on the five-year rolling historical average return of the PPS Profit-Share Account.

Other long-term employee benefits include those payable more than 12 months after the related service. These provisions are measured at present value using actuarial assumptions, with the discount rate being the yield of AA-rated government bonds at reporting date with similar maturity dates to the obligations. The projected unit credit method is used, with actuarial gains and losses recognised in the Statement of profit or loss and other comprehensive income in the period they arise.

15. REVENUE

15.1 Other Income

Other income is measured at fair value of consideration received or receivable and recognised as services are rendered and the performance obligation (completion of service) to the customer is met.

Royalties are earned from a license agreement with PPS Mutual Australia, which also receives long-term insurance policy administration services from the Group.

Administration fees include fees charged to medical aid schemes for services rendered. Investment management fees include service fees for investment management services.

Financial advice and fiduciary service fees are earned for investment advice and activities related to will and estate planning.

These arrangements contain no significant financing components, revenue is earned at a point in time.

15.2 Investment Income

Investment income includes interest, dividends, and net fair value gains or losses on financial assets held at fair value through profit or loss. Interest is recognised on the effective interest method at amortised cost, including interest income on financial assets at fair value through profit or loss as part of the fair value movement. Dividends are recognised when declared.

Notes to the consolidated financial statements for the year ended 31 December 2025

1. Categories of Financial instruments

The analysis of assets and liabilities into their categories as defined in IFRS 9 'Financial Instruments' is set out in the table below. Assets and liabilities of a non-financial nature, or financial assets and liabilities that are specifically excluded from the scope of IFRS 9, are reflected in the non-financial assets and liabilities category.

2025 R'm	Note	Group			Total
		Fair value through profit or loss	Amortised cost	Non-financial assets and liabilities	
Equity securities					
Local listed	6	25 341	-	-	25 341
International listed	6	14 477	-	-	14 477
Debt securities					
Government and local bonds	6	22 400	-	-	22 400
International listed and fixed interest instruments	6	979	-	-	979
Unit trusts and pooled funds	6	17 949	-	-	17 949
Reinsurance contract assets	8.1	-	-	261	261
Receivables	12	779	958	235	1 972
Cash and cash equivalents	13	-	3 466	-	3 466
PPS Profit-Share accounts	9	-	-	(43 743)	(43 743)
Liability for remaining coverage and incurred claims		-	-	(6 758)	(6 758)
Residual interest in the net assets of the PPS Group		-	-	328	328
Short-term insurance contract liabilities	7	-	-	(227)	(227)
Investment contract liabilities	14	(9 097)	-	-	(9 097)
Liabilities to unit trust holders	14	(27 361)	-	-	(27 361)
Reinsurance contract liabilities	8.1	-	-	(27)	(27)
Payables	18	-	(667)	(43)	(710)

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

1. Categories of Financial instrument (continued)

2024 Restated* R'm	Group				
	Note	Fair value through profit or loss	Financial assets and liabilities at amortised cost	Non-financial assets and liabilities	Total
Equity securities					
Local listed	6	19 243	-	-	19 243
International listed	6	12 613	-	-	12 613
Debt securities					
Government and local bonds	6	21 225	-	-	21 225
International listed	6	610	-	-	610
Unit trusts and pooled funds	6	15 743	-	-	15 743
Reinsurance contract assets	8.1	-	-	1 390	1 390
Receivables (a)	12	848	1 231	157	2 236
Cash and cash equivalents	13	-	2 658	-	2 658
PPS Profit-Share accounts	9	-	-	(38 337)	(38 337)
Liability for remaining coverage and incurred claims		-	-	(7 636)	(7 636)
Residual interest in the net assets of the PPS Group		-	-	(519)	(519)
Short-term insurance contract liabilities	7	-	-	(174)	(174)
Investment contract liabilities	14	(6 862)	-	-	(6 862)
Liabilities to unit trust holders	14	(21 902)	-	-	(21 902)
Reinsurance contract liabilities	8.1	-	-	(22)	(22)
Payables	18	-	(554)	(28)	(582)

* Refer to Note 33 for the detail of the restatement.

(a) Comparatives were restated to exclude non financial assets (R157 million) and liabilities (R28 million) in accordance with IFRS 9. A loan to a related party of R848 million that was previously classified and measured at amortised cost has been corrected and is now classified as measured at fair value through profit or loss, in accordance with IFRS 9, due to prior misclassification. Refer to Note 12 for more information.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

2. Property and equipment

	Owner-occupied property R'm	Computer hardware R'm	Vehicles, office furniture & equipment R'm	Leasehold improvements R'm	Right-of use-asset Buildings R'm	Total R'm
Year ended 31 December 2024 restated*						
Opening net carrying value	475	37	17	1	16	546
Additions	20	18	2	2	133	175
Reclassification to intangible assets	-	-	(2)	-	-	(2)
Disposals: Cost	-	(6)	(3)	-	(17)	(26)
Disposals: Accumulated Depreciation	-	6	2	-	15	23
Depreciation charge	(17)	(21)	(5)	(1)	(5)	(49)
Revaluation surplus	(25)	-	-	-	-	(25)
Closing net carrying value	453	34	11	2	142	642
At 31 December 2024 restated*						
Cost or valuation	453	108	74	17	206	858
Accumulated depreciation	-	(74)	(63)	(15)	(64)	(216)
Net carrying value (non-current)	453	34	11	2	142	642
Year ended 31 December 2025						
Opening net carrying value	453	34	11	2	142	642
Additions	2	27	14	22	17	82
Disposals: Cost	-	(22)	(9)	-	(10)	(41)
Disposals: Accumulated Depreciation	-	22	8	-	9	39
Depreciation charge	-	(24)	(5)	(2)	(19)	(50)
Closing net carrying value	455	37	19	22	139	672
At 31 December 2025						
Cost or valuation	455	113	79	39	213	899
Accumulated depreciation	-	(76)	(60)	(17)	(74)	(227)
Net carrying value (non-current)	455	37	19	22	139	672

* Refer to Note 33 for the detail of the restatement of the Right-of-use asset Buildings.

Owner-occupied property is carried at fair value and is classified as level 3 in terms of the IFRS 13 hierarchy. All of the Group's owner-occupied property consisting of office blocks situated at 6 and 7 Anerley Road, Parktown, and PPS Centurion Square were valued at 31 December 2025 by Quadrant Properties (Pty) Limited. Refer to Note 3 for the fair value disclosures.

If the owner-occupied property was stated on a historical cost basis, the amounts would be as follows; Cost R492 million (2024: R490 million) and Accumulated depreciation R99 million (2024: R81 million).

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

3. Investment property

	Group	
	2025 R'm	2024 R'm
Opening balance	269	285
Additions	2	4
Revaluation deficit	-	(20)
Disposals	(37)	-
Reclassified to non-current assets held for sale	(39)	-
Net carrying value at the end of year	195	269

Investment property is carried at fair value and is classified as level 3 in terms of the IFRS 13 hierarchy.

Independent valuations were performed using the discounted cash flow of future income stream method. This method takes projected cash flows and discounts these at a rate which is consistent with comparable market transactions. Property valuations are based on market assumptions including capitalisation rates, and revenue/expense escalation. Changes in these assumptions affect asset values.

Amounts recognised in profit or loss

Rental income generated by the Group from income-generating properties during 2025 was R42.3 million (2024: R40.6 million) and is included in Other income note. The direct operating expenses arising from investment property that generated rental income incurred during 2025 was R52.7 million (2024: R47.1 million).

The table below indicates sensitivity of the aggregate market value for changes in the exit capitalisation rate and discount rate for investment properties and owner-occupied properties:

	Group	
	2025 R'm	2024 R'm
Exit capitalisation rate		
Lower limit decrease: 1%	40	40
Upper limit increase: 1%	(33)	(43)
Discount rate		
Lower limit: -1%	22	20
Upper limit: 1%	(22)	(30)

3. Investment property (continued)

Key Assumptions used in the calculation of fair value adjustments for investment property and owner-occupied property:

Property	Key unobservable input	2025	2024
Erf 748 Hatfield (Capital Junction)	Discount rate	15.50%	15.75%
	Exit Capitalisation rate	11.25%	11.25%
Erf 983 Constantia Kloof Ext 6 (Abbott Constantia Kloof)	Discount rate	15.75%	16.50%
	Exit Capitalisation rate	11.50%	12.00%
Erf 14289 Somerset West (Triangle Point)*	Discount rate	N/A	15.00%
	Exit Capitalisation rate		10.50%
Erf 709 Hatfield (Capital Junction Harrogate)	Discount rate	16.25%	16.50%
	Exit Capitalisation rate	12.50%	12.00%
Erf 197 Portion 18 Dunkeld West (Bompas Road)	Discount rate	15.00%	15.00%
	Exit Capitalisation rate	10.50%	10.50%
Erf 193 Parktown (11 Eton Road)*	Discount rate	N/A	15.25%
	Exit Capitalisation rate		11.25%
Erf 212 Parktown (5 Winchester Road)	Discount rate	15.75%	16.00%
	Exit Capitalisation rate	12.00%	11.75%
Erf 981 Olivedale Ext 18 (Diebold Meadowbrook)	Discount rate	14.25%	14.50%
	Exit Capitalisation rate	9.75%	9.75%
Erf 50 Verwoerdburgstad (Centurion Square)	Discount rate	15.00%	15.25%
	Exit Capitalisation rate	11.25%	10.75%
Erf 917 Parktown (7 Anerley Road S4 & 8-13)	Discount rate	15.75%	15.25%
	Exit Capitalisation rate	10.75%	10.75%
Erf 917 Parktown (6 Anerley Road)	Discount rate	14.75%	14.50%
	Exit Capitalisation rate	10.75%	10.00%

* The buildings were sold in November 2025.

The independent valuer, Quadrant Properties (Pty) Ltd, used the discounted cash flow method to value the properties.

Inter-relationship between key unobservable inputs and fair value measurement

The estimated fair value would increase if:

- the exit capitalisation rate was lower; or
- the risk-adjusted discount rate was lower.

The fair value would decrease if the inverse of the events listed above occurred.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

4. Intangible assets

	Computer Software and Customer Relationships R'm
Year ended 31 December 2024	
Opening net carrying value	263
Additions	140
Obsolete and written off: Cost	(126)
Obsolete and written off: Accumulated amortisation	110
Amortisation	(89)
Reclassification from property and equipment	2
Closing net carrying value (non-current)	300
At 31 December 2024	
Cost	565
Accumulated amortisation and impairment	(265)
Net carrying value at end of year	300
Year ended 31 December 2025	
Opening net carrying value	300
Additions	578
Obsolete and written off: Cost	(84)
Obsolete and written off: Accumulated amortisation	83
Amortisation	(105)
Closing net carrying value (non-current)	772
At 31 December 2025	
Cost	1 059
Accumulated amortisation and impairment	(287)
Net carrying value at end of year	772

Intangible assets net carrying value mainly comprise of internally generated computer software of R768.6 million (2024: 296.38 million), customer relationships are not material and are not presented separately. The additions line relates to a platform that is currently under development and is anticipated to be available for operational use during the 2026 financial year. Amortisation of the related intangible asset will commence when the asset is available for use.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

5. Investment in Joint Ventures

	R'm
Year ended 31 December 2024	
Opening balance	171
Share of profit after tax and other income	8
Closing balance	179
Year ended 31 December 2025	
Opening balance	179
Acquisition	341
Share of profit after tax and other income	8
Dividends received	(1)
Closing balance	527

PPS Insurance Company acquired an additional 50% holding in Ausmanco (Pty) Ltd (Ausmanco) in November 2025, which has increased the shareholding to 60% interest in Ausmanco. All key decisions on relevant activities are taken by unanimous consent with the other shareholders. Consequently, the investment remained a joint venture despite the increase in shareholding. This investment is accounted for using the equity method to recognise PPS' share of the Ausmanco profit after tax. Ausmanco is a strategic partnership for the Group, providing local management expertise to manage PPS Mutual in Australia. Ausmanco's principal place of business is Australia.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

5. Investment in Joint Ventures (continued)

	2025	2024
	Ausmanco R'm	Ausmanco R'm
Summarised statement of comprehensive income		
Revenue	28	22
Interest income	3	3
Interest expense	(3)	(3)
Income tax expense	(7)	(5)
Net profit for the year	21	16

	2025	2024
	Ausmanco R'm	Ausmanco R'm
Summarised statement of financial position		
Current assets	42	34
Non-current assets	37	36
Current liabilities	(4)	(4)
Non-current liabilities	(37)	(36)
Net assets	38	30
Current assets: Cash and cash equivalents	3	2
Non-current liabilities: Long-term borrowing	(37)	(36)
Carrying amount of equity investment	527	169
Dividends received	1	1

Ausmanco (Pty) Ltd has a financial year-end of 30 June. The information included in this summary is based on the management accounts for the 12 months ended 31 December 2025.

6. Financial assets – investments at fair value through profit or loss

	Group	
	2025	2024
	R'm	R'm
Analysis of financial assets held at fair value through profit or loss		
Level 1 fair value financial assets		
Equity securities:		
Local listed	25 341	19 243
International listed	14 477	12 613
Total level 1 fair value financial assets	39 818	31 856
Level 2 fair value financial assets		
Debt securities:		
Government bonds and local listed	22 400	21 225
International listed and fixed interest instruments	979	610
Total debt securities	23 379	21 835
Unit trusts and pooled funds:		
Local unit trusts and pooled funds	10 793	8 728
International equity unit trusts	6 895	6 063
International fixed interest unit trusts	92	853
Total Unit trusts and pooled funds	17 780	15 644
Total level 2 fair value financial assets	41 159	37 479
Level 3 fair value financial assets		
Unit trusts and pooled funds:		
Local unlisted	125	57
International unlisted	44	42
Total level 3 fair value financial assets	169	99
Total financial assets at fair value through profit or loss	81 146	69 434

At 31 December 2025, investments classified as Level 2 comprise approximately 51.0% (2024: 54.0%) of financial assets measured at fair value through profit or loss. Debt securities are classified as level 2 as directly observable market inputs other than level 1 have been used to value these financial assets. The observable inputs used to determine the fair value of unit trusts and pooled funds classified as Level 2 are, among others, the unit prices published by the unit trust fund managers. The investments classified as Level 3 comprise approximately 0.2% (2024: 0.1%) of financial assets measured at fair value through profit or loss and represents the Group's investment in the Old Mutual Midina Fund, Old Mutual Education Investment Impact Fund of South Africa Proprietary Limited and Old Mutual IDEAS Managed Partnership (IDEAS).

6. Financial assets – investments at fair value through profit or loss (continued)

	Group	
	2025	2024
	R'm	Restated* R'm
Analysis of movements in financial assets held at fair value through profit or loss:		
Opening balance	69 434	59 945
Additions	71 486	56 764
Disposals	(64 200)	(51 372)
Fair value net gains	5 715	3 366
Accrued interest	306	377
Foreign currency translation (losses)/gains	(1 595)	354
Closing balance	81 146	69 434
The spread of investments by sector:		
Industrial: Consumer capital, retail and supportive services (%)	21.6%	23.3%
Financial: Banks, investment fund and real estate companies (%)	44.1%	45.8%
Resources: Energy, utilities and government bonds (%)	34.3%	30.9%

* During the current year, it was identified that certain book value alignment entries were incorrectly presented as additions and disposals in the 2024 disclosure by R491 million. These entries did not represent actual acquisitions or disposals but were internal Book Value (BV) alignment adjustments processed to align fund codes. As a result, additions and disposals were overstated in the prior year's disclosure. The error was limited to the presentation within this note and had no impact on the carrying amount of investments, profit or loss, total assets, or cash flows. Comparative information has been restated accordingly to correct the presentation.

	Group	
	2025	2024
	R'm	R'm
Analysis of Level 2 financial assets held at fair value through profit or loss:		
Maturity profile of fixed interest investments:		
Due in one year or less	2 181	2 539
Due between one year and five years	8 215	6 894
Due between 5 years and 10 years	5 160	4 663
Due after 10 years	7 823	7 739
	23 379	21 835

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

6. Financial assets – investments at fair value through profit or loss (continued)

Level 3 investments represents the Group's investment in Old Mutual Alternative Investments. The alternative investments include a collection of local instruments, financial assets, and non-financial assets in various industries that are valued using different methods. Level 3 valuations for EduFund are prepared by the Fund Manager in accordance with the approved Valuation Policy and are periodically independently determined or reviewed by a third-party valuation firm, with oversight provided through the Fund's governance framework, including review by the Limited Partner Advisory Committee and external audit.

Level 3 valuations for the IDEAS Fund are prepared by the Fund Manager's investment professionals, subject to peer review and management sign-off, and are approved by the Investment Committee in line with the Valuation Policy, which is approved by the Advisory Committee; each investment is independently valued at least once every three years on a rolling basis, and where agreement on value cannot be reached, the valuation is referred to an independent valuer for final determination.

The MIDINA Portfolio is valued by BDO Namibia, particularly BDO Advisory Services (Pty) Ltd, acting as independent professional valuers. The valuation is performed in accordance with the International Valuation Standards (IVS) and is based on financial information, assumptions and valuation models provided by MIDINA Management. The valuation process is subject to BDO's internal quality review and approval procedures prior to submission to the Directors of Old Mutual Investment Group (Namibia) (Pty) Ltd for consideration.

The following valuation approaches are applied for the subsequent measurement of the fair value of the underlying investments of the Old Mutual Midina Fund (Midina), Old Mutual Education Investment Impact Fund of South Africa Proprietary Limited (EduFund) and Old Mutual IDEAS Managed Partnership (IDEAS):

Underlying instrument	Valuation Approach	Key components
Operational schools, tertiary education facilities and ancillary education services	Discounted Cash Flow (DCF) – Free Cash Flow to Equity (FCFE)	Valuations are performed using projected post-tax free cash flows derived from approved business plans. These cash flows are discounted using a market-related, risk-adjusted cost of equity reflecting the risk profile of the underlying asset. Inflation and cost escalation assumptions are aligned to relevant market benchmarks. For valuation purposes, equity includes share capital, preference shares not classified as equity, and junior debt where applicable.
Operational assets with approved future development phases	Discounted Cash Flow (DCF) – FCFE	The valuation incorporates cash flows from existing operations and approved future development phases, provided that sufficient and justifiable evidence exists to support the projected cash flows. The discount rate is adjusted to reflect additional construction and execution risk associated with future development phases.

