



FOR PROFESSIONALS

SINCE 1941

**PPS 2025**

Integrated Report

Success is better, shared.

# We have a **mutual story** to share

In these pages you will find more than numbers and statistics, results and reports. You will experience the rewards of a certain way of thinking and doing things. You will see what can be achieved when the power of mutuality is harnessed to serve the greater good. Because success is never a solo project, as every one of our members and intermediaries can attest to. From families and friends to mentors and employers; every successful career is a story of mutual support, guidance and belief, given at the right moment.

This is a story of **success**, which is **better, shared**.





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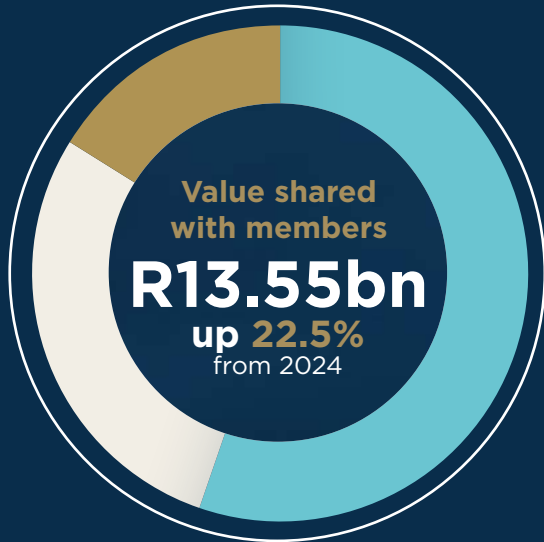
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**R6.88bn**

Total profits allocated to members' PPS Profit-Share Accounts™

**R4.62bn**

Total claims paid

**R2.05bn**

Profit-Share paid to members who have exited their life-risk cover phase

Investment profit allocations

**R5.56bn**

Operating profit allocations

**R1.32bn**

Gross benefits paid to members (excluding Profit-Share allocations)

**R6.67bn**

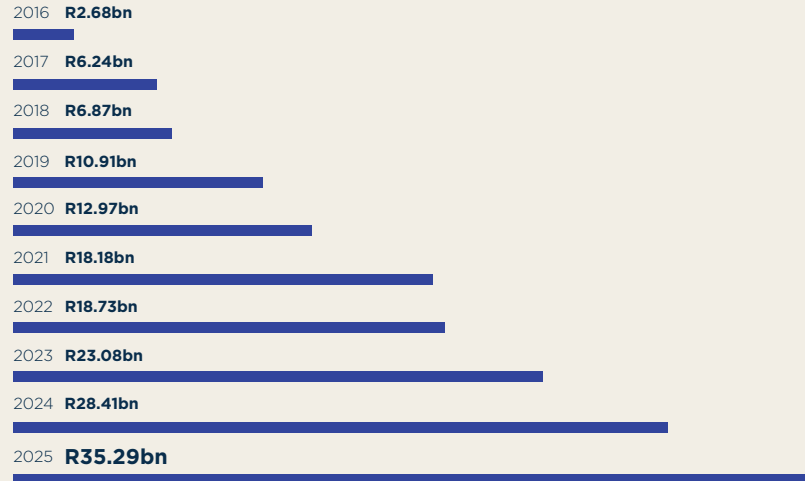
# 2025 Highlights

PPS Profit-Share millionaires

**14 572**

Total cumulative Profit-Share allocation\* to members over the last ten years

**R35.29bn**



The graph illustrates the growth of total cumulative Profit-Share allocations to members over the past ten years with 2016 serving as the baseline. Numbers are for PPS's operations in South Africa.

\*Allocated to members with qualifying life-risk products. Past performance is not necessarily indicative of future performance.

Gross life-risk revenue

**R6.89bn**

up **6.9%**  
from 2024

Total assets at PPS Investments

**R112.12bn**

up **16.2%**  
from 2024

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# Who we are

## THE PPS STORY

Founded in 1941 by a group of dentists who recognised the need to protect their ability to earn an income.

Our founding purpose – to provide financial security for graduate professionals – remains central to our identity today.

Our first responsibility is to pay all valid claims. This is the significant way in which we deliver tangible value to members and honour our commitment to support them through life's uncertainties. Whether facing illness, injury or loss, members can rely on us to provide the protection they need to continue living the lives they want to live.

During the previous century, protecting the ability of members to earn an income was our major focus. But over the last few decades, we have evolved into a diversified financial services provider, offering life-risk cover, investment solutions, short-term insurance, fiduciary services, wealth management and financial advice and healthcare administration. Our model is unique in the South African financial services sector and reflects our commitment to rewarding loyalty and long-term engagement.



Follow this link or scan the QR code to learn more about our story.

## OUR PURPOSE

At PPS, our purpose is to help our members live the lives they want to live, in a world worth living in. This commitment is rooted in our mutual model, which places graduate professionals – their success and happiness – at the centre of everything we do. It reflects our belief in long-term value creation through mutuality – enabling our members to prosper collectively while navigating a rapidly changing world.