6. Financial assets – investments at fair value through profit or loss (continued)

Underlying instrument	Valuation Approach	Key components
Financial assets: Equity instruments (Old Mutual Midina Fund)	Discounted cash flow model -The method aims to obtain fair value by discounting future cash flows from the asset (dividends, repayments, cashflows from the entity/asset and terminal values) at appropriate discount rates.	<p>The terminal values are determined by using a constant growth model. The discount rate used is the weighted average cost of capital which represents the weighted average return on all forms of capital (debt and equity). The weights of cost of debt and equity are the market participants' expectation of optimal capital structure for the investee company.</p> <p>Cost of equity is determined using capital asset pricing model (CAPM). CAPM considers the risk-free rate, beta and required equity premium. The risk-free rate is usually derived from the yield on long-term government bonds. The beta estimate is the average levered beta of comparable public entities adjusted to remove the effects of leverage and levered to reflect the optimal long term capital structure of the investee company. The equity premium is the expected return above the long-term government bond yield. This rate is based on country equity risk premium. An additional premium is added to adjust for additional risks taken on by investing in smaller entities which is considered to involve greater risk than investing in larger entities.</p>
Schools, tertiary education facilities and ancillary services under construction / in development	Market-based or income approach	<p>Fair value is determined using observable market transactions for comparable assets where available. Where such market data is not observable, current replacement cost is considered.</p> <p>Where reliable and supportable projected cash flows are available, a discounted cash flow approach on a Free Cash Flow to Equity basis is applied using an appropriate market-related, risk-adjusted discount rate.</p>

6. Financial assets – investments at fair value through profit or loss (continued)

Underlying instrument	Valuation Approach	Key components
Distressed assets	Going concern or net asset value approach	An assessment is performed to determine whether the asset is regarded as a going concern. Assets assessed as going concerns are valued using a discounted cash flow methodology, while assets that are not considered going concerns are valued using an appropriate net asset value approach.
Unlisted debt instruments (senior and mezzanine debt)	Discounted Cash Flow (DCF)	The fair value of debt instruments is determined by discounting expected contractual cash flows, adjusted where necessary to reflect credit risk. Discount rates are derived from relevant market reference rates with appropriate risk-adjusted margins and reflect the timing of the expected cash flows. Junior debt instruments are classified and valued as either debt or equity depending on their contractual characteristics.

Inter-relationship between key unobservable inputs and Level 3 fair value measurement:

Key unobservable input	Fair value measurement impact
Future cash flows	Higher cash flows = Higher fair value
Discount rate	Lower discount rate = higher fair value
Adjustment to multiples comparable companies	Higher multiple = Higher fair value
Market value of properties not completed	Higher estimated value = higher fair value
Comparable sales of houses in the area	Higher comparable sales value = higher fair value

The fair value of the Level 3 investments is determined using the unit price.

International investments denominated in foreign currencies were translated to Rands at the closing exchange rates at 31 December of:

\$1 = R16.57 (2024: \$1 = R18.87)

N\$1 = R1.00 (2024: N\$1 = R1.00)

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

6. Financial assets – investments at fair value through profit or loss (continued)

	Group	
	2025 R'm	2024 R'm
Analysis of Level 3 financial assets held at fair value through profit or loss:		
Opening balance	99	40
Additions	76	59
Disposals	(9)	-
Fair value net gains (a)	3	-
Closing balance	169	99

(a) Includes unrealised gains or (losses) recognised in profit or loss attributable to balances held at the end of the reporting period.

Analysis of Level 3 financial assets table was not presented in the prior year as such balances were not material. Comparative amounts are included in the current year table for comparative purposes only and do not reflect a change in accounting policy or prior-period restatement.

7. Short-Term Insurance liabilities

7.1 Reconciliation of the liability for remaining coverage and the liability for incurred claims

Non-life risk	Short-Term Insurance			
	Liabilities for incurred claims			
2025 R'm	Liability for remaining coverage	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Total
Insurance contract liabilities as at 1 January	5	140	29	174
Insurance revenue				
Insurance contracts	(171)	-	-	(171)
Insurance service expenses				
Incurred claims and other directly attributable expenses	-	206	21	227
Changes that relate to past service	-	(19)	(8)	(27)
Insurance service result	(171)	187	13	29
Finance expenses from insurance contracts issued	-	12	3	15
Total amounts recognised in profit or loss	(171)	199	16	44
Cash flows				
Premiums received	172	-	-	172
Claims and other directly attributable expenses	-	(163)	-	(163)
Total cash flows	172	(163)	-	9
Insurance contract liabilities as at 31 December	6	176	45	227
Current				121
Non-current				106

7. Short-Term Insurance liabilities (continued)

7.1 Reconciliation of the liability for remaining coverage and the liability for incurred claims (continued)

2024 R'm	Short-Term Insurance Motor & Household			Short-Term Insurance Healthcare Professional Indemnity			Total
	Liabilities for incurred claims			Liabilities for incurred claims			
	Liability for remaining coverage	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Liability for remaining coverage	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	
Insurance contract liabilities as at 1 January	-	36	1	2	87	12	138
Insurance revenue							
Insurance contracts	(2)	-	-	(136)	-	-	(138)
Insurance service expenses							
Incurring claims and other directly attributable expenses	-	142	-	-	37	15	194
Changes that relate to past service	-	(9)	-	-	(12)	-	(21)
Insurance service result	(2)	133	-	(136)	25	15	35
Finance expenses from insurance contracts issued	-	1	-	-	4	1	6
Total amounts recognised in profit or loss	(2)	134	-	(136)	29	16	41
Cash flows							
Premiums received	2	-	-	139	-	-	141
Claims and other directly attributable expenses	-	(136)	-	-	(10)	-	(146)
Total cash flows	2	(136)	-	139	(10)	-	(5)
Insurance contract liabilities as at 31 December	-	34	1	5	106	28	174
Current							118
Non-current							56

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

7. Short-Term Insurance liabilities (continued)

7.2 Claims development

Disclosure of actual claims compared with previous estimates

Actual claims payments are compared with previous estimates of the undiscounted amounts of the claims in the below claims development disclosure as at 31 December 2025:

Accident year							
R'm	2020 (and prior)	2021	2022	2023	2024	2025	Total
Gross of reinsurance							
Estimates of undiscounted gross cumulative claims	222	91	139	162	192	214	1 020
At end of accident year							
One year later	342	121	164	198	185	214	-
Two years later	229	114	153	167	192	-	-
Three years later	211	104	146	162	-	-	-
Four years later	213	92	139	-	-	-	-
Five years later	222	91	-	-	-	-	-
Cumulative gross claims paid and other directly attributable expenses paid	(211)	(89)	(119)	(131)	(145)	(128)	(823)
Gross cumulative claims liabilities for accident years	11	2	20	31	47	86	197
Effect of discounting							(20)
Gross liabilities for incurred claims							177

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

7. Short-Term Insurance liabilities (continued)

7.2 Claims development (continued)

R'm	Accident year						Total
	2020 (and prior)	2021	2022	2023	2024	2025	
Net of reinsurance							
Estimates of undiscounted net cumulative claims	211	89	119	131	145	128	823
At end of accident year							
One year later	275	72	91	104	116	128	-
Two years later	194	89	116	128	145	-	-
Three years later	194	89	118	131	-	-	-
Four years later	194	89	119	-	-	-	-
Five years later	210	89	-	-	-	-	-
Cumulative net claims paid and other directly attributable expenses paid	(204)	(88)	(114)	(125)	(139)	(123)	(793)
Gross cumulative claims liabilities for accident years	7	1	5	6	6	5	30
Effect of discounting							(5)
Net liabilities for incurred claims							25

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

8. Insurance contract liabilities and reinsurance contracts

8.1 Portfolios of insurance and reinsurance contract assets and liabilities

R'm	2025				2024 Restated*			
	PPS Profit-Share accounts and insurance contract liabilities	Reinsurance contract assets	Short-Term insurance contract liabilities	Reinsurance contract liabilities	PPS Profit-Share accounts and insurance contract liabilities	Reinsurance contract assets	Short-Term insurance contract liabilities	Reinsurance contract liabilities
Life Risk: Participating	48 673	-	-	-	44 875	-	-	-
Life Risk: Non-participating	1 500	-	-	-	1 617	-	-	-
Short-term products	-	-	227	-	-	-	174	-
Life Risk: Reinsurance contract held	-	107	-	-	-	1 274	-	-
Short-term: Reinsurance contract held	-	154	-	27	-	116	-	22
Total	50 173	261	227	27	46 492	1 390	174	22
Note	9.1, 9.2 ,11	10.1, 10.2, 10.3	7.1	10.3	9.1, 9.2 ,11	10.1, 10.2, 10.3	7.1	10.3

* Refer to Note 33 for the detail of the restatement.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

8. Insurance contract liabilities and reinsurance contracts (continued)

8.2 Effect of contracts initially recognised in the year

The following tables summarise the effect on the measurement components arising from the initial recognition of insurance and reinsurance contracts for the year.

Insurance contracts

	2025 Profitable contracts			2024 Profitable contracts		
R'm	Life Risk: Participating	Life Risk: Non-participating	Total	Life Risk: Participating	Life Risk: Non-participating	Total
Claims and other insurance service expenses	3 876	57	3 933	3 156	23	3 179
Insurance acquisition cash flows	710	6	716	656	7	663
Estimates of present value of cash outflows	4 586	63	4 649	3 812	30	3 842
Estimates of present value of cash inflows	(5 047)	(110)	(5 157)	(4 173)	(56)	(4 229)
Risk adjustment for non-financial risk	461	-	461	361	1	362
CSM movement	-	47	47	-	25	25
Losses recognised on initial recognition	-	-	-	-	-	-

Reinsurance contracts

	2025	2024 Restated*
R'm	Contracts without loss-recovery component	Contracts without loss-recovery component
Estimates of present value of cash inflows	(567)	(463)
Estimates of present value of cash outflows	718	525
Risk adjustment for non-financial risk	19	7
CSM movement	(170)	(69)
Income recognised on initial recognition	-	-

*Refer to Note 33 for the detail of the restatement.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

9. PPS Profit-Share accounts and Long-term insurance contract liabilities

9.1 Reconciliation of the liability for remaining coverage and the liability for incurred claims

The following table presents the reconciliation from the opening to the closing balances of the liability for the remaining coverage and the liability for incurred claims component:

2025 R'm	Life Risk: Participating			Life Risk: Non-participating		Total
	Liability for remaining coverage	PPS Profit- Share accounts	Liability for incurred claims	Liability for remaining coverage	Liability for incurred claims	
Insurance contract liabilities as at 1 January	5 292	38 336	1 247	1 536	81	46 492
Insurance revenue	(4 106)	-	-	(419)	-	(4 525)
Contracts under the fair value approach	(147)	-	-	(399)	-	(546)
Other insurance contracts	(3 959)	-	-	(20)	-	(3 979)
Insurance service expenses	(53)	-	5 262	(1)	416	5 624
Incurred claims and other directly attributable expenses	-	-	5 209	-	415	5 624
Insurance acquisition cash flows amortisation	(53)	-	53	(1)	1	-
Insurance service result	(4 159)	-	5 262	(420)	416	1 099
Finance income from insurance contracts issued	(2 673)	-	-	(94)	-	(2 767)
Total amounts recognised in profit or loss	(6 832)	-	5 262	(514)	416	(1 668)
Movements related to PPS Profit-Share accounts						
Cessation benefits: PSA	-	(2 148)	2 148	-	-	-
Early access charges	-	(6)	-	-	-	(6)
Year end allocations	-	7 239	10	-	-	7 249
Total movements related to the PPS Profit-Share Account	-	5 085	2 158	-	-	7 243

9. PPS Profit-Share accounts and Long-term insurance contract liabilities (continued)

9.1 Reconciliation of the liability for remaining coverage and the liability for incurred claims (continued)

2025 R'm	Life Risk: Participating			Life Risk: Non-participating		Total
	Liability for remaining coverage	PPS Profit- Share accounts	Liability for incurred claims	Liability for remaining coverage	Liability for incurred claims	
Transfers						
Transfer to Property, plant and equipment	-	-	(15)	-	(1)	(16)
Transfer to Intangible assets	-	-	(76)	-	(3)	(79)
Transfer to Employee related obligations	-	-	(104)	-	(4)	(108)
Total transfers	-	-	(195)	-	(8)	(203)
Expected Deferred Acquisition Costs	(677)	-	677	(6)	6	-
Other movements (a)	(1 005)	322	346	18	40	(279)
Cash flows						
Premiums received	6 680	-	-	375	-	7 055
Claims and other directly attributable expenses	-	-	(4 885)	-	(425)	(5 310)
PPS Profit-Share accounts paid to policyholders	-	-	(2 501)	-	-	(2 501)
Insurance acquisition cash flows	-	-	(637)	-	(19)	(656)
Total cash flows	6 680	-	(8 023)	375	(444)	(1 412)
Insurance contract liabilities at 31 December	3 458	43 743	1 472	1 409	91	50 173
Current						4 871
Non-Current						45 302

(a) Included in other movements of R1 billion is R850 million residual interest of the Group, which represents the change in the net assets of the Group entities which is consistent with the principles of mutuality.

9. PPS Profit-Share accounts and Long-term insurance contract liabilities (continued)

9.1 Reconciliation of the liability for remaining coverage and the liability for incurred claims (continued)

2024 Restated* R'm	Life Risk: Participating			Life Risk: Non-participating		Total
	Liability for remaining coverage	PPS Profit-Share accounts	Liability for incurred claims	Liability for remaining coverage	Liability for incurred claims	
Insurance contract liabilities as at 1 January	4 755	34 684	1 435	2 285	114	43 273
Insurance revenue	(4 426)	-	-	(635)	-	(5 061)
Contracts under the fair value approach	(128)	-	-	(605)	-	(733)
Other insurance contracts	(4 298)	-	-	(30)	-	(4 328)
Insurance service expenses	(25)	-	4 490	-	303	4 768
Incurred claims and other directly attributable expenses	-	-	4 465	-	303	4 768
Insurance acquisition cash flows amortisation	(25)	-	25	-	-	-
Insurance service result	(4 451)	-	4 490	(635)	303	(293)
Finance income from insurance contracts issued	(756)	-	-	(484)	-	(1 240)
Total amounts recognised in profit or loss	(5 207)	-	4 490	(1 119)	303	(1 533)
Movements related to PPS Profit-share accounts						
Cessation benefits: PSA	-	(1 901)	1 901	-	-	-
Early access charges	-	(21)	-	-	-	(21)
Year end allocations	-	5 574	16	-	-	5 590
Total movements related to the PPS Profit Share Account	-	3 652	1 917	-	-	5 569

9. PPS Profit-Share accounts and Long-term insurance contract liabilities (continued)

9.1 Reconciliation of the liability for remaining coverage and the liability for incurred claims (continued)

2024 Restated* R'm	Life Risk: Participating			Life Risk: Non-participating		Total
	Liability for remaining coverage	PPS Profit-Share accounts	Liability for incurred claims	Liability for remaining coverage	Liability for incurred claims	
Transfers						
Transfer to Property, plant and equipment	-	-	(20)	-	(1)	(21)
Transfer to Intangible assets	-	-	(35)	-	(2)	(37)
Transfer to Employee related obligations	-	-	(101)	-	(4)	(105)
Transfer from Revaluation reserve	9	-	-	-	-	9
Total transfers	9	-	(156)	-	(7)	(154)
Expected Deferred Acquisition Costs	(630)		630	(7)	7	-
Other movements	136	-	(19)	20	(35)	102
Cash flows						
Premiums received	6 229	-	-	357	-	6 586
Claims and other directly attributable expenses	-	-	(4 339)	-	(284)	(4 623)
PPS Profit-Share accounts paid to policyholders	-	-	(2 204)	-	-	(2 204)
Insurance acquisition cash flows	-	-	(507)	-	(17)	(524)
Total cash flows	6 229	-	(7 050)	357	(301)	(765)
Insurance contract liabilities at 31 December	5 292	38 336	1 247	1 536	81	46 492
Current						3 928
Non-current						42 464

* Refer to Note 33 for the detail of the restatement.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

9. PPS Profit-Share accounts and Long-term insurance contract liabilities

9.2 Reconciliation of measurement components of insurance contract liabilities

2025 R'm	Life Risk: Participating			Life Risk: Non-Participating				Total
	Estimates of present value of future cash flows	PPS Profit- Share accounts	Risk adjustment for non- financial risk	PV of future cash flows	Risk adjustment for non- financial risk	CSM		
						Contracts under fair value approach	Other insurance contracts	
Insurance contract liabilities as at 1 January	1 184	38 337	5 372	(4 660)	556	5 319	384	46 492
Changes that relate to current service								
CSM recognised for the services provided	-	-	-	-	-	(193)	(24)	(217)
Change in risk adjustment for non-financial risk for the risk expired and notional interest accreted	-	-	132	-	6	-	-	138
Experience adjustments - relating to insurance service expenses	1 284	-	-	(177)	-	-	-	1 107
Changes that relate to past service								
Experience adjustments - premiums that relate to past service	(311)	-	-	382	-	-	-	71
Finance expenses/(income) from insurance contracts issued	(6 239)	-	3 567	(662)	-	530	37	(2 767)
Total amounts recognised in profit or loss	(5 266)	-	3 699	(457)	6	337	13	(1 668)

9. PPS Profit-Share accounts and Long-term insurance contract liabilities (continued)

9.2 Reconciliation of measurement components of insurance contract liabilities (continued)

2025 R'm	Life Risk: Participating			Life Risk: Non-Participating				Total
	Estimates of present value of future cash flows	PPS Profit- Share accounts	Risk adjustment for non- financial risk	PV of future cash flows	Risk adjustment for non- financial risk	CSM		
						Contracts under fair value approach	Other insurance contracts	
Movements related to PPS Profit-Share accounts								
Cessation benefits: PSA	2 148	(2 148)	-	-	-	-	-	-
Early access charges	-	(6)	-	-	-	-	-	(6)
Year end allocations	10	7 239	-	-	-	-	-	7 249
Total movements related to the PPS Profit-Share Account	2 158	5 085	-	-	-	-	-	7 243
Transfers	(195)	-	-	(8)	-	-	-	(203)
Changes that adjust the CSM through the statement of financial position	-	-	-	3 861	(192)	(3 524)	(145)	-
Changes that adjust the Risk Adjustment through the statement of financial position	-	-	-	(290)	290	-	-	-
Other movements	(645)	321	-	45	-	-	-	(279)
Cash flows	(1 343)	-	-	(69)	-	-	-	(1 412)
Premiums received	6 680	-	-	375	-	-	-	7 055
Claims and other directly attributable expenses	(4 885)	-	-	(425)	-	-	-	(5 310)
Cessation benefits: PSA	(2 501)	-	-	-	-	-	-	(2 501)
Insurance acquisition cash flows	(637)	-	-	(19)	-	-	-	(656)
Insurance contract liabilities at 31 December	(4 107)	43 743	9 071	(1 578)	660	2 132	252	50 173

9. PPS Profit-Share accounts and Long-term insurance contract liabilities (continued)

9.2 Reconciliation of measurement components of insurance contract liabilities (continued)

2024 Restated* R'm	Life Risk: Participating			Life Risk: Non-Participating				Total
	Estimates of present value of future cash flows	PPS Profit share accounts	Risk adjustment for non-financial risk	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM		
						Contracts under fair value approach	Other insurance contracts	
Insurance contract liabilities as at 1 January	1 330	34 685	4 878	(4 914)	459	6 455	379	43 272
Changes that relate to current service								
CSM recognised for the services provided	-	-	-	-	-	(429)	(31)	(460)
Change in risk adjustment for non-financial risk for the risk expired and notional interest accreted	-	-	22	-	7	-	-	29
Experience adjustments - relating to insurance service expenses	329	-	-	(257)	-	-	-	72
Changes that relate to past service								
Experience adjustments - premiums that relate to past service	(313)	-	-	378	-	-	-	65
Finance expenses/(income) from insurance contracts issued	(1 228)	-	472	(901)	-	398	19	(1 240)
Total amounts recognised in profit or loss	(1 212)	-	494	(780)	7	(31)	(12)	(1 534)
Movements related to PPS Profit-Share accounts								
Cessation benefits: PSA	1 901	(1 901)	-	-	-	-	-	-
Early access charges	-	(21)	-	-	-	-	-	(21)
Year end allocations	16	5 574	-	-	-	-	-	5 590
Total movements related to the PPS Profit-Share account	1 917	3 652	-	-	-	-	-	5 569

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

9. PPS Profit-Share accounts and Long-term insurance contract liabilities (continued)

9.2 Reconciliation of measurement components of insurance contract liabilities (continued)

	Life Risk: Participating			Life Risk: Non-Participating				Total
	Estimates of present value of future cash flows	PPS Profit share accounts	Risk adjustment for non-financial risk	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM		
						Contracts under fair value approach	Other insurance contracts	
2024 Restated* R'm								
Transfers	(147)	-	-	(7)	-	-	-	(154)
Changes that adjust the CSM through the statement of financial position	-	-	-	1 026	62	(1 105)	17	-
Changes that adjust the Risk Adjustment through the statement of financial position	-	-	-	(28)	28	-	-	-
Other movements	117	-	-	(13)	-	-	-	104
Cash flows								
Premiums received	6 229	-	-	357	-	-	-	6 586
Claims and other directly attributable expenses	(4 339)	-	-	(284)	-	-	-	(4 623)
Cessation benefits: PSA	(2 204)	-	-	-	-	-	-	(2 204)
Insurance acquisition cash flows	(507)	-	-	(17)	-	-	-	(524)
Total cash flows	(821)	-	-	56	-	-	-	(765)
Insurance contract liabilities at 31 December	1 184	38 337	5 372	(4 660)	556	5 319	384	46 492

* Refer to Note 33 for the detail of the restatement.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

10. Reinsurance contract assets

10.1 Reconciliation of the remaining coverage and incurred claims

The following table presents the reconciliation from the opening to closing balances of the net asset for the remaining coverage and the assets for incurred claims recoverable from reinsurance.

R'm	Remaining coverage component	Incurred claims component	Total
Reinsurance contract assets as at 1 January 2024	1 252	536	1 788
Incurring claims recovery	-	590	590
Reinsurance expenses	(927)	-	(927)
Net (expenses)/income from reinsurance contracts held	(927)	590	(337)
Finance income from reinsurance contracts	(157)	-	(157)
Total amounts recognised in profit or loss	(1 084)	590	(494)
Other movements	2	(74)	(72)
Cash flows	717	(665)	52
Premium paid net of ceding commissions and other directly attributable expenses	717	-	717
Recoveries from reinsurance	-	(665)	(665)
Reinsurance contract assets as at 31 December 2024	887	387	1 274
Year ended 31 December 2025			
Opening reinsurance contract assets	887	387	1 274
Incurring claims recovery	-	880	880
Reinsurance expenses	(1 057)	-	(1 057)
Changes in incurred claims risk adjustment	-	19	19
Net (expenses)/income from reinsurance contracts held	(1 057)	899	(158)
Finance income from reinsurance contracts	(1 057)	-	(1 057)
Total amounts recognised in profit or loss	(2 114)	899	(1 215)
Other movement	(52)	58	6
Cash flows	798	(756)	42
Premium paid net of ceding commissions and other directly attributable expenses	798	-	798
Recoveries from reinsurance	-	(756)	(756)
Reinsurance contract assets as at 31 December 2025	(481)	588	107
		Group	
		2025	2024
		R'm	Restated*
			R'm
Current		454	297
Non-current		(347)	977

* Refer to Note 33 for the detail of the restatement.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

10. Reinsurance contract assets (continued)

10.2 Reconciliation of measurement components of reinsurance contract balances (continued)

The following table presents the reconciliation from the opening to the closing balances of the reinsurance contracts assets held analysed by component:

2025 R'm	Estimate of present value of future cash flows	Risk adjustment for non- financial risk	CSM		Total
			Contracts under fair value approach	Other insurance contracts	
Reinsurance contract assets as at 1 January	(1 410)	(76)	1 667	1 093	1 274
Changes relating to current service					
CSM recognised for the services received	-	-	(152)	(128)	(280)
Change in risk adjustment for the risk expired and notional interest accreted	-	(16)	-	-	(16)
Experience adjustments - relating to incurred claims and attributed expenses recovery	138	-	-	-	138
Net (expenses)/income from reinsurance contracts held	138	(16)	(152)	(128)	(158)
Finance income from reinsurance contracts	(1 332)	-	166	109	(1 057)
Total amounts recognised in profit or loss	(1 194)	(16)	14	(19)	(1 215)
Changes that adjust the CSM through the statement of financial position	(1 615)	(259)	1 123	751	-
Changes that adjust the Risk Adjustment through the statement of financial position	149	(149)	-	-	-
Other reinsurance movements	6	-	-	-	6
Cash flows					
Premium paid net of ceding commissions and other directly attributable expenses	798	-	-	-	798
Recoveries from reinsurance	(756)	-	-	-	(756)
Total cash flows	42	-	-	-	42
Reinsurance contract assets as at 31 December	(4 022)	(500)	2 804	1 825	107

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

10. Reinsurance contract assets (continued)

10.2 Reconciliation of measurement components of reinsurance contract balances (continued)

2024 Restated* R'm	Estimates of Present value of future cash flows	Risk adjustment for non- financial risk	CSM		Total
			Contracts under fair value approach	Other insurance contracts	
Reinsurance contract assets as at 1 January	(995)	(12)	1 901	894	1 788
Changes relating to current service					
CSM recognised for the services received	-	-	(173)	(64)	(237)
Change in risk adjustment for non-financial risk for the risk expired and notional interest accreted	-	16	-	-	16
Experience adjustments - relating to incurred claims and other directly attributed expenses recovery	(116)	-	-	-	(116)
Net (expenses)/income from reinsurance contracts held	(116)	16	(173)	(64)	(337)
Finance income from reinsurance contracts	(259)	-	70	32	(157)
Total amounts recognised in profit or loss	(375)	16	(103)	(32)	(494)
Changes that adjust the CSM through the statement of financial position	152	(252)	(131)	231	-
Changes that adjust the Risk Adjustment through the statement of financial position	(173)	173	-	-	-
Other reinsurance movement	(71)	(1)	-	-	(72)
Cash flows					
Premium paid net of ceding commissions and other directly attributable expenses	717	-	-	-	717
Recoveries from reinsurance	(665)	-	-	-	(665)
Total cash flows	52	-	-	-	52
Reinsurance contract assets as at 31 December	(1 410)	(76)	1 667	1 093	1 274

* Refer to Note 33 for the detail of the restatement.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

10. Reinsurance contract assets (continued)

10.3 Reconciliation of the remaining coverage and incurred claims

The following table presents the reconciliation from the opening to closing balances of the net asset for the remaining coverage and the assets for incurred claims recoverable from reinsurance.

2025 R'm	Short-Term Insurance Reinsurance held			Total
	Assets for remaining coverage	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	
Amounts recoverable for incurred claims				
Reinsurance contract (liabilities)/assets as at 1 January	(22)	94	22	94
Allocation of reinsurance premiums paid	(95)	-	-	(95)
Transfer of reinsurance investment components	(13)	13	-	-
Incurred claims recovery	-	23	11	34
Net (expenses)/income from reinsurance contracts held	(108)	36	11	(61)
Finance income from reinsurance contracts	-	10	2	12
Total amounts recognised in profit or loss	(108)	46	13	(49)
Cash flows				
Premium paid net of ceding commissions and other directly attributable expenses	103	-	-	103
Recoveries from reinsurance	-	(21)	-	(21)
Total cash flows	103	(21)	-	82
Reinsurance contract (liabilities)/assets as at 31 December	(27)	119	35	127
Current				37
Non-current				90

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

10. Reinsurance contract assets (continued)

10.3 Reconciliation of the remaining coverage and incurred claims (continued)

2024 R'm	Short-Term Insurance Reinsurance held			Total
	Amounts recoverable for incurred claims			
	Assets for remaining coverage	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	
Reinsurance contract (liabilities)/assets as at 1 January	(17)	76	10	69
Allocation of reinsurance premiums paid	(92)	-	-	(92)
Incurred claims recovery	-	28	13	41
Net (expenses)/income from reinsurance contracts held	(92)	28	13	(51)
Finance income from reinsurance contracts	-	4	1	5
Total amounts recognised in profit or loss	(92)	32	14	(46)
Cash flows				
Premium paid net of ceding commissions and other directly attributable expenses	87	-	-	87
Recoveries from reinsurance	-	(16)	-	(16)
Total cash flows	87	(16)	-	71
Other movements	-	2	(2)	-
Reinsurance contract (liabilities)/assets as at 31 December	(22)	94	22	94
Current				56
Non-current				38

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

11. Contractual service margin

The following table shows an analysis of the expected recognition of the CSM remaining at the end of the reporting period in profit or loss.

2025 R'm	Less than 1 year	In 1 to 3 years	In 4 to 5 years	> 5 years	Total
Insurance contracts					
Life Risk: Non-participating	78	158	163	1 985	2 384
Total CSM for insurance contracts	78	158	163	1 985	2 384
Reinsurance contracts					
Reinsurance contracts outwards	(65)	(134)	(144)	(4 285)	(4 628)
Total CSM for reinsurance contracts	(65)	(134)	(144)	(4 285)	(4 628)

2024 Restated* R'm	Less than 1 year	In 1 to 3 years	In 4 to 5 years	> 5 years	Total
Insurance contracts					
Life Risk: Non-participating	158	323	337	4 886	5 704
Total CSM for insurance contracts	158	323	337	4 886	5 704
Reinsurance contracts					
Reinsurance contracts outwards	(47)	(95)	(99)	(2 517)	(2 758)
Total CSM for reinsurance contracts	(47)	(95)	(99)	(2 517)	(2 758)

* Refer to Note 33 for the detail of the restatement.

The CSM represents the unearned profit of a group of contracts and, when measured at inception, results in no profit arising at the outset. A CSM is not required to be set up for PPS* participating contracts as the net cash flows of these contracts are eventually returned to policyholders with a residual interest in the Group whether these are current or future policyholders. The participating contracts will not be reflected in this note as a result thereof.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

12. Receivables

	Group	
	2025 R'm	2024 Restated R'm
Receivables	1 924	2 190
Accrued interest	627	470
Accrued dividends	16	19
Loan to related parties (a)	779	848
Other receivables (b)	416	743
Unsettled trades (b)	86	110
Prepayments	48	46
Total receivables including prepayments	1 972	2 236
Current	1 018	1 135
Non-current	954	1 101
Fair value of financial assets held as receivables	1 737	2 079

(a) A loan to a related party was previously classified and measured at amortised cost. Following a reassessment, it has been restated and is now measured at fair value through profit or loss in accordance with IFRS 9, due to a prior period misclassification. The fair value of the loan is determined using a Level 3 valuation technique, as it incorporates significant unobservable inputs. Specifically, a discounted cash flow model is applied, with the most significant inputs being the credit spread-ranging between 4% and 5%, and the expected future cash flows related to the loan's repayment profile. Changes in these unobservable inputs could have a material impact on the fair value measurement. An increase in the credit spread or a decrease in expected future cash flows would result in a lower fair value, while a decrease in the credit spread or an increase in expected cash flows would result in a higher fair value.

(b) In the 2024 financial statements, Other receivables of R828 million (previously reported) included unsettled trades of R110 million which has been presented separately in 2025. In addition, receivables from investment property lessees of R7 million, allowance for impairment of receivables from investment property lessees of R3 million and other loan to related parties of R22 million have been included in other receivable. The 2024 comparative information has therefore been restated to reflect this reclassification. This reclassification has no other impact on the financial statements.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

13. Cash and cash equivalents

	Group	
	2025 R'm	2024 R'm
Cash and cash equivalents		
Attributable to Group	1 044	734
Attributable to Unit trusts and pooled funds managed for third parties	2 422	1 924
Total cash and cash equivalents	3 466	2 658
Cash at bank	2 720	2 237
Cash on call	746	421
Total cash and cash equivalents (a)	3 466	2 658

(a) The proportion of cash held within the Group's operational bank accounts to fund the working capital of the Group is 78.5% (2024: 84.1%) of total cash and cash equivalents. The balance of the cash is held in bank accounts which are part of the investment portfolio. All cash and cash equivalents are unrestricted.

14. Investment contract liabilities

	Group	
	2025	2024
	R'm	R'm
Level 2 fair value investment contract liabilities		
Investment contracts	9 097	6 862
Movement of investment contract liabilities		
Linked contracts		
Balance at beginning of the year	6 862	5 529
Contributions received during the period	1 922	1 248
Fair value of assets backing policyholder liabilities	1 079	720
Gains on financial assets	1 162	786
Administration and other fees	(83)	(66)
Benefit payments	(766)	(635)
Balance at end of the year	9 097	6 862
Current	493	432
Non-current	8 604	6 430

All investment contracts are designated on initial recognition as measured at fair value through profit or loss. The liabilities relate to linked investment contracts and are measured with reference to the underlying assets linked to these contracts. PPS is contractually required to pay linked investment contract holders and retirement annuity fund members an amount equal to the fair value of the assets linked to these contracts. Linked contracts do not include any guarantees and hence, there will be no difference between the carrying amount of the assets and the amount payable at the maturity date.

Investment contract liabilities are classified as Level 2, as the assets backing these liabilities are unit trust funds, the fair values of which are derived from the unit prices published by the unit trust fund managers.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

15. Unit trust holders

	Group	
	2025	2024
	R'm	R'm
Liabilities to external unit trust holders		
Balance at beginning of the year	21 902	17 925
Investment by unit trust holders	4 807	4 542
Redemptions by unit trust holders	(3 749)	(3 385)
Foreign currency translation gains	(1 648)	365
Total comprehensive income attributable to unit trust holders	6 049	2 455
Investment income (dividends and interest income)	1 401	1 383
Gains on financial assets	5 150	1 507
Expenses (a)	(502)	(435)
Balance at end of the year	27 361	21 902
Current	27 361	21 902

(a) Expenses comprise asset manager fees, income tax expense and other service fees.

Liabilities to external unit trust holders are classified as Level 2, as the fair value of the unit trust funds are derived from unit prices published by the unit trust fund managers.

	Group	
	2025	2024
	R'm	R'm
Net assets backing up liabilities to unit trust holders	27 361	21 902
Financial assets - Investments at fair value through profit or loss	24 626	19 693
Receivables	722	598
Cash and cash equivalents	2 422	1 924
Payables	(407)	(312)
Current income tax liabilities	(2)	(1)

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

16. Deferred tax

	Group	
	2025	2024
	R'm	R'm
Deferred tax assets are attributable to:		
Provisions	165	141
Tax losses carried forward	115	128
End of year (a)	280	269
Deferred tax liabilities are attributable to:		
Unrealised gains on investments	1 418	917
Unrealised gains on owner-occupied buildings revaluation	-	2
End of year (b)	1 418	919
Non-current assets	280	269
Non-current liabilities	1 418	919

The movement in the deferred tax assets and liabilities during the year is as follows:

(a) Deferred tax assets on provisions and computed tax losses

	Group
	R'm
At 1 January 2024	203
Recognised in profit or loss	66
At 31 December 2024	269
Recognised in profit or loss	11
At 31 December 2025	280

The utilisation of the deferred tax asset in respect of the tax losses is dependent on the relevant Group entities making future taxable profits. The deferred tax asset is assessed as recoverable based on the probability of the future taxable profits of the relevant Group entities.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

16. Deferred tax (continued)

(b) Deferred tax liabilities

	Group		
	Investments	Owner-occupied property	Total
	R'm	R'm	R'm
At 1 January 2024	611	3	614
Recognised in profit or loss	306	-	306
Recognised directly in other comprehensive income/(loss)	-	(1)	(1)
At 31 December 2024	917	2	919
Recognised in profit or loss	501	-	501
Recognised directly in other comprehensive income/(loss)	-	(2)	(2)
At 31 December 2025	1 418	-	1 418

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

17. Employee and post retirement obligations

	Group	
	2025	2024
	R'm	R'm
Leave pay accrual		
Opening balance	51	51
Charged to the Statement of Profit or Loss and Other Comprehensive Income		
Additional provisions	24	5
Utilised during the year	(17)	(5)
Closing balance (current)	58	51
Provision for performance and retention-related incentives		
Opening balance	360	310
Additional provisions (executive directors and employees)	402	232
Settled during the year	(337)	(182)
Closing balance	425	360
Current	193	162
Non-Current	232	198
Post-employment medical benefit obligation		
Opening balance	6	6
Benefits paid	(1)	(1)
Notional interest cost	1	1
Actuarial loss recognised during the year	1	*
Closing balance (Non-current)	7	6
Total employee-related obligations	490	417

The assumed rates of mortality are as follows:

During employment: SA85-90 (Light) ultimate table

Post-employment: PA(90) ultimate table rated down two years plus 1% improvement per annum (from a base year of 2006)

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

18. Payables

	Group	
	2025 R'm	2024 Restated* R'm
Other payables	561	437
Accruals (a)	148	116
Employees' tax	28	28
Sundry creditors	34	68
Unsettled trades (a)	351	225
Lease liabilities (b)	149	145
Total payables	710	582
Current	573	449
Non-Current	137	133
(b) Reconciliation of lease liabilities		
Opening balance	145	32
Addition	16	130
Interest	11	6
Payments	(23)	(23)
Closing balance	149	145

(a) The 2024 comparative disclosure has been restated to enhance the presentation of unsettled trades separately from accruals. The amount of R341 million (previously reported) in accruals included unsettled trades of R225 million which has been presented separately in the 2025 financial statements. This restatement has no effect on the other parts of the financial statements.