This offers our members peace of mind throughout their careers and during retirement, and enables them to leave a legacy for future generations. We remain steadfast in the spirit and performance that define us, and continue to evolve with the needs of our members.

## OUR VALUES

**We take extreme ownership:** PPS takes full responsibility for its impact, avoids blame-shifting and acts as a steward of resources. Decisions are made with accountability and a focus on expanding influence and delivering results. We encourage leadership at all levels in the organisation.

**We are eternally curious:** PPS is committed to continuous improvement and innovation. The organisation encourages experimentation and responds proactively to the complex needs of current and future members. We encourage continuous learning and personal growth.

**We do the right thing:** PPS conducts its business with empathy, authenticity and care, upholding the highest standards of ethics, fairness, governance and respect.



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# Who we are continued

## OUR KEY RELATIONSHIPS

PPS's long-term value creation depends on strong, trusted relationships with stakeholders who contribute to and benefit from its purpose-driven approach.

### Members

Graduate professionals remain central to PPS's business model. Products, services and strategy are designed to meet their needs and deliver sustainable value. Members share in PPS's success through allocations to their PPS Profit-Share Accounts™, reinforcing shared success. Engagement takes place through digital platforms, over the phone, at member events, through surveys, thought-leadership, training and especially through members' trusted financial advisers, to ensure their perspectives guide PPS's future.

### Advisers

PPS-accredited financial advisers provide tailored solutions to graduate professionals. Their expertise supports informed and personalised advice. The nature of many of our solutions, bespoke to graduate professionals, is such that adviser-intermediation is important. PPS enables advisers through training, technology and support tools to uphold high service and compliance standards.

### Employees

Employees drive PPS's daily operations and long-term success. The organisation supports a culture of trust, empowerment and accountability through leadership development, diversity initiatives and well-being strategies. Ongoing engagement helps maintain alignment with PPS's purpose and values.

### Other stakeholders

- **Communities and educational institutions:** Through the PPS Foundation, PPS invests in education, bursaries and infrastructure that support future graduate professionals.
- **Regulators and industry bodies:** Ensuring compliance and supporting policy development.
- **Business partners and suppliers:** Working together to deliver quality services and operational efficiency.
- **Global networks:** Membership of the International Cooperative and Mutual Insurance Federation (ICMIF) strengthens PPS's global recognition and its role in promoting the ethos of mutuality.



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# What makes us different

PPS operates on the ethos of mutuality, which guides how value is created and shared. This approach shapes product design, engagement and governance, ensuring that graduate professionals remain central to every decision.