(b) Refer to Note 33 for the detail of the restatement.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

18. Payables (continued)

(b) Leases

Amounts recognised in the Statement of Financial Position

The Statement of Financial Position includes the following amounts related to leases:

	Group	
	2025 R'm	2024 Restated* R'm
Right-of-use assets (included in property and equipment)		
Buildings	139	142
Lease liabilities		
Current	14	12
Non-current	135	133
Total lease liabilities	149	145

* Refer to Note 33 for the detail of the restatement.

The Statement of Profit and Loss and Other Comprehensive Income includes the following amounts related to leases:

	Group	
	2025 R'm	2024 R'm
Depreciation - Right-of-use assets: Buildings (included in expenses - Note 24)	19	5
Interest expense (Included in finance expenses)	11	6
Expenses relating to short-term leases (included in operating expenses - Note 24)	28	12

The total cash outflow for leases including finance costs in 2025 was R23 million (2024: R23 million).

19. Analysis of Revenue, Insurance Service Expenses and Net Expenses From Reinsurance Contracts Held

2025 R'm	Participating	Non- participating	Life Reinsurance outwards	Short-Term Insurance	Short-Term Insurance Reinsurance outwards	TOTAL
Insurance revenue						
Contracts not measured under the PAA						
Amounts relating to changes in the LRC:						
Expected incurred claims and other directly attributable expenses	3 930	590	-	-	-	4 520
Change in risk adjustment for the risk expired and notional interest accreted	(132)	(6)	-	-	-	(138)
CSM recognised for the services provided	-	217	-	-	-	217
Experience adjustments arising from premiums received in the period other than those that relate to future service	311	(382)	-	-	-	(71)
Insurance acquisition cash flows recovery	53	1	-	-	-	54
Insurance revenue from contracts not measured under the PAA	4 162	420	-	-	-	4 582
Insurance revenue from contracts measured under the PAA	-	-	-	503	-	503
Total insurance revenue	4 162	420	-	503	-	5 085
Insurance service expenses						
Incurred claims and other directly attributable expenses	(5 208)	(415)	-	(379)	-	(6 002)
Experience adjustments arising from acquisition cash flows	(4)	2	-	-	-	(2)
Changes that relate to past service – changes in the FCF relating to the LIC	-	-	-	22	-	22
Insurance acquisition cash flows amortisation	(53)	(1)	-	-	-	(54)
Total insurance service expenses	(5 265)	(414)	-	(357)	-	(6 036)

19. Analysis of Revenue, Insurance Service Expenses and Net Expenses From Reinsurance Contracts Held (continued)

2025 R'm	Participating	Non- participating	Life Reinsurance outwards	Short-Term Insurance	Short-Term Insurance Reinsurance outwards	TOTAL
Net income/(expenses) from reinsurance contracts held						
Reinsurance expenses - contracts not measured under the PAA						
Amounts relating to the changes in the remaining coverage:						
Expected incurred claims and other directly attributable expenses recovery	-	-	(729)	-	-	(729)
Change in the Risk adjustment for the risk expired	-	-	(16)	-	-	(16)
CSM recognised for the services received	-	-	(280)	-	-	(280)
Experience adjustments arising from ceded premiums paid in the period other than those that relate to future service	-	-	(13)	-	-	(13)
Reinsurance expenses - contracts not measured under the PAA	-	-	(1 038)	-	-	(1 038)
Other directly attributable expenses incurred						
Incurring claims recovery	-	-	880	-	47	927
Reinsurance expenses - contracts measured under the PAA	-	-	-	-	(107)	(107)
Total net expenses from reinsurance contracts held	-	-	(158)	-	(60)	(218)
Total insurance service result	(1 103)	6	(158)	146	(60)	(1 169)

19. Analysis of Revenue, Insurance Service Expenses and Net Expenses From Reinsurance Contracts Held (continued)

2024 Restated* R'm	Participating	Non-participating	Life Reinsurance outwards	Short-Term Insurance	Short-Term Insurance Reinsurance outwards	TOTAL
Insurance revenue						
Contracts not measured under the PAA						
Amounts relating to changes in the LRC:						
Expected incurred claims and other directly attributable expenses	4 137	561	-	-	-	4 698
Change in risk adjustment for the risk expired and notional interest accreted	(28)	(7)	-	-	-	(35)
CSM recognised for the services provided	-	460	-	-	-	460
Experience adjustments arising from premiums received in the period other than those that relate to future service	313	(378)	-	-	-	(65)
Insurance acquisition cash flows recovery	25	-	-	-	-	25
Insurance revenue from contracts not measured under the PAA	4 447	636	-	-	-	5 083
Insurance revenue from contracts measured under the PAA	-	-	-	406	-	406
Total insurance revenue	4 447	636	-	406	-	5 489
Insurance service expenses						
Incurred claims and other directly attributable expenses	(4 477)	(303)	-	(336)	-	(5 116)
Experience adjustments arising from acquisition cash flows	11	-	-	-	-	11
Changes that relate to past service - changes in the FCF relating to the LIC	-	-	-	14	-	14
Insurance acquisition cash flows amortisation	(25)	-	-	-	-	(25)
Total insurance service expenses	(4 491)	(303)	-	(322)	-	(5 116)

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

19. Analysis of Revenue, Insurance Service Expenses and Net Expenses From Reinsurance Contracts Held (continued)

2024 Restated* R'm	Participating	Non-participating	Life Reinsurance outwards	Short-Term Insurance	Short-Term Insurance Reinsurance outwards	TOTAL
Net income/(expenses) from reinsurance contracts held						
Reinsurance expenses - contracts not measured under the PAA						
Amounts relating to the changes in the remaining coverage:						
Expected incurred claims and other directly attributable expenses recovery	-	-	(683)	-	-	(683)
Change in the Risk adjustment for the risk expired	-	-	16	-	-	16
CSM recognised for the services received	-	-	(236)	-	-	(236)
Experience adjustments arising from ceded premiums paid in the period other than those that relate to future service	-	-	(23)	-	-	(23)
Reinsurance expenses - contracts not measured under the PAA	-	-	(926)	-	-	(926)
Other incurred directly attributable expenses						
Incurred claims recovery	-	-	590	-	42	632
Reinsurance expenses - contracts measured under the PAA	-	-	-	-	(95)	(95)
Total net expenses from reinsurance contracts held	-	-	(336)	-	(53)	(389)
Total insurance service result	(44)	333	(336)	84	(53)	(16)

* Refer to Note 33 for the detail of the restatement.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

20. Other income

	Group	
	2025 R'm	2024 R'm
Revenue from contracts with customers (a)	874	813
Rental Income	42	41
Total other income (b)	916	854
(a) Disaggregation of revenue with customers		
Primary geographical markets		
South Africa	790	751
Australia	84	62
Revenue from contracts with customers	874	813
(b) Major service lines		
Royalties from licence agreement	27	22
Administration fees	456	458
Investment management services and advice fees	273	234
Financial advice and fiduciary services	118	99
Rental income	42	41
Total other income	916	854

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

21. Investment income

	Group	
	2025 R'm	2024 Restated* R'm
Interest Income – amortised cost using effective interest rate method	154	128
Interest Income – fair value through profit or loss measured assets	2 158	2 284
Dividend income	1 146	959
Total Investment Income	3 458	3 371

* A loan to a related party was previously classified and measured at amortised cost. Following a reassessment, it has been restated and is now measured at fair value through profit or loss and the related interest of R77 million has been reclassified to Interest Income – fair value through profit or loss measured assets.

22. Fair value gains on financial assets and investment property

	Group	
	2025 R'm	2024 R'm
Net fair value gains on financial assets measured at fair value through profit or loss	12 274	6 243
Fair value losses on financial assets at amortised cost	(101)	(39)
Fair value losses on investment property	(2)	(20)
Total fair value gains on financial assets and investment property	12 171	6 184

23. Finance income/(expense) from insurance contracts issued

The table below presents an analysis of the net insurance finance income/(expense) recognised in profit or loss in the period for insurance contracts issued and reinsurance contracts held:

2025 R'm	Insurance Related		Non- insurance related	TOTAL
	Life Risk: Participating	Life Risk: Non- Participating		
Investment income				
Amounts recognised in profit or loss				
Interest Income	1 531	10	771	2 312
Dividends	590	-	556	1 146
Total Investment Income	2 121	10	1 327	3 458

2025 R'm	Life Risk: Participating	Life Risk: Non- participating	Life		TOTAL
			Reinsurance outwards	Short-Term Insurance	
Insurance finance (expenses)/income from insurance contracts issued					
Member (surplus)/deficit allocated to profit-share accounts					
Changes in fulfilment cashflows of contracts measured applying VFA due to changes in fair value of underlying items	2 673	-	-	-	2 673
Notional interest accredited	-	(448)	-	(8)	(456)
Effect of changes in interest rates and other assumptions	-	(588)	-	(7)	(595)
Effect of changes in fulfilment cash flows at current rate when CSM is unlocked at locked-in rate	-	1 131	-	-	1 131
Finance income/(expenses) from insurance contract issued	2 673	95	-	(15)	2 753
Finance income/expenses from reinsurance contracts held					
Notional interest accredited	-	-	121	6	127
Effect of changes in interest rates and other financial assumptions	-	-	(1 592)	6	(1 586)
Effect of changes in fulfilment cash flows at current rate when CSM is unlocked at locked-in rate	-	-	414	-	414
Finance (expenses)/income from reinsurance contracts held	-	-	(1 057)	12	(1 045)
Net insurance finance income/(expenses)	2 673	95	(1 057)	(3)	1 708

23. Finance income/(expense) from insurance contracts issued (continued)

2024 R'm	Insurance Related		Non- insurance related	TOTAL
	Life Risk: Participating	Life Risk: Non- Participating		
Investment income				
Amounts recognised in profit or loss				
Interest Income	1 446	12	954	2 412
Dividends	518	-	441	959
Total Investment Income	1 964	12	1 395	3 371

2024 Restated* R'm	Life Risk Participating	Life Risk Non- Participating	Life Reinsurance outwards	Short-Term Insurance	TOTAL
Insurance finance income/(expenses) from insurance contracts issued					
Member (surplus)/deficit allocated to profit-share accounts					
Changes in fulfilment cashflows of contracts measured applying VFA due to changes in fair value of underlying items	548	-	-	-	548
Notional interest accredited	-	46	-	(6)	40
Effect of changes in interest rates and other assumptions	-	205	-	-	205
Effect of changes in fulfilment cash flows at current rate when CSM is unlocked at locked-in rate	-	441	-	-	441
Finance income/(expenses) from insurance contract issued	548	692	-	(6)	1 234
Finance income/expenses from reinsurance contracts held					
Notional interest accredited	-	-	96	5	101
Effect of changes in interest rates and other financial assumptions	-	-	(47)	-	(47)
Effect of changes in fulfilment cash flows at current rate when CSM is unlocked at locked-in rate	-	-	(207)	-	(207)
Finance (expenses)/income from reinsurance contracts held	-	-	(158)	5	(153)
Net insurance finance income/(expenses)	548	692	(158)	(1)	1 081

* Refer to Note 33 for the detail of the restatement.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

24. Expenses

R'm	2025				2024			
	Total expenses	Expenses relating to insurance acquisition cash flows (a)	Expenses relating to other directly attributable insurance expenses (a)	Other operating expenses	Total expenses	Expenses relating to insurance acquisition cash flows (a)	Expenses relating to other directly attributable insurance expenses (a)	Other operating expenses
Acquisition of insurance contracts:								
Long-term insurance	388	242	141	5	352	219	133	-
Short-term insurance	42	41	-	1	37	37	-	-
Marketing and administrative expenses include:								
Amortisation of intangible assets (note 4)	105	-	82	23	89	6	38	45
Audit fees	22	1	14	7	17	-	11	6
Data processing and information technology systems maintenance	490	53	178	259	523	47	171	305
Depreciation on property and equipment (note 2)	50	17	17	16	49	6	22	21
Directors'/Trustees' and Executives' remuneration	63	17	36	10	60	16	33	11
Trustees	13	4	6	3	15	5	7	3
Executive directors of PPS Insurance	40	13	20	7	36	11	17	8
Directors of group subsidiaries	10	-	10	-	9	-	9	-
Employee costs	1 546	366	523	657	1 405	341	480	584
Salaries and related costs	1 155	273	391	491	1 013	246	346	421
Pension costs – defined contribution plans	125	30	42	53	119	29	41	49
Performance and retention-related incentives	266	63	90	113	273	66	93	114
Fees for services	81	6	32	43	50	7	29	14
Actuarial	14	-	9	5	10	-	6	4
Legal	14	1	5	8	14	1	4	9
Internal audit	12	-	4	8	5	-	4	1
Other services	41	5	14	22	21	6	15	-
Other operating and product development expenses	604	76	98	430	538	74	100	364
Lease rentals	28	8	4	16	12	5	4	3
Total expenses	3 419	827	1 125	1 467	3 132	758	1 021	1 353

(a) Expenses relating to insurance acquisition cash flows and other directly attributable expenses comprise expenses incurred by the Group in the reporting period that relate directly to the fulfilment of contracts issued within IFRS 17's scope. These expenses are recognised in the consolidated statement of profit or loss based on IFRS 17 measurement requirements. Refer to accounting policy 4.

Value-Added Tax which cannot be recovered from the relevant taxation authority is expensed together with the related expense.

25. Tax

25.1 Income tax expense and deferred tax

	Group	
	2025	2024
	R'm	R'm
Current income tax	397	344
Current year tax	455	382
Prior years over-provision	(58)	(38)
Dividend withholding tax - individual policyholder fund	151	78
Deferred tax	548	422
	487	239
Total tax	1 035	661
Tax on the Group's profit before tax differs from the theoretical amount that would arise using the tax rate applicable to South African/Namibian companies as follows:		
Profit before tax	8 044	6 546
Tax calculated at domestic tax rates applicable to profits in South Africa/Namibia	2 894	2 210
Tax effect of income not subject to tax	(3 509)	(3 164)
Tax effect of non-deductible expenses	1 557	1 576
Tax effect of tax rate on Dividend Withholding Tax	151	78
Prior years over-provision	(58)	(39)
Total tax per Statement of Profit or Loss and Other Comprehensive Income	1 035	661

The applicable tax rate was 27% (2024: 27%) for South African companies and 30% (2024: 32%) for Professional Provident Society Insurance Company (Namibia) Limited. Professional Provident Society Insurance Company Limited has five separate tax funds: the individual policyholders' fund (taxed at 30%), the Company policyholders' fund (taxed at 27%), the untaxed policyholder's fund (not taxed), the risk-policy fund (taxed at 27%) and the corporate fund (taxed at 27%). The tax reconciliation is done on total tax on all funds. The Professional Provident Society Holdings Trust is taxed at 45%. Deferred tax is recognised at the rate relevant for each fund.

Dividend withholding tax is payable on dividends received in the individual policyholder fund.

Tax effect of income not subject to tax includes dividend income exempt from taxation and a portion of realised gains and unrealised gains not subject to tax.

Tax effect of non-deductible expenses represents expenses that cannot be directly allocated to each policyholder fund which are limited in terms of section 29A(11) of the Income tax Act. An expense ratio is applied to calculate the portion of the expenses that are not tax deductible.

The Group has accumulated tax losses of R499.4 million (2024: R491.1 million) available in certain subsidiaries for offset against future taxable income in those subsidiaries.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

25. Tax (continued)

25.2 Tax paid

	Group	
	2025 R'm	2024 R'm
Net tax receivable/(payable) at beginning of year	9	(6)
Current tax portion of the tax expense as per Statement of Profit or Loss and Other Comprehensive Income	547	422
Add back prior year adjustment	56	39
Net tax receivable/(payable) at end of year	174	(9)
Total tax paid	786	446

26. Commitments

	Group	
	2025 R'm	2024 R'm
(a) Capital expenditure contracted for at the reporting date but not yet incurred is as follows:		
Committed but not contracted for	639	1 531
These funds will be utilised to capitalise the strategic investments to continue to diversify the Group's revenue streams for the future.		
(b) Operating lease commitments - where the Group entity is the lessor		
The future aggregate minimum lease receipts under non-cancellable operating leases are as follows:		
Due in one year or less	22	25
Due between 1 and 2 years	26	30
Due between 2 and 3 years	29	33
Due between 3 and 4 years	29	34

27. Cash utilised by operations

	Group	
	2025 R'm	2024 Restated* R'm
Reconciliation of profit before tax to cash utilised by operations:		
Profit before tax	8 044	6 546
Attributable to unit trust holders	6 049	2 455
Investment contract receipts	1 922	1 248
Investment contract surrenders	(766)	(635)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation	50	49
Fair value of policyholder liabilities under investment contracts	1 079	720
Amortisation and impairment of intangible asset	105	89
Realised loss on disposal of property and equipment, intangible assets and other assets	56	20
Investment income	(3 458)	(3 371)
Finance expenses	11	7
Total gains on financial assets and investment property held at fair value through profit or loss	(12 171)	(6 184)
Share of profit of joint ventures	(8)	(8)
Employee and post retirement obligations	426	237
Cash flows from operating assets and liabilities:		
Financial assets	859	(1 216)
Receivables	280	(125)
Payables	124	225
Provisions	(354)	(187)
Reinsurance contract assets	1 209	276
Reinsurance contract liabilities	5	5
Short-term insurance contract liabilities	53	36
Long-term insurance contract liabilities	(3 911)	(2 430)
Cash utilised by operations	(396)	(2 243)

*Comparative information has been restated to reflect a reallocation of cash flows between operating and investing activities, as certain investments are considered integral to the Group's operating activities. This resulted in a reclassification of R1.2 billion from investing activities to cash utilised by operations for the year ended 31 December 2024. There is no impact on total cash flows.

In addition, employee and post-retirement obligations have been restated to separately disclose non-cash movements. A non-cash expense of R237 million, previously included within profit before tax, has been disclosed separately. Employee-related obligations of R35 million previously reported included within payables have been reclassified and are now presented within provisions on a gross basis, amounting to R187 million. These restatements have no impact on the total cash utilised by operations.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

28. Trustees' remuneration

The PPS Holdings Trust trustees' remuneration from the Group

	2025			2024		
	The PPS Holdings Trust (including committees) R'000	Subsidiary Companies (including committees) R'000	Total remuneration (including committees) R'000	The PPS Holdings Trust (including committees) R'000	Subsidiary Companies (including committees) R'000	Total remuneration (including committees) R'000
Trustees						
Dr A Coetzee (Resigned 12 May 2025)	87	-	87	245	-	245
Mr AH de Vries	292	247	539	258	168	426
Ms D L T Dondur (Resigned 12 May 2025)	176	152	328	419	329	748
Mr J A B Downie	743	477	1 220	656	594	1 250
Dr D P du Plessis (Retired 6 May 2024)	-	-	-	93	2 081	2 174
Mr C Erasmus	201	2 511	2 712	133	2 526	2 659
Adv L C Haupt	275	-	275	232	-	232
Dr N H P Khosa	275	644	919	258	557	815
Mr I Kotzé (Retired 31 March 2024)	-	-	-	61	11	72
Dr C M Krüger	621	249	870	532	200	732
Dr F Mansoor	275	73	348	258	47	305
Ms P D Ndlovu	148	-	148	-	-	-
Dr R E Ngwenya (Resigned 12 May 2025)	87	-	87	258	-	258
Dr B R Ntshabele (Resigned 12 May 2025)	87	-	87	245	-	245
Dr R Perumal	261	35	296	258	-	258
Dr R Putter	275	179	454	258	79	337
Dr K H Rapetswa	284	-	284	127	-	127
Mr V P Rimbault (Resigned 12 May 2025)	103	-	103	305	-	305
Dr S N E Seoka	998	387	1 385	949	302	1 251
Mr S Trikamjee	519	444	963	494	544	1 038
Prof H E Wainer	132	1 368	1 500	94	1 332	1 426
Total	5 839	6 766	12 605	6 133	8 770	14 903

29. Related parties

Holding Company

The Professional Provident Society Holdings Trust is the holding entity of the Group. The Professional Provident Society Holdings Trust is a trust incorporated in South Africa and has as its sole investment in 100% of the shares of Professional Provident Society Insurance Company Limited.

Subsidiaries

- Professional Provident Society Insurance Company (Namibia) Limited
- Professional Provident Society Healthcare Administrators Proprietary Limited
- Professional Provident Society Short-Term Insurance Company Limited
- Professional Provident Society Investments Proprietary Limited
- Professional Provident Society Multi-Managers Proprietary Limited
- Professional Provident Society Investment Administrators Proprietary Limited
- Professional Provident Society Nominees (RF) Proprietary Limited
- Professional Provident Society Wealth Advisory Proprietary Limited
- Professional Provident Society Management Company (RF) Proprietary Limited
- PPS Property Fund Trust and;
- The Mutual System and;
- Financial Solutions 4 Professionals Proprietary Limited.

Other controlled entities

Entities listed below are controlled through board representation:

- Professional Provident Society Foundation Trust and
- Professional Provident Investments Long-term incentive Trust and;
- PPS Holdings Trust New Zealand (PPS Trust NZ), PPS Holdings Limited New Zealand (PPS HoldCo NZ) and PPS Mutual Limited New Zealand (PPSM NZ), collectively PPS Mutual Limited Group (New Zealand).

New Zealand is classified as subsidiary under the IFRS 10 control criteria. This classification is driven by an assessment that the Group exercises control through its Board representation and the initial appointment of the Directors of New Zealand and their results are consolidated accordingly.

Notwithstanding this is classified as a subsidiary for IFRS purpose, PPS Group has no rights to PPS Mutual Limited Group (New Zealand)'s net profits, losses, or assets.

The following unit trusts and pooled fund are controlled either through a group subsidiary rendering asset management services, or a group subsidiary owning majority of the underlying net assets of the fund:

- PPS Collective investment scheme;
- PPS Global Equity Fund; and
- PPS Namibia Portable Fund c/o PIM.

Associates and joint ventures

PPS Mutual Limited and PPS Mutual Insurance Proprietary Limited (Australia) are affiliates of the PPS Group. PPS Group does not hold shares in the PPS Mutual Limited Group (Australia). PPS Group has no rights to PPS Mutual Limited Group (Australia)'s net profits, losses, or assets.

For the year, the Group earned R76 million (2024: R67 million) in interest from loan funding of R1.0 billion (2024: R890.8 million) provided to the PPS Mutual Limited Group (Australia) which is subordinated by the Group. Administration fees and royalty fees of R83.8 million (2024: R62.1 million). The income is before the impact of the exchange loss. The interest on the loan is calculated at the Reserve Bank of Australia (RBA)'s prevailing cash rate plus a 4% margin and the termination date is 30 June 2035. The income is before the impact of the exchange loss. Included in note 26, is an unused facility to PPS Mutual Limited Group (Australia) of R639 million. The receivables due from Australia for royalties and administration is R52.5 million (2024: R38.0 million).

The Group also holds a 60% (2024: 10%) interest in Ausmanco (Pty) Ltd, classifying it as a joint venture due to joint control through board representation and shareholder voting rights.

Transactions between Group entities

Transactions that take place between Group entities, are eliminated on consolidation, and are disclosed in the separate annual financial statements of those entities.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

29. Related parties (continued)

Key management information

Key management personnel have been defined as all trustees of The Professional Provident Society Holdings Trust and group executive committee members, their families (as defined in IAS 24) and entities significantly influenced or controlled by key management personnel. A complete list of trustees of The Professional Provident Society Holdings Trust is disclosed in the Corporate Governance Report.

The PPS Group appoints its prescribed officers at the PPS Insurance company level.

Aggregate details of insurance between The Professional Provident Society Holdings Trust, any of its subsidiaries, and key management personnel, their families (as defined in IAS 24) and entities significantly influenced or controlled by key management personnel are set out below:

	Group	
	2025 R'000	2024 R'000
Life and disability		
Premiums	4 079	3 620
Sickness benefit		
Premiums	1 998	1 776
Claims	1 768	2 056
PPS Profit-Share account	27 536	23 579
Motor and household		
Premiums	1 657	1 508
Claims	636	268
Assets under management	231 565	187 064

The aggregate compensation of The Professional Provident Society Holdings Trust trustees and Professional Provident Society Insurance Company Limited Group executives paid by the Group is set out below:

	Group	
	2025 R'000	2024 R'000
Salaries and other employee benefits	89 007	87 850
Performance	45 356	43 555
	134 363	131 405

Trustee's remuneration is disclosed in Note 28.

30. Critical accounting estimates and judgements in applying accounting policies

The Group applies estimates and assumptions that impact the reported values of assets, liabilities, income, and expenses. These estimates, which are reviewed annually, are based on historical experience and future expectations.

30.1 Valuation of insurance contract liabilities

This relies on necessary assumptions regarding mortality, persistency, investment returns, expenses, inflation, tax, and future profits. See Note 30.9. No explicit provision was processed for potential mortality and morbidity deterioration due to HIV/AIDS.

30.1.1 Contractual Service Margin (CSM)

CSM represents unearned profit for non-participating insurance contracts, which is recognised as revenue as services are provided. The CSM is calculated by:

- Identifying coverage units.
- Allocating CSM to coverage units for the current and future periods.
- Recognising the allocated amount in profit or loss.

30.1.2 Risk adjustment for non-financial risk

The Group uses a Value-at-Risk (VaR) approach to assess risk adjustment for non-financial risks like insurance, lapse, and expense risks. This approach aligns with the Group's economic capital results and is based on an 80% confidence level. Assumption simplifications have no material impact on results.

30.1.3 Discount rates

Estimates of future cash flows (FCF) are adjusted using current discount rates to reflect the time value of money and financial risks related to those cash flows. The discount rates reflect the characteristics of cash flows arising from groups of insurance contracts, including timing, currency, and liquidity. Significant judgment and estimation are required to determine the discount rate.

The Group's non-performance risk is not included in the measurement of insurance contracts. For reinsurance contracts held, the probability-weighted estimates of future cash flows include potential credit losses and disputes to reflect the reinsurer's non-performance risk.

Certain FCF are estimated at the portfolio level or higher and then allocated to groups of contracts. Consistent assumptions are used to measure the present value of future cash flows for both reinsurance contracts held and underlying insurance contracts.

For short-term insurance, the insurance contract liabilities are calculated by discounting expected future cash flows at a risk-free rate, plus an illiquidity premium where applicable. Risk-free rates are determined with reference to the yields published by the Prudential Authority and prescribed for use within the Prudential Standards.

Products with cash flows that do not vary with underlying items

Discount rates are derived using a bottom-up approach based on the Prudential Authority (PA) Government bond curve, which meets IFRS requirements. These contracts do not have a liquidity premium due to their high levels of liquidity.

Products with cash flows that vary with underlying items

The discount rate's impact on cash flows is adjusted for changes in underlying items. The PA government bond curve is used where discounting is required.

30.1.4 Measurement Fulfilment Cash Flows within Contract Boundary

The FCF are current estimates of FCF within the contract boundary of a group of contracts.

These expected FCF include those that do not vary with underlying items and the fair value of residual interest. The former are modelled in the actuarial valuation system, while the latter is sourced from the insurance administration system and is not modelled.

Best Estimate of Expected FCF include:

Inflows from premiums, all outflows such as acquisition costs, claims handling costs, policy administration and maintenance, and overhead costs directly attributable to fulfilling insurance contracts, plus payments to policyholders for benefits like death, accidental death and sickness, permanent incapacity, disability, dread diseases capturing the average outcome over the life of the contract.

30. Critical accounting estimates and judgements in applying accounting policies (continued)

Discount rates applied for discounting of future cash flows are listed below:

2025	1 year	3 years	5 years	10 years	20 years
Life insurance contracts issued	6.6%	8.3%	8.7%	10.4%	8.6%
Short-term contracts issued	6.3%	7.1%	7.7%	11.1%	-

2024	1 year	3 years	5 years	10 years	20 years
Life insurance contracts issued	8.4%	9.6%	10.7%	14.3%	11.4%
Short-term contracts issued	7.6%	8.8%	9.3%	11.1%	-

30.2 Income tax

The Group operates in South Africa and Namibia, where tax determinations can involve uncertainty. Liabilities are recognised based on estimates, and differences are adjusted when final determinations are made. The South African corporate tax rate was 27%, and in Namibia 30%. See Note 25.

30.3 Loans to related parties

Assumptions used to determine the fair value of the loans to related parties is determined using a Level 3 valuation technique, as it incorporates significant unobservable inputs. Specifically, a discounted cash flow model is applied, with the most significant inputs being the credit spread-ranging between 4% and 5%, and the expected future cash flows related to the loan's repayment profile.

30.4 Short-Term Insurance contracts – assumptions

Liability for incurred claims

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder and Bornheutter-Ferguson methods, as well as an expected Ultimate Loss Ratio method.

The main assumption underlying these techniques is that a short-term insurance's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses based on the observed development of earlier years and expected loss ratios. Historical claims are analysed by origin period. Large or catastrophe claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future to arrive at the estimated ultimate cost of claims that present the expected value outcome from the range of possible outcomes, taking account of all the uncertainties involved.

The Group also has the right to pursue third parties for payment of some or all costs in certain instances. Estimates of salvage recoveries and subrogation reimbursements are considered in the measurement of ultimate claims costs.

30. Critical accounting estimates and judgements in applying accounting policies (continued)

30.5 Assumptions, change in assumptions and sensitivities

a) Process used to set assumptions

The Group's life insurance contracts combine a non-DPF component (sickness, disability, death, and dread disease benefits) with a DPF component (PPS Profit-Share accounts). The policyholders bear the risk and the contracts are accounted for and managed as one. The Group's estimates of non-DPF liabilities - affecting bonus rates declared on the DPF - adjust the internal balance between these components, while leaving the overall policy liability unchanged.

The assumptions used for the insurance contracts disclosed in this note are as follows:

- Mortality

Mortality estimates are based on three to five years of experience and factor in uncertainties such as epidemics and lifestyle changes. Improvements in healthcare and social conditions may boost longevity. The base table, calibrated to recent PPS experience, is currently a mortality table provided by the reinsurers.

- Morbidity

Morbidity estimates, derived from three to five years of data, forecast the number of temporary and permanent incapacity claims along with dread disease claims. Key uncertainties include epidemics economic conditions, and lifestyle changes, which may impact morbidity outcomes and future benefit payments.

- Persistency

Persistency estimates predict the rate of early contract terminations using three to seven years of historical data. These rates vary with economic conditions, business profitability, and policyholder behaviour.

- Investment returns

Risk-free interest rates are determined from the gross redemption yield of the Prudential Authority's nominal yield curve.

- Renewal expense level and inflation

Future administration costs are estimated using a functional cost approach that allocates expenses between policy and overhead costs, and among new business, maintenance, and claims. These costs are expected to increase in line with an inflation rate consistent with future investment returns, with variations reflecting management initiatives or budget deviations. The current expense base and the Prudential Authority's nominal and yield curves provide the basis for these estimates.

- Tax

It is assumed that current tax legislation and rates remain unchanged, with allowances for future tax and tax relief taken into account.

- Future profit allocations

Future profit allowances on liabilities align with the Group's historical practice and members' reasonable expectations.

- Incurred but not reported (IBNR)

IBNR liabilities are calculated using run-off tables based on data from 2015 to 2025. Because these liabilities are settled within a short period after the claim is approved for payment, no adjustments are processed for claims handling expenses, inflation, trends, unusual claims, or loss ratios, and the IBNR liability is undiscounted.

- Change in assumptions

Assumptions are updated annually to reflect current best estimates. Changes affect the liabilities for remaining coverage and incurred claims but are offset by adjustments in future bonus allocations, resulting in the total insurance liability unchanged. The mortality assumptions were updated to reflect the latest view of future mortality; informed by the latest experience investigations and rates provided by the reinsurers. These adjustments were offset by the improvement to the lapse basis methodology by using a premium basis and enabling lapse rates to vary by duration and, where appropriate, age-at-entry. The assumed administration expense per policy and unit of benefit was updated in line with budgeted expenses and strategy for 2026. This resulted in an overall decrease to the expense per policy assumptions on the life risk. Impact on the fulfilment cashflows (IFRS 17 BEL) is R713 million.

30. Critical accounting estimates and judgements in applying accounting policies (continued)

30.5 Assumptions, change in assumptions and sensitivities (continued)

b) Sensitivity analysis

The following tables present the sensitivity in the key valuation assumptions of the value of the future bonuses included in the insurance contract liabilities disclosed in this note to movements in the assumptions used in the estimation of these liabilities. The impact of a deviation from the best estimate assumption for all future years on a per policy basis on the liability is shown. This basis differs from the IFRS 17 basis and hence the liability is not included elsewhere in the financial statements.

Variable	Change in Variable Change in liability			Change in Variable Change in liability		
	2025			2024 Restated*		
	%	R'm	% change	%	R'm	% change
Liability		5 355			5 440	
Worsening in mortality	10.0%	5 319	99.3%	10.0%	1 974	36.3%
Worsening of morbidity rates	10.0%	7 453	139.2%	10.0%	3 754	69.0%
Worsening of PI inception rate	10.0%	1 308	24.4%	10.0%	944	17.4%
Lowering of investment returns	(1.0%)	5 325	99.4%	(1.0%)	2 381	43.8%
Lowering of terminations	(10.0%)	2 076	38.8%	(10.0%)	996	18.3%
Worsening of maintenance expense level	10.0%	1 317	24.6%	10.0%	1 035	19.0%
Worsening of expense inflation rate	10.0%	591	11.0%	10.0%	741	13.6%

*Refer to Note 33 for the detail of the restatement.

The above analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated – for example, change in interest rate and change in market values; change in lapses and future mortality.

The size of the sensitivities were chosen to illustrate the impacts for changes in key variables that would have a significant impact on the future bonuses, as well as mainly chosen to facilitate comparison with the sensitivities disclosed by other major insurers.

30. Critical accounting estimates and judgements in applying accounting policies (continued)

30.5 Assumptions, change in assumptions and sensitivities (continued)

b) Sensitivity analysis (continued)

2025 R'm	Change in Assumptions %	Impact on CSM gross of reinsurance	Impact on CSM net of reinsurance
Mortality	10.0%	(1 050)	(1 037)
Morbidity	10.0%	(203)	(187)
Terminations	(10.0%)	(161)	(199)
Maintenance expenses	10.0%	(75)	(75)
Expense inflation	10.0%	(16)	(16)

2024 Restated* R'm	Change in Assumptions %	Impact on CSM gross of reinsurance	Impact on CSM net of reinsurance
Mortality	10.0%	(987)	(765)
Morbidity	10.0%	(214)	(160)
Terminations	(10.0%)	280	268
Maintenance expenses	10.0%	(94)	(94)
Expense inflation	10.0%	(55)	(55)

* Refer to Note 33 for the detail of the restatement.

The sensitivities above illustrate the impact on the CSM in key valuation assumption of the non-participating portfolio which relates to a small portion of the total liabilities as the participating portfolio does not have a CSM.

31. Management of risks

31.1 General

The approach generally taken by the Group to govern risk is outlined in the Corporate governance report. The Group issues life insurance products that transfer significant insurance risk. This section outlines these risks and how the Group manages these. The risk in any life insurance product arises from the uncertainty of the timing and amount of claims due to insured events, which are inherently random and unpredictable.

Below is an overview of the Group's life insurance products and their terms:

Type of life insurance product	Terms and conditions
Sickness and permanent incapacity benefit (PPS Provider Policy)	Offers sickness and incapacity benefits with premiums that are level or age-rated and payable monthly. Coverage is limited by the applicant's income, and benefits continue as long as the policyholder is employed.
Professional Life Provider (PPS Provider Policy) PPS Life and Disability Policy	Offers lump sum life and disability cover for a specified term or whole life, with monthly premiums.
Professional Critical Illness (PPS Provider Policy) Professional Health Preserver	Provides lump sum benefits based on the severity of illness or physical impairment. Professional Health Preserver is closed to new business.
Professional Disability Provider (PPS Provider Policy)	Offers lump sum disability cover that converts to a severe illness benefit at retirement.
Business Provider (PPS Provider Policy)	Offers similar benefits to the Professional Life and Health Providers, tailored for business needs. These policies do not include a DPF component.
PPS Education Cover	Covers school and university fees for a child beneficiary upon the insured's death, disability, or illness.
PPS Endowments (including PPS Corporate Endowment)	Allows policyholders to save via unit trust investments. These products do not transfer insurance risk and generally do not include a DPF component.
PPS Living Annuity	A compulsory purchase linked annuity with no risk benefits or investment guarantees. These policies do not transfer insurance risk or include a DPF component.
PPS Accidental Death Policy	Offers lump sum benefit upon death due to an accident, with monthly premiums.