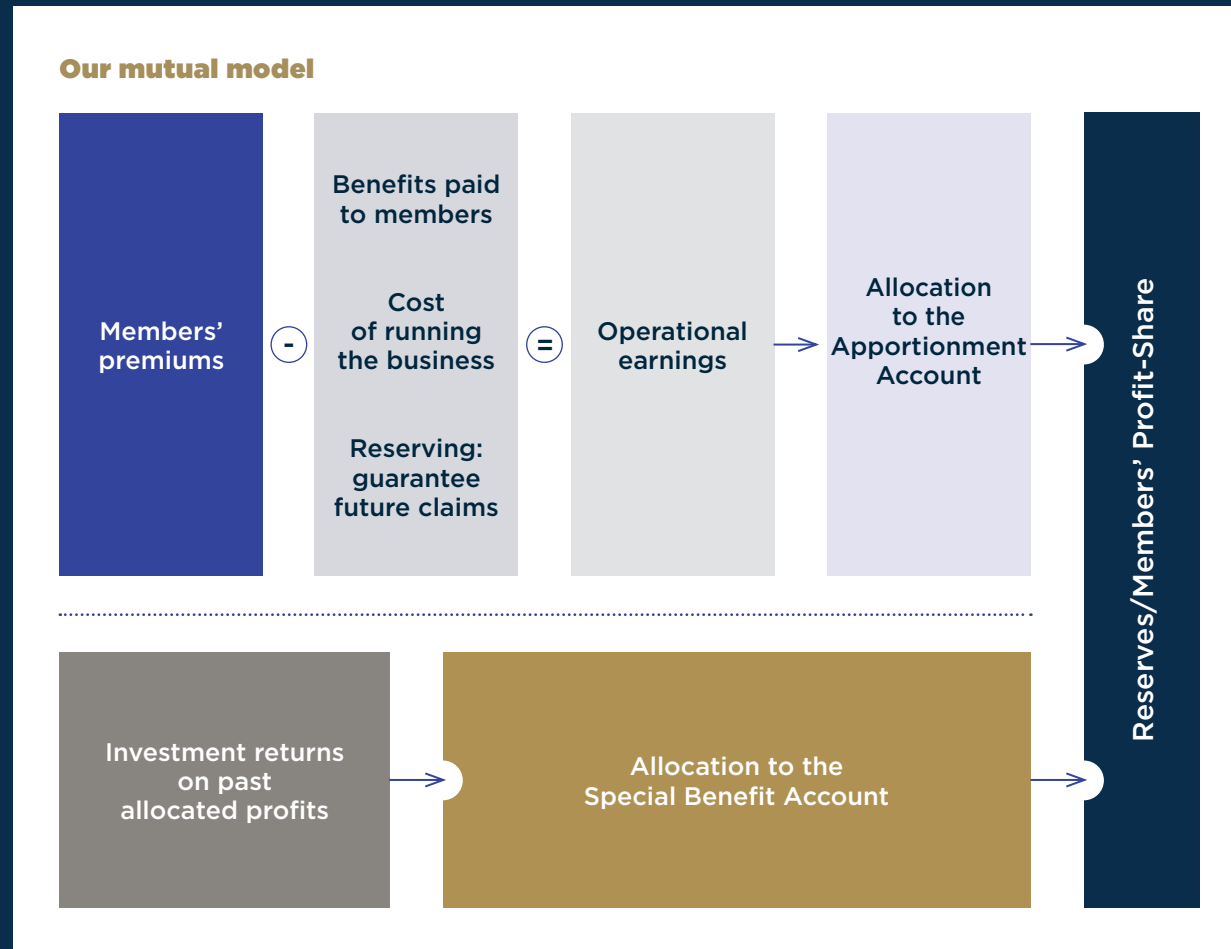
## MUTUALITY IN ACTION

Members with qualifying life-risk products receive allocations to their PPS Profit-Share Account™ that vest on retirement from age 60 or upon death. These allocations are invested responsibly to support long-term growth and financial security. The pooled structure strengthens diversification and resilience over time.

The PPS Profit-Share Cross-Holdings Booster provides an additional allocation based on the number of qualifying products a member holds across PPS subsidiaries and affiliates. Members are placed into tiers that offer 10%, 20% or 30% booster allocations, depending on the number of business areas of the products held.



Follow this link or scan the QR code to see how Profit-Share works.



### DISCLAIMERS:

*The PPS Profit-Share Account reflects the accumulated value of annual profit allocations made to members who hold qualifying products. These amounts are invested on the member's behalf and vest at retirement, death or in other limited circumstances permitted under the qualifying insurance policy terms and conditions. Allocations may be positive or negative depending on operating experience and investment performance, and past allocations are not necessarily indicative of future outcomes.*

*The PPS Profit-Share Cross-Holdings Booster is tiered according to the number of products a member holds across PPS subsidiaries and affiliates, provided that they hold a PPS life-risk product. The Booster allocations may differ each year and allocations can take place annually, which will be dependent on the profitability of PPS and its subsidiary/affiliate's products. PPS reserves the right to discontinue this offering at its own discretion.*

# What makes us different continued

## EXCLUSIVE FOCUS ON GRADUATE PROFESSIONALS

Eligibility is reserved for individuals with a qualifying postgraduate degree or equivalent qualification. This focus reduces business risk and enhances member value. PPS-accredited financial advisers apply industry-specific insight to offer informed, tailored advice.

## MEMBER REPRESENTATION AND GOVERNANCE

PPS Holdings Trust owns PPS Insurance, the operating and holding entity of the other subsidiary businesses in the Group such as PPS Investments, PPS Short-Term Insurance, etc. Except for some *ex officio* and co-opted positions (to ensure optimal alignment with the operating entity and vital skills), the majority of the Board of Trustees of the Holdings Trust is elected by members, ensuring direct representation in how PPS is governed and reinforcing accountability and member alignment.

## BEYOND FINANCIAL BENEFITS

PPS expresses mutuality through wider initiatives that foster opportunity and inclusion. The PPS Foundation invests in education, bursaries and infrastructure, while programmes such as the South African Health Business Academy and Transition to Practice support medical professionals in building business capability.

## FOCUS ON EDUCATION AND THE GRADUATE PROFESSIONALS OF THE FUTURE

Education remains a core priority. Bursaries, scholarships, mentorship and infrastructure upgrades help students complete their studies and enter professional fields, ensuring that the ethos of mutuality continues for future generations.

## INNOVATION AND DIGITAL ENABLEMENT

Digital tools such as the PPS app and PPS Wealth Mentor strengthen transparency and enhance the member experience. These platforms support informed decision-making and help members navigate their financial journey with confidence.



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# What we do

## OUR PRODUCTS AND SOLUTIONS

PPS offers a comprehensive suite of financial and insurance solutions exclusively for graduate professionals. These solutions are grouped under distinct business units to meet members' needs across life stages.



**NOTE:** See the section on GROUP PERFORMANCE on page 30 to review how each business unit under which these products and solutions fall has performed during the 2025 financial year (FY).