No premiums are required for this component of the policy. Premiums and benefits are not guaranteed and may be revised. Reinsurance agreements help mitigate claim variability. The PPS Provider Policy includes a Discretionary Participation Feature (DPF) element, meaning insured parties bear the insurance risk and is accessible at the earlier of age 60 or policy cancellation. Variations in claims, persistency, or termination rates affect the amounts allocated to the DPF element. Despite this, the Group manages insurance risk to ensure sustainable insurance benefits and growth of DPF benefits for policyholders.

In insurance portfolios where probability theory is applied, the main risk for the Group is that actual claims and benefits exceed the provisions which have been recognised. This can happen if the frequency or severity of claims is higher than expected. Since insurance events are random, the number and amount of claims will vary annually from statistical estimates.

31. Management of risks (continued)

31.2 Insurance product risk management

Larger and more diversified insurance portfolios reduce the variability of outcomes. A more varied portfolio is less likely to be broadly impacted by changes in a specific subset. The Group's underwriting strategy ensures appropriate pricing for accepted risks.

To further mitigate risk, the Group has a comprehensive reinsurance strategy that reduces the impact of variability in claims across different insurance portfolios. This strategy remains effective in protecting PPS from claim fluctuations.

Below is an overview of the Group's short-term insurance products:

Type of contract	Terms and conditions
Motor	Covers damage or loss related to motor vehicles, excluding railway stock and warranty business.
Property	Covers damage or loss of property, excluding businesses covered under other classes in the Insurance Act, 2017.
Legal expense	Covers legal expenses related to litigation.
Transport	Covers damage or loss during transit, storage, or handling of goods.
Liability	Covers liabilities to others, including professional indemnity.
Accidental and health	Covers costs or income loss due to disability or death from accidents or health events not covered by the Medical Schemes Act, 1988.

Insurance contracts - Long-term

(a) Frequency and severity of claims

The Group uses a detailed claims assessment process, with authority levels ensuring larger or repeat claims are reviewed by senior assessors and management and the forensics team, if necessary, before approval. Regular investigations help monitor claims trends.

To manage these risks, the Group follows a strict underwriting strategy, aligning accepted risks with its risk appetite. Medical risk selection is incorporated into underwriting, and premium loadings or benefit exclusions may be applied based on an applicant's health history. Maximum exposure limits per insured life are based on relevant income and are adjusted annually for inflation, except where deemed inappropriate. Policyholders are also encouraged to review their benefits annually to avoid over-insurance, which could affect future claims.

The Group also considers contract holder behaviour in its risk assessments, as contract holders in poor health are less likely to terminate contracts than healthy contract holders, potentially leading to higher expected mortality rates. These behavioural impacts are factored into liability measurements.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

31. Management of risks (continued)

31.2 Insurance product risk management (continued)

(b) Note 30.5 outlines the assumptions which are the source of estimation uncertainty in relation to benefit payments and premium receipts.

Risk exposure and concentrations of risk

The table below shows the Group's exposure to life insurance risk by business category and reflects the extent of risk mitigation through reinsurance.

	2025			2024 Restated*		
	Liability of remaining coverage and incurred claims components	PPS Profit-Share accounts component	Total	Liability of remaining coverage and incurred claims components	PPS Profit-Share accounts component	Total
Group 2025						
R'm						
South Africa						
Gross insurance contracts	6 406	41 898	48 304	7 250	36 754	44 004
Reinsurance contract assets	(94)	-	(94)	(1 244)	-	(1 244)
Net of reinsurance contract assets	6 312	41 898	48 210	6 006	36 754	42 760
Namibia						
Gross insurance contracts	352	1 845	2 197	390	1 583	1 973
Reinsurance contract assets	(12)	-	(12)	(34)	-	(34)
Net of reinsurance contract assets	340	1 845	2 185	356	1 583	1 939

*Refer to Note 33 for the detail of the restatement.

31. Management of risks (continued)

31.2 Insurance product risk management (continued)

Insurance contracts – Short-term

For short-term insurance portfolios, where probability theory is applied to pricing and provisioning, the main risk the Group faces is that actual claims and benefit payments may exceed the provisions recognised. This can happen if the frequency or severity of claims is higher than anticipated. Since insurance events are inherently random, the actual number and amount of claims can vary annually from the statistical estimates used.

The Group believes that a larger portfolio of similar insurance contracts reduces variability in outcomes, and a more diversified portfolio is less likely to be significantly impacted by changes within a subset. The Group's underwriting strategy is designed to charge appropriate premiums for the risks accepted.

Underwriting limits are set to ensure consistent application of the underwriting policy. Performance is continuously monitored, and pricing policies are adjusted accordingly. Risk factors in this process include the insured's age, past claims history, the type and value of the covered asset, security measures, and the asset's primary use. The Group retains the right to reprice or change conditions for risk acceptance upon renewal or with 30 days' notice. The underwriting strategy aims to ensure diversification by type, amount of risk, and geography.

The Head of Actuarial Function conducts annual reviews to ensure the reliability of technical provisions and the Solvency Capital Requirement. This includes an assessment of the Underwriting Policy, premium rates, and business profitability.

The Group calculates its short-term insurance reserves using two methods: the "percentile approach" and the "cost-of-capital approach".

31. Management of risks (continued)

31.2 Insurance product risk management (continued)

Risk exposure and concentrations of risk

The table below illustrates the Group's exposure to short-term insurance risk, categorised by business type, based on the carrying value of insurance liabilities at the reporting date.

Group	Earned Premium 2025	Earned Premium 2024
Motor	58%	59%
Property	36%	36%
Liability	6%	5%
Other	<1%	<1%
	100%	100%

Reinsurance Risk Management

The Group acquires third-party short-term reinsurance to mitigate risks from significant events or risk accumulations that could severely impact annual earnings or the Group's capital. The reinsurance programme is designed to meet the Group's risk management needs.

Key components of the reinsurance programme include:

- A Whole Account Risk, Clash & Catastrophe Excess of Loss treaty with five layers, where PPS Short-term Insurance (PPS STI) retains the first R7.5 million of each claim, excluding reinstatement premiums.
- A 10%/90% Quota Share Arrangement for the Health Professions Indemnity liability product, with PPS STI retaining 10% of all premiums and claims.

The Head of Actuarial Function conducts an annual review to ensure that reinsurance arrangements adequately transfer the risks faced by PPS Short-term Insurance. The most recent review confirmed the sufficiency of the current reinsurance agreements.

The PPS Short-term Insurance board approves the reinsurance renewal process annually. Reinsurance is placed with external reinsurers registered with the Prudential Authority (PA) or those with equivalent jurisdiction status. These reinsurers must have a minimum domestic credit rating of A- or equivalent.

Risk management relating to investment contracts

Since 2007, the Group has offered investment products through its subsidiary, PPS Investments (Proprietary) Limited. For these contracts, the investment risk is borne by the policyholders. However, PPS Investments faces a risk of reduced income from fees, as these are tied to the value of the underlying assets. There is also a reputational risk if the investment performance does not meet the expectations of contract holders.

The investment contracts offered by PPS Insurance include the PPS Endowment and PPS Living Annuity.

31. Management of risks (continued)

31.3 Financial risk management

The Group faces financial risk through its financial assets, liabilities (including investment and insurance contracts), and reinsurance contracts. The primary risk is that the returns from financial assets may not cover the obligations from its insurance contracts. Key components of this financial risk include market risk (interest rate, equity price, and foreign currency risk), liquidity risk, and credit risk. While policyholders bear some of this risk due to the participating nature of the contracts, the Group manages these risks to optimise benefits for policyholders.

These risks arise from open positions in interest rate, currency, and equity products, which are susceptible to market fluctuations. The main risk for the Group is the impact of volatility in equity prices and interest rates on the value of its assets and liabilities.

The Group regularly reviews the assets backing insurance policy liabilities using asset-liability modelling techniques. This approach ensures that the return on assets is sufficient to meet required returns on risk reserves and maximise returns on policy liabilities, all within acceptable risk levels. Asset class composition is reviewed regularly with asset managers. Management has applied judgement in determining the asset allocation of hedge fund investments by defaulting to the asset class with the highest exposure to the fund's underlying assets.

Credit and counterparty risk

Credit risk is the risk of loss from a counterparty failing to meet its debt obligations. The Group's exposure includes:

- Receivables;
- Reinsurers' share of insurance liabilities;
- Reinsurer receivables for payments made to policyholders; and
- Debt securities and cash equivalents.

The Group's credit risk management approach has remained consistent. Receivables are monitored based on their credit characteristics, and the Group limits credit risk by investing only in liquid debt securities with well-rated counterparties. The Group deals with reputable banks and reviews their credit ratings regularly.

The Group enforces a Credit Control Policy aligned with the Policyholder Protection Rules. In case of premium defaults, communication is sent to policyholders, and benefits are suspended after three months of non-payment. The Group has a legal right to offset outstanding premiums against the PPS Profit-Share Account benefit due to defaulting policyholders, reducing credit risk.

Reinsurance agreements are only entered with Prudential Authority-registered reinsurers, which are subsidiaries of large international companies with minimum credit ratings of A+ for long-term insurance and A- for short-term insurance. No defaults have occurred.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

31. Management of risks (continued)

31.3 Financial risk management

Cash and cash equivalents are invested in financial institutions with credit ratings that meet the Board's risk appetite. The financial stability of these institutions is monitored regularly.

Exposure to credit risk

The maximum exposure to credit risk at the reporting date from financial assets, including unit trusts, and insurance contracts was:

Group	2025	2024 Restated*
R'm		
Debt securities (including assets held in unit trust funds) (a)	28 993	26 973
Reinsurance contract assets	261	1 390
Cash (b)	4 134	4 361
Receivables	1 737	2 079
Total	35 125	34 803

* Refer to Note 33 for the detail of the restatement.

(b) For purposes of credit-risk disclosure, this category includes certain investments held through unit trust funds based on the nature of the underlying assets. These amounts are not classified as cash and cash equivalents for purposes of the statement of cash flows.

(a) Debt securities

Debt securities designated at fair value through profit or loss include corporate and government bonds. As of 31 December, the Group's exposure to corporate and government debt was R29.0 billion (2024: R27.0 billion). The major industry sectors exposed are detailed below.

Group	2025	2024
R'm		
Government	13 790	13 834
Banks	9 668	8 966
Utilities	664	729
Corporate	4 871	3 444
Total	28 993	26 973

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

31. Management of risks (continued)

31.3 Financial risk management (continued)

Concentrations of credit risk

For local debt instruments, credit ratings have been sourced from S&P ratings, except for instruments issued by Standard Bank, for which Fitch Ratings Inc. was utilised. Additionally, for international instruments, the international long-term foreign scale rating was used. Credit ratings could be obtained for instruments that constitute approximately 83% of the market value of debt and cash instruments.

The maximum exposure to credit risk for its financial assets, including unit trusts, and insurance contracts at the reporting date by credit rating category was as follows:

Group						
2025						
R'm	AAA and Government	Below AAA but no lower than A	Below A but no lower than BBB	BBB- and Below	Unobservable	Total
Debt securities (including assets held in unit trust funds)	20 598	3 411	257	141	4 586	28 993
Cash	123	2 620	25	362	1 005	4 135
Receivables	-	-	-	-	1 737	1 737
Reinsurance contract assets	-	261	-	-	-	261

Group						
2024 Restated*						
R'm	AAA and Government	Below AAA but no lower than A	Below A but no lower than BBB	BBB- and Below	Unobservable	Total
Debt securities (including assets held in unit trust funds)	12 763	9 403	378	232	4 197	26 973
Cash	-	2 835	167	230	1 129	4 361
Receivables	-	-	-	-	2 079	2 079
Reinsurance contract assets	-	1 390	-	-	-	1 390

* Refer to Note 33 for the detail of the restatement.

31. Management of risks (continued)

31.3 Financial risk management (continued)

Ageing of financial assets

The following table provides information regarding the credit quality of assets (including unit trust fund assets) which expose the Group to credit risk:

Group	Financial assets that are past due				
2025	Neither past due nor impaired	Between 0 and 2 months	Between 2 and 5 months	More than 5 months	Carrying value
R'm					
Reinsurance contract assets	261	-	-	-	261
Receivables	1 737	-	-	-	1 737
Cash	4 135	-	-	-	4 135

Group	Financial assets that are past due				
2024 Restated*	Neither past due nor impaired	Between 0 and 2 months	Between 2 and 5 months	More than 5 months	Carrying value
R'm					
Reinsurance contract assets	1 013	100	54	223	1 390
Receivables	2 079	-	-	-	2 079
Cash	4 361	-	-	-	4 361

* Refer to Note 33 for the detail of the restatement.

The Group does not use collateral or credit enhancements for its credit risk exposure from financial and reinsurance contract assets in the current or prior year. Insurance receivables can be settled from the Profit-Share Account by arrangement with the policyholder. To assess whether the credit risk of a financial asset has significantly increased since initial recognition and to estimate expected credit losses, the Group considers available, relevant information, both qualitative and quantitative, without undue cost or effort. This includes forward-looking information such as macroeconomic forecasts. Expected credit losses on insurance receivables are calculated using a provision matrix, with receivables categorised by individual policyholder arrangements. Impairment rates for various categories are detailed below:

Category 1	Balances older than 60 days in excess of recoverable Profit-Share Account balance
Category 2	Balances in excess of recoverable Profit-Share Account balance
Category 3	Arrangement Debtor balances for members aged 51 and older. Before age 51, balances in excess of recoverable Profit-Share Account balance

31. Management of risks (continued)

31.3 Financial risk management (continued)

The Group writes off the gross carrying amount of the financial assets and insurance contract assets (net of the remaining Profit-Share Account balance) when it has no reasonable expectations of recovering the asset or portion thereof. The Group expects no significant recovery from the amount written off. There are no financial assets where the terms have been renegotiated for the current or prior year.

Liquidity risk

Liquidity risk is the risk that the Group may struggle to raise funds to meet its obligations to policyholders and cover financial liabilities.

The Group manages liquidity risk as follows:

- Policyholder funds are invested in assets that align with the reasonable benefit expectations of policyholders, ensuring funds are available to pay out benefits as required.
- Most policyholder funds are invested in liquid assets such as listed financial instruments and cash equivalents, which can be liquidated to meet policy obligations. Some funds are in less liquid assets, such as private equity funds, but not to a degree that results in material liquidity risk.
- Operational cash flow is sufficient to cover normal operational expenses, such as settling trade creditor balances.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

31. Management of risks (continued)

31.3 Financial risk management (continued)

The contractual maturities of financial and insurance contract liabilities, including interest payments and gross of reinsurance, are shown below. For long-term obligations, estimated cash flows are consistent with the valuation methodology used for insurance contracts. The cash flows are undiscounted to reconcile with the total policy liabilities, and the PPS Profit-Share accounts reflect the current value of the underlying assets (shown in the tables below).

Group 2025 R'm	Carrying amount	Total cash flows	Contractual cash flows				
			Within 1 year	2 - 5 years	6 - 10 years	11 - 20 years	Over 20 years
PPS Profit-Share accounts ^(a)	43 743	43 743	3 195	9 645	9 338	14 790	6 775
Liability for remaining coverage and incurred claims ^(a)	6 758	162 094	1 406	(1 917)	(3 216)	(4 103)	169 924
Short-term Insurance liabilities	227	227	121	106	-	-	-
Third-party financial liabilities arising on consolidation of unit trusts	27 361	27 361	27 361	-	-	-	-
Investment contract liabilities	9 097	9 097	454	1 970	2 913	3 760	-
Other financial liabilities	518	518	518	-	-	-	-
Lease liabilities	149	238	31	146	61	-	-

^(a) These have been disaggregated in the below table to align with IFRS 17 disclosure requirements.

Group 2024 Restated* R'm	Carrying amount	Total cash flows	Contractual cash flows				
			Within 1 year	2 - 5 years	6 - 10 years	11 - 20 years	Over 20 years
PPS Profit-Share accounts ^(a)	38 337	38 337	2 151	5 782	8 307	14 524	7 573
Liability for remaining coverage and incurred claims ^{(a) (b)}	7 636	349 642	861	895	765	10 508	336 613
Short-term Insurance liabilities	174	174	118	56	-	-	-
Third-party financial liabilities arising on consolidation of unit trusts	21 902	21 902	21 902	-	-	-	-
Investment contract liabilities	6 862	6 862	398	1 730	2 339	2 395	-
Other financial liabilities	409	409	409	-	-	-	-
Lease liabilities *	145	223	22	111	90	-	-

^(a) These have been further disaggregated in the below table in line with IFRS 17 disclosure requirements, including the restatement mentioned in ^(b).

* Refer to Note 33.1 for the lease liabilities restatement and Note 33.2 for the detail of the reinsurance restatement impact on the Liability for remaining coverage and incurred claims.

^(b)The cash flows for Liability for remaining coverage and incurred claims (previously reported R334 730 million) was presented net of reinsurance. These balances have been restated to R349 642 million which is gross of reinsurance.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

31. Management of risks (continued)

31.3 Financial risk management (continued)

(a) Group 2025 R'm	Contractual cash flows							
	Carrying amount	Total cash flows	Within 1 year	1 – 2 years	2 – 3 years	3 – 4 years	4 – 5 years	> 5 years
PPS Profit-Share accounts	43 743	43 743	3 195	2 329	2 480	2 454	2 383	30 902
Liability for remaining coverage and incurred claims	6 758	162 094	1 406	(374)	(469)	(521)	(553)	162 605

(a) Group 2024 Restated* R'm	Contractual cash flows							
	Carrying amount	Total cash flows	Within 1 year	1 – 2 years	2 – 3 years	3 – 4 years	4 – 5 years	> 5 years
PPS Profit-Share accounts	38 337	38 337	2 150	1 300	1 399	1 494	1 589	30 405
Liability for remaining coverage and incurred claims	7 636	349 642	861	336	272	251	36	347 886

* Refer to Note 33 for the detail of the restatement.

Market risks

Market risk refers to the risk that changes in market prices – such as interest rates, foreign exchange rates, and equity prices – will impact the value of the Group's financial assets, liabilities, and insurance contract assets. Market risk arises from fluctuations in the value of liabilities and investments held by the Group.

The goal of market risk management is to control exposures within acceptable limits while optimising returns on assets. The Group's exposure to market risk and its management strategies have not significantly changed, though these strategies have been rigorously applied due to current market conditions and volatility.