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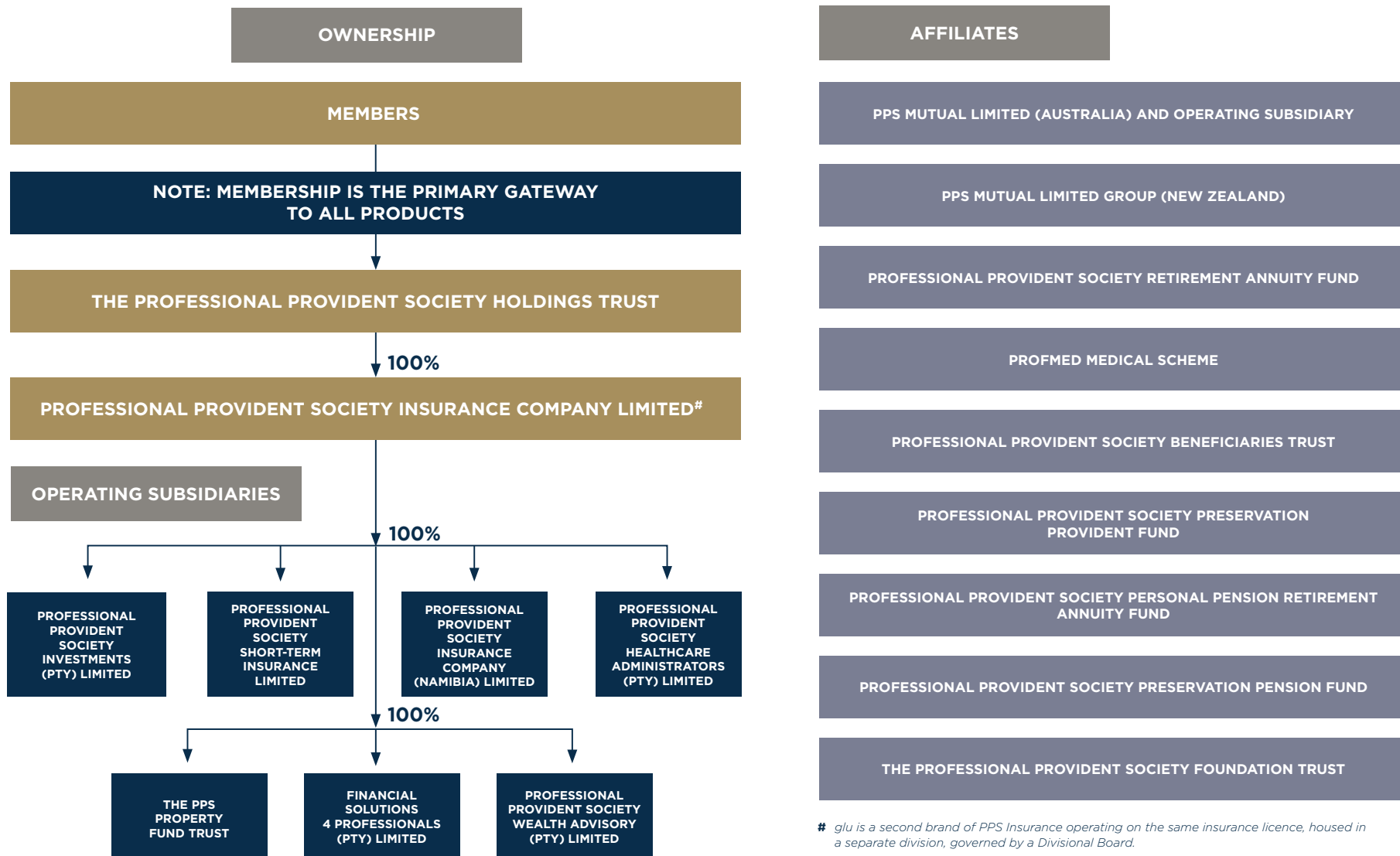
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# What we do continued

## GROUP STRUCTURE

The PPS Group is overseen by PPS Holdings Trust, which holds 100% of the shares in Professional Provident Society Insurance Company Limited (PPS Insurance). Below is a detailed infographic illustrating the complete Group structure.



\* glu is a second brand of PPS Insurance operating on the same insurance licence, housed in a separate division, governed by a Divisional Board.

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# What we do continued

## WHERE WE OPERATE

PPS's primary market is South Africa. Over the years, PPS has expanded its international footprint to strengthen resilience and deliver long-term value while maintaining its member-centric approach. The organisation is also recognised globally for its leadership in mutuality through its active role in ICMIF.

### Global recognition through ICMIF


PPS is recognised globally for its commitment to mutuality and its member-centric model. It is a proud member of ICMIF, which represents mutual and cooperative insurers worldwide. PPS's leadership serves in prominent positions within ICMIF, influencing global standards and reinforcing PPS's reputation as a trusted partner for graduate professionals.

### International member cover

Our risk cover travels with members wherever their careers take them. Once cover is in force, members remain insured while they live, work or travel abroad, with no additional loadings or restrictions for time spent overseas or for most activities, subject to product terms and conditions. Claims can be administered and paid through South African banking channels or to beneficiaries overseas, subject to applicable regulatory, Financial Intelligence Centre Act (FICA) and exchange control requirements, which means graduate professionals and their families enjoy protection across the globe.


### Namibia: A long-standing presence

PPS has served Namibian graduate professionals for decades, even before the country's independence in 1990. PPS Insurance Namibia was formally established in 2002 with its own board and locally appointed chief executive officer, ensuring strong governance and responsiveness to local needs. In 2025 the company recorded an operating profit of N\$59.5 million. It allocated a second consecutive record amount of N\$367.3 million to its members with qualifying life-risk products' PPS Profit-Share Accounts™. At the end of 2025, it had more than 6 000 members.

 Follow this link or scan the QR code for more information on **PPS Insurance Namibia's financial performance.**

### Australia: Growth through mutuality

PPS Mutual Australia started writing business in 2016. The business has grown steadily, with an in-force book of A\$120 million, 17 000 members and a Profit-Share allocation of A\$3.8 million at the end of 2025 – up 24% from 2024. PPS Mutual Australia has earned external recognition, including being named Adviser Ratings Best Retail Insurer of the Year for three consecutive years.

 Follow this link or scan the QR code for more information on **PPS Mutual Australia's financial performance.**

### South Africa: Our primary market

PPS operates primarily in South Africa, where it has total membership of more than 130 000 and provides financial solutions to more than 150 000 graduate professionals.

This report focuses on this market and provides detailed information in the sections that follow.

### New Zealand: Expanding our reach

PPS Mutual New Zealand launched in August 2025, marking the next step in PPS's international expansion. Early engagement has been positive, with 110 accredited advisers actively quoting and writing business. This growth reflects strong alignment between PPS's member-centred value proposition and the New Zealand market.

 Follow this link or scan the QR code for more information about **PPS Mutual New Zealand.**

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# ● Managing what matters

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# Strategic approach

PPS's strategy is designed to address material matters that influence its ability to deliver sustainable value to members. It is typically undertaken over successive five-year periods, with the current period running from 2023 to 2027. It focuses on resilience, relevance and responsibility, ensuring that decisions support long-term outcomes rather than short-term gains. This approach enables PPS to respond effectively to changing member needs, societal expectations and global realities.

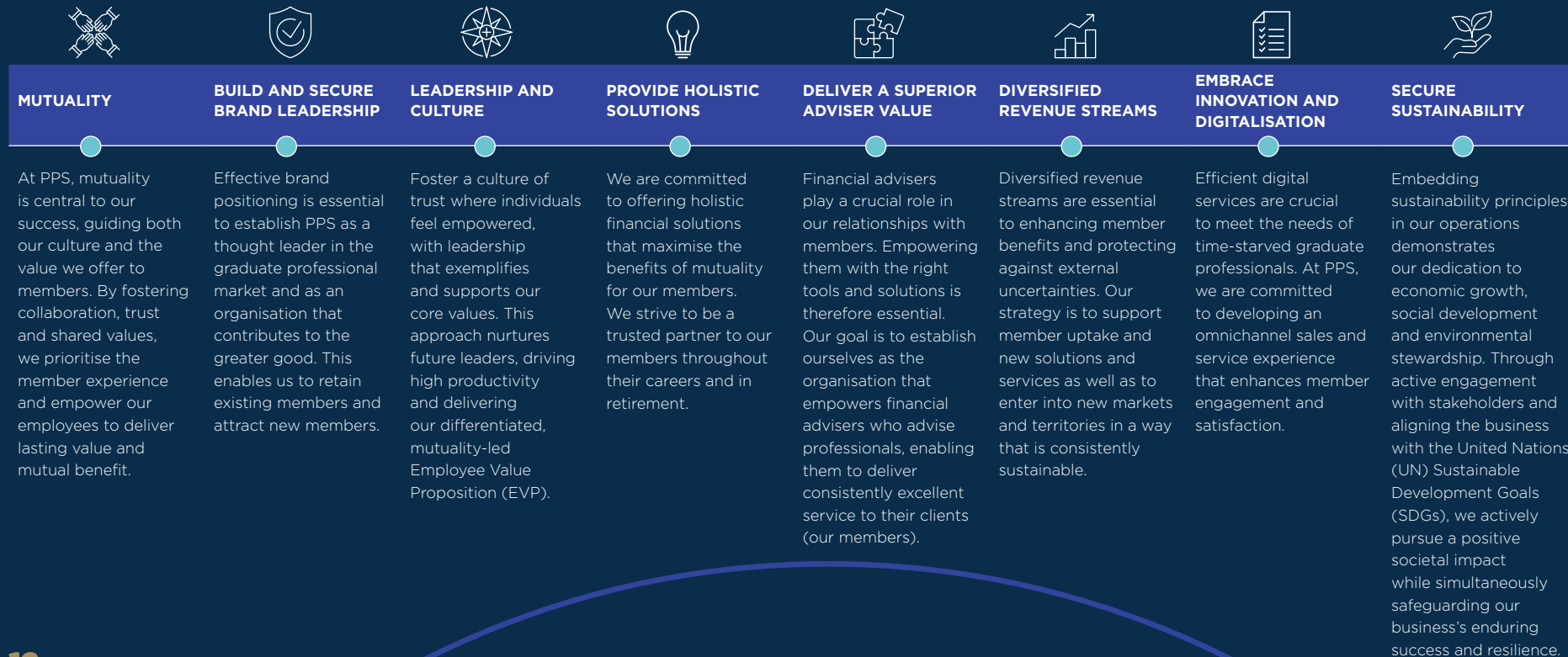
The strategy prioritises innovation, inclusive growth and responsible investment to navigate complexity and build trust in a dynamic environment. It connects financial security with broader social impact, ensuring that actions contribute to meaningful progress for graduate professionals and society.