31. Management of risks (continued)

31.3 Financial risk management (continued)

Management of market risk

Each major component of market risk is managed as follows:

a. Interest rate risk

Interest rate risk primarily affects the Group's investments in debt securities, cash and cash equivalents, and its long-term debt obligations. However, changes in investment values due to interest rate fluctuations are mitigated by corresponding changes in the economic value of insurance and investment contract liabilities. This risk is managed by asset managers through investment mandates that limit exposure to debt securities, with performance measured against internal benchmarks.

The Group's approach to managing interest rate risk remains consistent with the prior period. The sensitivity of cash and cash equivalents, assets held to back the PPS Profit-Share accounts, investment choice and liability for remaining coverage and incurred claims to interest rate changes on profit before tax is shown below:

Group	2025 R'm	2024 Restated* R'm
Cash and cash equivalents		
Interest rate decrease: 1%	(42)	(44)
Interest rate increase: 1%	42	44
Debt securities (a)		
Interest rate decrease: 1%	787	717
Interest rate increase: 1%	(691)	(631)
Insurance contracts gross of reinsurance (b)		
Interest rate decrease: 1%	(154)	337
Interest rate increase: 1%	105	(298)
Insurance contracts net of reinsurance (b)		
Interest rate decrease: 1%	(220)	319
Interest rate increase: 1%	159	(283)

(a) The methodology for calculating interest rate risk on debt securities was refined to focus exclusively on the assets backing the PPS Profit-Share accounts, investment choice, and liabilities for remaining coverage and incurred claims. The refinement was made to ensure that the calculation more accurately reflects the associated risk.

(b) Refer to Note 33 for the detail of the restatement.

31. Management of risks (continued)

31.3 Financial risk management (continued)

Management of market risk

Interbank offered rates (IBOR) reforms

The Group is exposed to interest rate benchmarks that are subject to reform, most notably the transition from the Johannesburg Interbank Average Rate (JIBAR) to the South African Rand Overnight Index Average (ZARONIA). This reform follows regulatory initiatives to replace submission-based benchmarks with transaction-based reference rates.

ZARONIA is a near risk-free rate calculated using observable overnight interbank transactions and is expected to replace JIBAR by the end of 2026. The transition is being implemented through a phased market-wide approach. Certain financial instruments and contracts currently reference JIBAR and will be amended to reference ZARONIA or an alternative approved benchmark. To preserve economic equivalence, a credit adjustment spread may be applied to affected contracts.

The Group has assessed its exposure to benchmark reform risk and continues to monitor developments. The Group is engaging with its underlying investment managers, counterparties and service providers to support an orderly transition, including operational readiness, contractual amendments and valuation considerations.

At the reporting date, the benchmark reform has not resulted in a material impact on the Group's financial position, financial performance or cash flows. The Group will continue to reassess the impact as contracts transition and market conventions are finalised.

Total assets recognised on the statement of financial position subject to Jibar reform yet to transition:

	Notional/ Principal Exposure
	2025
Group	R'm
Derivatives financial assets	66
Other financial assets	2 875

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

31. Management of risks (continued)

31.3 Financial risk management (continued)

Fluctuations in the value of financial assets backing the PPS Profit-Share accounts and the investment components of policy liabilities will impact the allocations to these accounts and liabilities each year. The choices for asset backing PPS Profit-Share accounts reflect the Group's understanding of policyholders' investment risk appetite. The financial assets held for this purpose are listed below:

Group	PPS Profit-share accounts and Investment			
	policies excluding Investment Choice		Investment Choice	
	R'm	%	R'm	%
2025				
Equity - local	15 937	39	2 510	34
Interest - local and international	10 328	25	2 881	39
Cash - local and international	1 850	4	315	4
Equity - international	13 218	32	1 753	23
Total	41 333	100	7 459	100

Group	PPS Profit-share accounts and Investment			
	policies excluding Investment Choice		Investment Choice	
	R'm	%	R'm	%
2024				
Equity - local	12 609	36	2 002	28
Interest - local and international	8 973	25	2 990	42
Cash - local and international	2 101	6	420	6
Equity - international	11 786	33	1 729	24
Total	35 469	100	7 141	100

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

31. Management of risks (continued)

31.3 Financial risk management (continued)

The financial assets backing the non-DPF component of liabilities are aligned with the Group's risk appetite and past asset-liability modelling exercises. Investment gains or losses from market value fluctuations and interest rate changes are adjusted in the DPF component of policyholder benefits.

Younger policyholders, with more time to recover from market volatility, have portfolios with higher equity exposure and risk. Older policyholders, from age 55, are given the option annually to switch to more conservative portfolios with reduced equity exposure.

The assets backing the liability for remaining coverage and incurred claims are as follows:

	2025		2024	
	R'm	%	R'm	%
Equity - local	456	6	454	7
Interest - local and international	6 190	88	5 980	87
Cash - local and international	86	1	90	1
Equity - international	325	5	323	5
Total	7 057	100	6 847	100

The assets backing the liability for remaining coverage and incurred claims are invested in such a manner as to try and minimise the asset-liability mismatch for interest rate risk and duration risk.

31. Management of risks (continued)

31.3 Financial risk management (continued)

b. Currency risk

The Group's operations in Namibia do not introduce additional foreign currency risk due to the parity between the Namibian Dollar and the South African Rand.

Currency risk for international investments is actively managed by multi-managers, with returns shown in US Dollars and performance measured against internal benchmarks. South African legislation allows up to 45% of long-term insurance company investments in foreign currency, with a 55% limit for the Namibian long-term insurance company.

The potential impact of currency movements on domestic equities with significant foreign earnings is assessed by asset managers when selecting equities for PPS mandates.

The Group has some exposure to the Australian Dollar from its Australian associate, which provides hard currency income that mitigates foreign currency expenses.

The sensitivity of international assets to currency movements on profit before tax is shown below:

Group	2025 R'm	2024 R'm
Currency risk		
South African Rand exchange rate decrease: 10%	(2 062)	(1 905)
South African Rand exchange rate increase: 10%	2 062	1 905

* In assessing the impact of exchange rate volatility between the South African Rand and the Group's exposure to other currencies, the Group determined that a 10% strengthening or weakening of the foreign currency represents a reasonably possible change in exchange rates.

c. Equity price risk

The Group holds a significant equity portfolio, mainly to support liabilities from unit-linked insurance contracts, contracts with DPF, and investment contracts. Therefore, price movements in equities are matched with corresponding obligations.

Equity exposure is managed to meet internal and regulatory capital requirements. Asset managers and multi-managers are measured against benchmarks and risk parameters, with monthly compliance statements and regular updates on adherence to investment mandates. Management monitors performance and mandate adherence monthly, with any deviations addressed promptly.

The Group's equity risk exposure and management approach have remained relatively consistent with the prior period. The assets have performed well relative to the benchmark, and given the Group's long-term investment strategy, the asset allocations remain unchanged.

31. Management of risks (continued)

31.3 Financial risk management (continued)

The Equity price risk sensitivity on profit before tax is shown below:

Group	2025 R'm	2024 R'm
Equity price risk		
Price decrease: 10%	(6 590)	(6 470)
Price increase: 10%	6 590	6 470

*In assessing the sensitivity of the Group's equity price risk to movements in market conditions, the Group determined that a 10% increase or decrease in equity market prices represents a reasonably possible change, reflecting observed market volatility. Accordingly, the equity risk sensitivity has been updated from 1% to 10%.

Expense risk

Expense risk arises when actual expenses exceed those assumed in pricing or valuing contracts, due to factors such as higher business operation costs, unexpected expense inflation, or a smaller-than-expected in-force policy book. Additionally, lower-than-expected new business volumes or higher-than-expected contract terminations can lead to increased unit costs per policy.

To manage this risk, annual expense investigations are conducted, and valuation expense assumptions are set based on these investigations, considering the budgeted expenses per policy for the next financial year. Actual expenses are monitored monthly against the budget. Due to the Group's mutual nature, any expense savings or losses compared to expected expenses directly affect the profit allocation to policyholders.

Business volume risk

The Group faces a risk of not covering acquisition and distribution costs if new business volumes are insufficient. However, a significant portion of these costs are variable. Monthly comparisons of actual sales volumes against budgeted and targeted sales allow management to identify and address factors that may impact volume delivery. Corrective actions are taken as needed.

31. Management of risks (continued)

31.3 Financial risk management (continued)

Data and model risk

There is a risk of loss if the models used to calculate insurance liabilities do not accurately project expected cash flows. This risk is mitigated by annually comparing actual cash flows with expected cash flows on a product basis. All new contract designs are incorporated into the model, and detailed investigations ensure data integrity in the valuation process. Automated systems flag any anomalous transactions on an ongoing basis.

Capital management (unaudited)

Long-Term Insurance

The Group's capital management objectives are:

- Comply with regulatory capital requirements in all operating countries.
- Ensure the entity's ability to continue as a going concern.
- Provide acceptable returns for policyholders and members while benefiting other stakeholders.

The Board maintains a strong capital base to protect policyholders' and creditors' interests and to satisfy regulators, while still creating value for policyholders. The required level of accumulated funds is determined by the Insurance Act 18 of 2017 in South Africa and the Namibian legislation (Act 5 of 1998), along with the Group's licence requirements. Minimum capital requirements must be maintained throughout the year.

The table below summarises the minimum and actual accumulated funds across the Group.

R'm	2025		2024	
	South Africa	Namibia	South Africa	Namibia
Capital held	531	6	499	6
Regulatory capital	253	4	237	4

In 2025, the PPS Insurance Board continued to maintain a capital cover of 2.1 times which provides adequate protection based on the analysis performed. As a result, R32 million has been allocated to (2024: R18 million allocated from) total comprehensive income.

Short-Term Insurance

The Board's policy is to maintain sufficient capital to protect policyholders' and creditors' interests, satisfy regulators, and create value for the shareholder. The capital level required by the Group is determined by the Prudential Standards under the Insurance Act 18 of 2017. The Group maintains a level of SCR cover at 1.60 times (2024: 1.60 times). The Group has complied with all externally and internally imposed capital requirements throughout the period.

31. Management of risks (continued)

31.3 Financial risk management (continued)

PPS Collective Investment Scheme funds managed by PPS Multi-Managers (Pty) Ltd

The Group invests in various registered unit trusts to match obligations provided in policyholder contracts. Each fund operates within a defined mandate, managed by the appointed fund manager, and adheres to legal requirements, such as the Collective Investment Schemes Control Act, No. 45 of 2002 in South Africa, which prescribes limits for risk exposure concentrations.

The oversight board of the Collective Investment Scheme appoints administrators responsible for ensuring compliance with each fund's mandate and control procedures. Any breaches are reported immediately to the relevant fund's trustees, Board, and management for remedial action. The unit trust fund vehicle and related procedures are well-regulated in South Africa.

The unit trust funds are grouped under entities named Professional Provident Society Collective Investment Scheme and Prescient Global Funds ICAV (PPS Global Equity Fund). The unit trust subsidiary manager and asset manager, along with their respective mandates and objectives, are described below.

Funds managed by PPS Multi-Managers (Pty) Ltd

PPS Investments Group employs a combination of single- and multi-manager investment strategies to achieve acceptable returns with lower-than-average risk. This is accomplished by:

- Conducting thorough and ongoing quantitative and qualitative research of potential managers;
- Selecting specialist and multi-asset managers based on their investment style and expertise;
- Optimising portfolio construction by blending selected managers;
- Writing segregated investment mandates to tightly control portfolio risk;
- Continuously monitoring the risk and return characteristics of each manager and the overall portfolio; and
- Making manager changes when deemed in the best interest of investors.

The Collective Investment Schemes Control Act also imposes specific restrictions on underlying managers, including limits on interest rate and credit risk, where applicable.

The investment objective, mandate, type of investments and risk exposure can be obtained on www.pps.co.za.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

32. Going concern

The trustees/directors assess the Group's future performance and financial position on an ongoing basis and have no reason to believe that the Group will not be a going concern in the reporting period ahead. For this reason, these financial statements are prepared on a going concern basis. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The solvency position of the Group remains resilient.

33. Restatements

Continuous improvement and restatements

Management performs continuous reviews of the Group financial statements to enhance clarity and alignment with evolving IFRS disclosure expectations and industry practice. Through this process, certain presentation refinements were identified, including the need to separately disclose specific items to improve understandability and comparability. In addition, a limited number of errors were identified. These have been corrected and the comparative information has been restated in accordance with the applicable requirements of IFRS.

33.1 Lease liability and Right-Of Use Assets (Buildings)

During the current financial year, Management identified an error relating to the incorrect timing of capitalisation of certain leases in the prior year. The right-of-use assets and lease liabilities should have been capitalised in December 2024; however, the leases were incorrectly capitalised in 2025. In accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, management has corrected this error retrospectively. The error resulted in the understatement of right-of-use of R114 million and lease liabilities of R114 million in the prior year, which has now been corrected.

Impact on statement of financial position (increase/(decrease)) in asset

Statement of financial position

	2024 As previously reported	2024 Change	2024 Restated
Property and equipment (Right of Use Asset) (Note 2)	528	114	642
Payables (Note 18 and 31)	468	114	582

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

33. Restatements (continued)

33.2 Reinsurance Stress Modelling and Risk Adjustment

In prior periods, the stress modelling of reinsurance premiums assumed that premiums would continue to be based on best estimate risk rates and would not increase in response to sustained adverse experience. This resulted in an inconsistent application of reinsurance management actions between best estimate and stressed scenarios and produced outcomes that were not economically supportable under prolonged stress conditions.

The error arose from an implicit assumption that the stress modelling framework incorporated the same repricing logic as the best estimate model. However, the stress modelling was implemented on an operational basis and did not appropriately reflect the non-guaranteed contractual terms of the reinsurance treaties, including the reinsurers' contractual ability to reprice under adverse experience.

Accordingly, this represents an incorrect application of known contractual terms rather than a change in assumptions, judgement or modelling methodology.

Following recent reinsurance repricing actions, management reassessed the appropriateness of the stress modelling framework and identified that the non-guaranteed nature of the reinsurance arrangements had not been adequately reflected, giving rise to the prior period error.

The financial impact is reflected in the tables below:

Impact on statement of financial position (increase/(decrease)) in asset

	2024 As previously reported	2024 Increase/Decrease	2024 Restated	2023 As previously reported	2023 Increase/Decrease	2023 Restated
Assets						
Reinsurance contract assets (Note 8, Note 10, Note 11, Note 30 and Note 31)	1 290	100	1 390	1 565	308	1 873
Estimate of present value of future cash flows	(1 407)	-	(1 407)	(995)	-	(995)
Risk adjustment for non-financial risk	870	(950)	(80)	792	(804)	(12)
Contractual Service Margin (CSM)	1 709	1 049	2 758	1 680	1 113	2 793
Liabilities						
PPS Profit-Share accounts and Long-term insurance contract liabilities (Note 8, Note 9, Note 11, Note 30 and Note 31)	46 392	100	46 492	42 938	308	43 247
PPS Profit-Share accounts	38 337	-	38 337	34 684	-	34 684
Liability for remaining coverage and incurred claims	7 536	100	7 636	8 006	308	8 314

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

33. Restatements (continued)

33.2 Reinsurance Stress Modelling and Risk Adjustment (continued)

Impact on statement of profit or loss (increase/(decrease)) in profit

	2024 As previously reported	2024 Increase/Decrease	2024 Restated
Net insurance service result	1 065	-	1 065
Insurance service result	98	(114)	(16)
Insurance revenue	5 489	-	5 489
Insurance claims and service expenses	(5 116)	-	(5 116)
Net (expense)/ income from reinsurance contracts held	(275)	(114)	(389)
Net finance Income	967	114	1 081
Finance income from insurance contracts issued	1 026	208	1 234
Finance expense from reinsurance contracts held	(59)	(94)	(153)
Profit before tax	6 546	-	6 546

33.3 Restatement of Liability for Remaining Coverage (Note 9.1 and Note 9.2)

Comparative balances have been restated to address a misallocation of insurance revenue between participating and non-participating portfolios within the Liability for Remaining Coverage (LRC). The restatement resulted in a reclassification of R511 million (2023) and R545 million (2024) from LRC - Non-Participating to LRC - Participating. This change did not affect total insurance liabilities.

33.4 Restatement of current and non-current split (Note 9.1)

Comparative current and non-current balances have been restated to reclassify R2.5 billion of Liability for Remaining Coverage and Profit-Share balances expected to be realised within 1 year. This amount was previously included in the non-current portion of the Liability for Remaining Coverage and Profit-Share balances and is now presented as current.

33.5 Restatement of receivables classification (Note 12)

Refer to note 12 for detail regarding the receivables restatement.

Action required by members in regard to the 2026 annual general meeting

The annual general meeting (AGM) of members of The Professional Provident Society Holdings Trust (PPS Holdings Trust) will be held at 18:00 on Monday, 11 May 2026. In the interest of improving participation by members, the PPS Holdings Trust Board has decided that this annual general meeting will be held entirely virtually. This AGM will consider and, if deemed fit, approve the ordinary and special resolutions set out in the notice convening the AGM, which is attached to and forms part of this Integrated Report. A form of proxy, enabling members to vote on the respective resolutions proposed, has also been included in this integrated report.

In terms of the Trust Deed of PPS Holdings Trust, only Ordinary Members of PPS Holdings Trust have the right to vote at meetings of its members. The votes of Ordinary Members of PPS Holdings Trust are determined in the manner set out in clause 22.6.2.2 of the Trust Deed, which is available at www.pps.co.za.

While it is permissible for individuals who are nominated for election as trustees to canvas Ordinary Members of the PPS Holdings Trust for votes in favour of their election, the provision or offer of any form of inducement for votes or any inducement to obtain votes on their behalf (whether in cash or in kind) is inconsistent with the qualification criteria for prospective Trustees and may result in ineligibility to stand for election. Members are requested to report any such inducement or offer of such inducement by or on behalf of a prospective Trustee to the Trust Secretary at companysecretary@pps.co.za as soon as reasonably practicable after the occurrence of such an event.

You may attend and vote at the AGM by attending virtually, or you may appoint a proxy to represent you virtually by completing the form of proxy included in this integrated report (please also refer to the notes to the form of proxy) and forwarding it, marked for the attention of the Trust Secretary, to the e-mail address below, or via e-mail, to be received by the Trust Secretary by no later than 18:00 on Wednesday, 6 May 2026 and you are also permitted to withdraw submitted proxy forms up to that date and time.

Physical address

6 Anerley Road
Parktown
Johannesburg

Postal address

PO Box 1089
Houghton
2041

Telephone

011 644 4200

E-mail

AGMproxies@pps.co.za

You may also appoint a proxy online by logging on to the e-Voting platform at <https://pps.vagm.africa/>. Please refer to the e-Voting User Guide available on the PPS website under AGM Notice and downloads. This functionality will be available from 20 April 2026 to 18:00 on 6 May 2026, when proxy voting closes.