Three years into the current five-year cycle, PPS has moved from foundational integration to deeper execution. The strategy continues to evolve, embedding

sustainability across operations and decision-making, and aligning with material matters such as digital transformation, demographic shifts, regulatory complexity and climate resilience. This integrated approach positions PPS to create long-term value in line with its ethos of mutuality.

## STRATEGIC THEMES

To ensure that we are able to deliver on our strategic objectives, senior leadership is organised into dedicated teams that focus on each of our eight strategic themes. Collectively, these teams, which have been in place for several years, have significantly accelerated the execution of our strategic objectives. They have proven to be excellent catalysts for keeping the various leadership teams aligned around our common objectives.



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## THE MUTUAL SYSTEM

### A new connected experience for members

PPS will soon launch a next-generation digital mutuality platform designed to connect graduate professionals and families across jurisdictions, expand shared value participation at speed and bring the mutual experience closer to everyday life.

By combining the might of artificial intelligence with neuro- and behavioural science, real-world solutions, expert insight and a like-minded community committed to excellence, we are creating a catalyst unlike anything before – a powerful platform designed with one purpose. To connect people – people who want to make big things happen in their lives – with a compelling, personalised combination of solutions, experts and information to realise their aspirations and impact the world.

Apart from being a robust example of mutuality in action, this platform will also strengthen PPS as a business as much as it strengthens our members. For our graduate professionals, it will advance innovation and digital transformation by expanding our ecosystem and improving accessibility, convenience and self-service capability. It will usher in the intuitive, transparent engagement our younger, digital-native graduate professionals so ardently seek. It will provide the integrated tools and support needed across life stages and professional journeys, deepening engagement, improving advice access and supporting long-term financial resilience. It will promote operational excellence and growth through enhanced efficiency, automation and scalable technology. And it will reinforce sustainability by supporting long-term value creation through informed decision-making and responsible platform design.



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# Material matters – long-term value creation

PPS identifies material matters that have the greatest potential to influence long-term value creation for graduate professionals, members and wider stakeholders. These matters reflect issues that affect strategic performance, financial resilience and PPS’s ability to uphold its ethos of mutuality. They also highlight areas where PPS’s activities have an impact on people, communities and the environment. This approach ensures that PPS remains responsive to external developments while remaining aware of how its actions shape the world in which graduate professionals live and work.

The material matters presented in this chapter were confirmed through a structured organisational process. This process draws on strategic insight, leadership expertise and a detailed understanding of PPS’s operating conditions. It ensures that the selected matters reflect the issues most relevant to PPS’s strategy, risk profile and long-term value-creation model. PPS follows a focused process to identify and prioritise the issues that are most significant to long-term value creation.

## OPERATING IN A LOW-GROWTH ECONOMY

### Defining the issue:

PPS operates in an economic environment characterised by persistent low growth, infrastructure constraints, energy and water shortages and high unemployment, which strain affordability for graduate professionals and increase the risk of premium reductions, product downgrades and policy lapses.

### PPS’s response:

As a financial services provider operating under the ethos of mutuality, PPS remains committed to long-term wealth creation for members. The PPS Profit-Share Account™ ensures that members directly benefit from their continued membership, strengthening their financial security over time. Our multi-manager investment approach diversifies risk across asset managers and strategies, positioning portfolios for resilience in varying market conditions.

Additionally, PPS actively manages retention efforts and cost efficiencies to mitigate controllable losses. To drive sustainable growth, we are expanding our reach by attracting younger graduates and exploring new markets. This can be seen from the establishment of glu in January and the launch of PPS Mutual New Zealand in August 2025. In 2026 we plan to launch an innovative platform that will expand the organisation’s reach in a way that is not linked to geographical areas.

### Linked strategic pillars\*



## SUSTAINING STAKEHOLDER VALUE

### Defining the issue:

PPS’s purpose is to create sustainable financial and lifestyle value for members and their families throughout their working lives and in retirement, which depends on consistent performance, responsible investment, trusted advice and meaningful societal contribution.

Entering new markets and extending reach across professional segments diversifies revenue and strengthens long-term stability.

### PPS’s response:

Operating for the collective benefit of our members, we sustain stakeholder value through our ethos of mutuality, Group values, legal compliance and adherence to the governance principles defined in King IV™ and King V™. Our skilled financial advisers provide professional financial planning, helping to develop and evolve solutions to meet members’ changing needs. Through diversified investments, we ensure consistent returns for our members.

However, our commitment to graduate professionals extends beyond financial services. For example, we provide various training opportunities. More information is available in the PPS Sustainability Report 2024.

### Linked strategic pillars



## DEVELOPING INNOVATIVE PRODUCTS, SERVICES AND SOLUTIONS

### Defining the issue:

Rapid technological change and shifting professional needs require PPS to design and refine integrated solutions continuously – from life-risk and investments to glu, business assurance and digital tools – to remain relevant and competitive for graduate professionals and adjacent segments.

### PPS’s response:

We maintain a deep understanding of our members’ needs, consistently designing and launching customised solutions. Through ongoing engagement, we gather insights into their goals and requirements, refining our services. This can be seen, not only in the establishing of glu, but also through the digital onboarding platform for financial advisers now in use.

### Linked strategic pillars



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# Material matters – long-term value creation continued

## DEALING WITH RAPID TECHNOLOGICAL DEVELOPMENT

### Defining the issue:

Large-scale digitalisation has fundamentally changed how people engage with financial services, creating expectations for always available, omnichannel access, seamless onboarding, transparency and data-rich self-service across PPS's propositions.

### PPS's response:

Analysing and responding to technological developments is fundamental to our commitment to continuous improvement. Our solutions include a multiplatform internet presence, mobile apps, member and intermediary engagement platforms, a customised digital dashboard for each member, an AI-enabled query facility, a tool\* to calculate actual and potential Profit-Share, a data analytics platform that draws on various data points, an AI-powered security platform and a robotics process automation initiative.

In 2025, we continued to focus on the adoption of responsible AI-use throughout the organisation.

### Linked strategic pillars



## MANAGING CYBERSECURITY AND DATA PRIVACY

### Defining the issue:

The exponential increase in cyber breaches globally, combined with remote work, digital platforms and AI-enabled fraud, makes cybersecurity and data privacy critical to PPS's resilience and to protecting member trust.

### PPS's response:

With the ever-expanding cyberthreat landscape, we continued to bolster our IT security strategy, manage development centrally and invest in top-tier technology to enhance the member experience and protect our business. Continuous monitoring of risk and trust levels, together with regular staff training, ensures best-practice cybersecurity. We collaborate with global providers and employ automated responses to mitigate evolving risks.

### Linked strategic pillars



## FOSTERING EMPLOYEE SATISFACTION

### Defining the issue:

In a country with a pervasive shortage of critical skills, PPS's ability to attract, develop and retain engaged employees directly influences service quality, innovation and long-term value delivery to members.

### PPS's response:

During 2025 PPS obtained Top Employer certification, showing its commitment to create an attractive EVP. We also conducted the Barrett Culture survey to measure employees' experience. Engagement was high and is indicative of our commitment to our EVP.

### Linked strategic pillars



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\* The PPS Profit-Share Account™ calculation is based solely on the information provided by the member. It serves as an indication only and is subject to change based on the Company's annual performance and the actual qualifying products held across the PPS Group which may be changed from time to time at the discretion of PPS.

# Material matters – long-term value creation continued

## MANAGING ENERGY NEEDS

### Defining the issue:

Despite some improvements, Eskom's limited and volatile supply continues to pose operational and cost risks for PPS, making energy resilience and efficiency essential to business continuity and climate commitments.

### PPS's response:

Energy independence remains a priority, supported by an installed solar capacity of 66% and an output of 250 kWh at the Parktown head office. In 2025, motion-sensitive, daylight-harvesting LED lights were installed at the head office, with an expected energy saving of 10% to 15%.

### Linked strategic pillars



## CHANGING DEMOGRAPHICS AND EXPECTATIONS

### Defining the issue:

Shifts in age, profession mix, location and expectations among younger graduate professionals directly shape product relevance, distribution, engagement and long-term growth for PPS.

### PPS's response:

Technology adoption plays a central role in strengthening relevance for emerging graduate professionals. Enhanced digital accessibility and more personalised engagement support changing expectations across age groups, professions and locations. Increased presence at universities and earlier connection with students help build a stronger professional pipeline. These efforts ensure PPS continues to meet the evolving needs of future talent while staying aligned with the ethos of shared success.