Ordinary members who have not submitted a form of proxy by 18:00 on Wednesday, 6 May 2026, may cast their votes electronically at the AGM. For the convenience of attendees at the AGM, they will be able to load their votes on the electronic voting system from 15:00 on Monday, 11 May 2026 and those votes will then be exercised at the AGM. Voting will be closed by the Chairman of the AGM during the course of the meeting.

Ordinary members will, on 8 May 2026, again be provided with the link enabling them to register for, participate in and vote (if they have not submitted a form of proxy) electronically at the 11 May 2026 AGM.

The results of the voting at the AGM will be announced at the AGM as soon as they have been verified by the appointed scrutineers, KPMG, or will be published on the PPS website as soon as possible after the meeting.

Please take careful note of the provisions relating to the action required by members regarding the AGM. If you are in any doubt as to what action to take, please consult your professional adviser.

Notice to the members of 2026 Annual General Meeting and CVs of candidates standing for election

THE PROFESSIONAL PROVIDENT SOCIETY HOLDINGS TRUST

(Registration number: IT312/2011)

(the Trust)

Notice is hereby given that the sixteenth annual general meeting (the meeting) of the members of the Trust will be held VIRTUALLY on Monday, 11 May 2026 at 18:00, for the purposes set out below. Please refer to the section titled “Action required by members in regard to the 2026 annual general meeting” included in this Integrated Report for particulars regarding participation in the annual general meeting.

1. To adopt, by ordinary resolution, the annual financial statements for the year ended 31 December 2025, including the reports of the trustees and the auditors of the Trust.
2. To appoint, by ordinary resolution, Ernst & Young Incorporated as the auditors of the Trust for the financial year ending 31 December 2026.
3. To elect and appoint trustees, by ordinary resolutions, in place of those trustees retiring in accordance with the Trust Deed which established and governs the Trust (Trust Deed).

Adv LC Haupt SC, Prof R Perumal and Mr S Trikamjee are retiring by rotation at the conclusion of this annual general meeting in terms of the Trust Deed.

The following Trustees, being eligible for re-election and appointment, offer themselves for re-election and appointment as trustees of the Trust:

- 3.1 Adv LC Haupt SC
- 3.2 Prof R Perumal
- 3.3 Mr S Trikamjee

In addition, the following candidates have been nominated for election and appointment as trustees of the Trust in terms of the Trust Deed:

- 3.4 Mr A S Criticos
- 3.5 Ms I Dlamini
- 3.6 Ms M N Fick

- 3.7 Mr N M Ghazi
- 3.8 Mr B Iyambo
- 3.9 Mr E I Luanda
- 3.10 Dr M C Chisale Mabotja
- 3.11 Dr A Z Mayekiso
- 3.12 Mr H Mukuwiri
- 3.13 Dr M I Pooe
- 3.14 Revd M A G Sigudla
- 3.15 Dr B Valodia

(Abbreviated biographical details of the persons referred to above are set out on pages 132 to 133 of this Integrated Report and in the AGM Downloads page on the website).

Explanatory note on the appointment of the Trustees

The Trust Deed provides for a maximum of 20 Trustees, all of whom are appointed in accordance with the Trust Deed. In terms of clause 5.3.1 of the Trust Deed, a maximum of ten Trustees may be elected by the members in general meeting. There are currently 10 elected Trustees, of whom three are required to retire by rotation in terms of clause 7.2.1 of the Trust Deed. Following these retirements by rotation, there will be seven elected trustees in office. There are therefore three vacancies and there are 15 nominees for these vacant positions (including the three Trustees who retire by rotation and who offer themselves for re-election and appointment). The Trust Deed provides that:

- (i) Each candidate will be voted upon by a separate election resolution and if the election resolution is not approved then that candidate is not appointed.
- (ii) If the number of candidates whose election resolutions are approved exceeds the above-mentioned number of vacancies, the result of the voting shall be determined in accordance with the number of votes cast in favour of each approved election resolution so that the vacancies will be filled by those candidates whose approved election resolutions received the highest number of favourable votes.

Notice to the members of 2026 Annual General Meeting and CVs of candidates standing for election

(continued)

4. To elect the Audit Committee of the Trust by ordinary resolutions. The following trustees, who meet the requirements of paragraph 26.1 of the Trust Deed, nominated by the Group Nominations Committee and recommended by the Board, have offered themselves for election:

4.1 Prof HE Wainer CA(SA) Registered Auditor

4.2 Mr AH de Vries CA(SA)

4.3 Mr S Trikamjee CA(SA)#

Mr S Trikamjee's election as a member of the Trust Audit Committee is subject to his re-election as a Trustee.

5. To approve, by special resolution, the following remuneration of the trustees (exclusive of VAT) for the period commencing 1 July 2026 until such time as this remuneration is amended by a further special resolution:

- remuneration of the chairman, comprising an annual retainer of R669 600 and an attendance fee of R28 913 per meeting;
- remuneration of the deputy chairman, comprising an annual retainer of R446 400 and an attendance fee of R21 684 per meeting;
- remuneration of the co-opted members of the Board of Trustees, comprising an annual retainer of R334 800 and an attendance fee of R14 456 per meeting;
- remuneration of the remainder of the members of the Board of Trustees, comprising an annual retainer of R223 200 and an attendance fee of R14 456 per meeting;
- remuneration of the chairman of the Trust Audit Committee, being an attendance fee of R36 141 per meeting;
- remuneration of the remainder of the members of the Trust Audit Committee, being an attendance fee of R18 070 per meeting;
- remuneration of the chairman of the Group Nominations Committee, being an attendance fee of R48 188 per meeting;
- remuneration of the deputy chairman of the Group Nominations Committee, being an attendance fee of R38 550 per meeting; and
- remuneration of the remainder of the members of the Group Nominations Committee, being an attendance fee of R28 913 per meeting.

Voting

In voting or passing any resolution:

- **Associate Members** (as defined in clause 18 of the Trust Deed) do not have any votes; and
- **Ordinary Members** (as defined in clause 18 of the Trust Deed) shall have 100 (one hundred) votes each, plus 1 (one) additional vote for each completed R200 (two hundred Rand) standing to his/her credit in his/her Apportionment Account (as defined in the Trust Deed), as at the most recent date prior to the meeting when the Apportionment Accounts of Ordinary Members were adjusted, provided that an Ordinary Member who is at the date of the vote 3 (three) months or more in arrears with the payment of his/her premiums (payable in terms of the Master Contract (as defined in clause 1.2.25 of the Trust Deed)) shall only have 1 (one) vote at the meeting.

A member who has more than 1 (one) vote may not split votes to exercise his/her votes in voting on any particular resolution but shall exercise all his/her votes either for or against the resolution or the member may abstain from voting on it.

An ordinary resolution is a resolution which has to be approved by a majority of votes exercised on that resolution. A special resolution is a resolution which has to be approved by at least 75% of the votes exercised on that resolution.

Notice to the members of 2026 Annual General Meeting and CVs of candidates standing for election

(continued)

PROXIES

Any member who is entitled to attend and vote at the meeting may appoint a proxy (who need not be a member of the Trust) to attend, speak and on a poll to vote or abstain from voting in his/her stead.

A form of proxy is included in this integrated report on pages 135 to 136 and is also available for downloading from www.pps.co.za. **The form of proxy is accompanied by notes indicating the requirements for its completion. Forms of proxy which do not comply with these requirements will be rejected.**

Forms of proxy must be delivered at one of the following addresses or by e-mail, to be received by, and marked for the attention of, the Trust Secretary, by no later than 18:00 on Wednesday, 6 May 2026 (please note that additional requirements apply to proxies submitted in terms of a Power of Attorney or Order of Court, as set out in the notes to the form of proxy):

- Physical address: 6 Anerley Road, Parktown, Johannesburg
- Postal address: PO Box 1089, Houghton, 2041
- E-mail: AGMproxies@pps.co.za

Members may also appoint a proxy online by logging on to the e-Voting platform at <https://pps.vagm.africa/>. Please refer to the e-Voting User Guide available on the PPS website under AGM Notice and downloads. This functionality will be available from 20 April 2026 to 18:00 on 6 May 2026, when proxy voting closes.

By order of the Board of Trustees

VE Barnard

Trust Secretary

The Professional Provident Society Holdings Trust

25 March 2026

Nominated candidates

Abbreviated CVs of these candidates are available on the PPS website at https://www.pps.co.za/themes/custom/refresh/reports/integrated-report-2025/pdf/agm_cvs.pdf



Mr A S Criticos
Date of Birth:
17/05/1963
Profession:
Chartered Accountant,
Senior Corporate Executive
Qualifications:
BCom, CA(SA)
PPS Member since:
1990



Ms I Dlamini
Date of Birth:
15/02/1973
Profession:
Non-Practicing Corporate
Attorney and Consultant on
Corporate Governance
Qualifications:
BSoc Sci, LLB, MPA (Harvard)
PPS Member since:
1999



Ms M N Fick
Date of Birth:
24/11/1973
Profession:
Chartered Accountant,
Consultant and Life Coach
Qualifications:
BCom (Hons), CA(SA),
Adv Dip Banking
PPS Member since:
1998



Mr N M Ghazi
Date of Birth:
28/08/1969
Profession:
Practicing Attorney
Qualifications:
BA, LLB, Dip Corporate Law
PPS Member since:
1997



Adv L C Haupt SC
Date of Birth:
13/01/1970
Profession:
Practicing Senior Advocate
Qualifications:
BCom, LLB, LLM, LLD
PPS Member since:
2012



Mr B Iyambo
Date of Birth:
11/05/1993
Profession:
Chartered Accountant
Qualifications:
BAcc (Hons), CA (Nam)
PPS Member since:
2021



Mr E I Luanda
Date of Birth:
12/10/1972
Profession:
Governance Executive
Qualifications:
GJuris, LLB, PG Dip Compliance,
MBL
PPS Member since:
2001




Dr M C Chisale Mabotja
Date of Birth:
01/07/1988
Profession:
Medical Doctor and Public Health
Medicine Specialist
Qualifications:
MBChB, MMed, FCPHM
PPS Member since:
2011




Dr A Z Mayekiso
Date of Birth:
26/01/1976
Profession:
Practicing Medical Doctor
Qualifications:
MBChB, MBA
PPS Member since:
1999

Nominated candidates

Abbreviated CVs of these candidates are available on the PPS website at https://www.pps.co.za/themes/custom/refresh/reports/integrated-report-2025/pdf/agm_cvs.pdf



Mr H Mukuwiri
Date of Birth:
11/10/1981
Profession:
Professional Electrical Engineer
Qualifications:
BSc (Hons) Elec Eng, MBA
PPS Member since:
2018




Prof R Perumal
Date of Birth:
09/11/1986
Profession:
Associate Professor, Specialist Physician and Pulmonologist
Qualifications:
MBChB, MPH, MMed, PhD, FCP(SA)
PPS Member since:
2008



Dr M I Poee
Date of Birth:
16/09/1978
Profession:
Occupational Medical Practitioner
Qualifications:
MBChB, MBA (Henley)
PPS Member since:
2022



Rev M A G Sigudla
Date of Birth:
08/01/1976
Profession:
Land Surveyor and Assisting Priest
Qualifications:
BSc, Master in Urban Engineering and Management, MDP
PPS Member since:
1999



Mr S Trikamjee
Date of Birth:
09/11/1978
Profession:
Chartered Accountant
Qualifications:
BCom (Hons), CA(SA)
PPS Member since:
2001



Dr B Valodia
Date of Birth:
05/07/1967
Profession:
Chartered Director, Healthcare Executive and Honorary Professor (USB)
Qualifications:
BPharm, MBA, DBA, CD(SA)
PPS Member since:
1992

Form of Proxy 2026

THE PROFESSIONAL PROVIDENT SOCIETY HOLDINGS TRUST

(Registration number IT312/2011) (the Trust)

PPS Member's details:

Full names and surname: _____

Identity number: _____

Membership number: _____

E-mail address: _____

Postal address: _____

Cellphone number: _____

I, the above member of the Trust, hereby appoint:

Proxy's name: _____ **Proxy's identity number:** _____

or failing him/her, the Chairman of the meeting, as my proxy to attend, speak and on a poll vote for me and on my behalf at the virtual annual general meeting of the Trust to be held at 18:00 on Monday, 11 May 2026 and at any adjournment thereof, as follows:

No.	Business	In favour of	Against	Abstain
1.	Ordinary resolution for the adoption of the annual financial statements of the Trust for the year ended 31 December 2025			
2.	Ordinary resolution for the appointment of the auditors of the Trust			
3.	Ordinary resolutions for the election and appointment of trustees [#] :			
	3.1 Adv LC Haupt SC*			
	3.2 Prof R Perumal*			
	3.3 Mr S Trikamjee*			
	3.4 Mr A S Criticos			
	3.5 Ms I Dlamini			
	3.6 Ms M N Fick			
	3.7 Mr N M Ghazi			
	3.8 Mr B Iyambo			
	3.9 Mr E I Luanda			
	3.10 Dr M C Chisale Mabotja			
	3.11 Dr A Z Mayekiso			
	3.12 Mr H Mukuwiri			
	3.13 Dr M I Poee			
	3.14 Revd M A G Sigudla			
	3.15 Dr B Valodia			
4.	Ordinary resolutions for the appointment of the members of the Trust Audit Committee			
	4.1 Prof HE Wainer			
	4.2 Mr AH de Vries			
	4.3 Mr S Trikamjee			
5.	Special resolution for the approval of trustees' remuneration for the period commencing 1 July 2026 as set out in the notice of the annual general meeting**			

[#] There will be three vacancies on the Board of Trustees to be filled by elected Trustees. These three vacancies will be filled by the three candidates receiving the highest number of favourable votes. Refer to the Notice of the Annual General meeting for an explanation in this regard.

* Trustees who will retire by rotation at the meeting, in accordance with the Trust Deed and, being eligible, offer themselves for re-election.

** Authorisation of at least 75 (seventy-five) per cent of the votes cast by members present (in person or represented by proxy) at the meeting is required.

Signed this _____ day of _____ 2026

Signature _____

Notes to Form of Proxy

Instructions and requirements for completion of the form of proxy

1. The form of proxy must be signed, dated and returned so as to be received at the registered office of the Trust by 18:00 on Wednesday, 6 May 2026.
2. Forms of proxy are required to be completed and signed by the member appointing the proxy, or by his attorney or agent duly authorised in terms of a court order, or a power of attorney which was signed by the Member. If the form of proxy is completed in terms of a power of attorney or authority, the ORIGINAL, OR A CERTIFIED COPY of such power of attorney or authority has to be lodged with the form of proxy by 18:00 on Thursday, 30 April 2026.
3. The signatory may insert the name of any person whom the signatory wishes to appoint as his/her proxy in the blank space provided for that purpose. If no name is inserted, the chairman of the meeting shall be appointed as the member's proxy.
4. By completing and lodging of the form of proxy, it will not preclude the member who is appointing the proxy from attending the annual general meeting and speaking and voting thereat, to the exclusion of any proxy appointed in terms hereof, should such member wish to do so.
5. Members are encouraged to indicate how they wish their proxy to vote on their behalf by completing the form of proxy in respect of all the resolutions. If the member does not indicate in the appropriate places on the face hereof how he/she wishes to vote in respect of any resolutions, his/her proxy shall be entitled to vote as he/she deems fit in respect of that resolution. In regard to the ordinary resolutions for the election of trustees, any indication of how the member wishes to vote in regard to the candidates will be deemed to be the entire vote of the member, i.e. if the member has only indicated a vote for, or against, or to abstain for one or more candidate(s), the proxy holder shall not be entitled to exercise additional votes in respect of candidates for whom no votes were indicated by the member.
6. In respect of the election of Trustees, each candidate will be voted upon by a separate resolution, either "For", "Against" or "Abstain". In terms of the Trust Deed, if the number of persons approved by such resolutions exceeds the number of vacancies (being three), the result of the voting shall be determined in accordance with the number of votes cast in favour of each resolution so that the vacancies will be filled by the elected candidates receiving the highest number of favourable votes, as set out in the Notice of the Annual General Meeting.

RETURN OPTIONS

Either

Deliver to:	The Trust Secretary 6 Anerley Road Parktown, 2193 Johannesburg
or Post to:	The Trust Secretary PO Box 1089 Houghton 2041
or E-mail to:	AGMproxies@pps.co.za

Members also appoint a proxy online by logging on to the e-Voting platform at <https://pps.vagm.africa/>. Please refer to the e-Voting User Guide available on the PPS website under AGM Notice and downloads. This functionality will be available from 20 April 2026 to 18:00 on 6 May 2026, when proxy voting closes.

Administrative information

THE PROFESSIONAL PROVIDENT SOCIETY HOLDINGS TRUST AND PROFESSIONAL PROVIDENT SOCIETY INSURANCE COMPANY LIMITED

Principal place of business: 6 Anerley Road
Parktown, Johannesburg, 2193

Postal address: PO Box 1089
Houghton, 2041

Web address: www.pps.co.za

PROFESSIONAL PROVIDENT SOCIETY INSURANCE COMPANY (NAMIBIA) LIMITED

Principal place of business: Maerua Mall Office Tower, Fourth Floor
Office No. 4002 to 4005
Jan Jonker Road
Windhoek
Namibia

Postal address: PO Box 1407
Windhoek, Namibia

Web address: www.pps.com.na

**HEAD OF ACTUARIAL FUNCTION AND STATUTORY ACTUARY OF
PPS INSURANCE AND PPS NAMIBIA**
(in terms of the Insurance Act)
Ms J F Cable

**HEAD OF ACTUARIAL FUNCTION
OF PPS SHORT-TERM INSURANCE**
(in terms of the Insurance Act)
Ms C Ham

EXTERNAL AUDITOR
Ernst & Young Inc.
102 Rivonia Road
Sandton, 2146, South Africa

INTERNAL AUDITOR
KPMG Services (Pty) Limited
85 Empire Road
Parktown, Johannesburg, 2193, South Africa

LEGAL ADVISERS
Webber Wentzel
90 Rivonia Road
Sandton, Johannesburg, 2196, South Africa

ACTUARIAL ADVISERS
Deloitte
5 Magwa Crescent,
Waterfall City,
Waterfall, 2090, South Africa

FUND MANAGER
PPS Multi-Managers (Pty) Limited
PPS House, Boundary Terraces
146 Campground Road
Newlands, 7700, South Africa



PPS is a licensed insurer and authorised FSP. Past performance is not necessarily indicative of future performance.
Profit-Share Account is a notional account and vests at age 60.