### Linked strategic pillars



## ENVIRONMENTAL RISK

### Defining the issue:

Environmental risk requires deliberate management of physical, transition and liability risks across investments, operations and product design.

### PPS's response:

A key focus is addressing risks through PPS's investment strategy. This includes private markets that benefit from renewable energy trends. The PPS Global Equity segregated mandate applies a carbon target and specific exclusions to help manage exposure.

### Linked strategic pillars



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# Key performance indicators

KPI	2025 performance	2025 goal/intent	2024 performance		Commentary
Gross premium income <sup>1</sup>	<b>R7.40bn</b>	R7.51bn	R6.86bn	●	Gross premium income is 8% up on the prior year and 1% below expectations.
Investment return (five-year rolling)	<b>14.01%</b>	10.26%	11.58%	●	Investment return measured over a five-year rolling period is well above expectations.
Efficiency ratio <sup>2</sup>	<b>17.1%</b>	17.1%	17.7%	●	Cost control remains a priority. The efficiency ratio ended in line with target and was lower than last year.
Investment gross flows	<b>R11.51bn</b>	R11.03bn	R9.67bn	●	Investment gross flows increased by 19% year-on-year and exceeded expectations by 4%, reflecting strong gross inflows.
New annual risk premiums (long-term insurance) <sup>3</sup>	<b>R273.18m</b>	R320.22m	R257.47m	●	New annual risk premiums increased by 6% year-on-year but fell short of target. The challenging economic environment in South Africa in 2025 continued to impact consumer behaviour.
Assets under administration (PPS Investments)	<b>R112.12bn</b>	R107.28bn	R96.52bn	●	Assets under administration performed higher than expected and also increased by 16% from prior year.
Number of long-term insurance members <sup>4</sup>	<b>130 276</b>	130 323	129 411	●	The total number of members increased by 1% year-on-year, broadly in line with expectations.
Long-term insurance policies lapse rate	<b>4.6%</b>	5.0%	4.4%	●	The lapse ratio increased marginally as member retention was slightly lower than expected but the lapse rate continues to be low by any standard.
Health claims <sup>3</sup>	<b>R2.89bn</b>	R2.63bn	R2.55bn	●	Health claims 9.6% higher than expectation mainly due to a slight increase in the health average claims value and the number of claims.
Death claims <sup>3</sup>	<b>R1.50bn</b>	R1.22bn	R1.11bn	●	Death claims were 23.2% higher than expectations, driven by an increase in claim values, despite a decline in the number of death claims compared to the prior year.
Employee satisfaction survey results	<b>73.0%</b>	>70%	74.0%	●	Employee satisfaction remains strong, notwithstanding a marginal 1% decrease from the prior year. Scores continue to significantly exceed both the global average (55%) and the global insurance industry average (54%), underscoring a resilient and healthy organisational culture.
Training spend as a percentage of payroll	<b>2.2%</b>	>2.0%	2.0%	●	Training spend increased from 2.0% to 2.2% of payroll in 2025, underscoring the Group's ongoing commitment to skills development.

<sup>1</sup> South African operations, long- and short-term insurance.

<sup>2</sup> South African long-term insurance operations excluding glu.

<sup>3</sup> South African operations excluding glu.

<sup>4</sup> South African operations excluding glu.

● Achieved ● Partly achieved ● Not achieved ● Not a target metric but actuarial expectations.

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# PPS Holdings Trust Board



*(From left to right)*

Dr NHP Khosa | Mr AH de Vries | Dr SNE Seoka (Chairman) | Dr CM Krüger | Dr KH Rapetswa | Dr F Mansoor | Adv LC Haupt  
Dr R Putter | Ms PD Ndlovu | Prof HE Wainer | Mr S Trikamjee | Mr C Erasmus | Prof R Perumal | Mr JAB Downie

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# Chairman's statement

## Mutuality reimaged: Building resilience and shared success in 2025

“Looking back on 2025, the ethos of mutuality proved not only resilient but increasingly influential on a global scale. The declaration by the UN that 2025 would be celebrated as the International Year of Cooperatives underscored the vital role that mutual organisations play in advancing societies and its SDGs. Across the world, cooperatives and mutuals are recognised as engines of inclusive growth, resilience and social progress. PPS is honoured to contribute to this movement and is a proud member of ICMIF. PPS welcomed the UN’s call and continues to advocate practical support for communities and companies operating on an ethos of mutuality in South Africa and the other countries that we have business interests in. Organisations like PPS foster trust, stability and empowerment in a world where uncertainty often prevails. By pooling resources and sharing risk, these organisations enable individuals to secure their futures while strengthening the communities they serve.”

### NAVIGATING A COMPLEX ENVIRONMENT

The macroeconomic environment remained challenging in 2025. While global growth has stabilised somewhat, geopolitical tensions and market volatility persisted and increased. A world order that existed for decades seems to be changing significantly. Locally, South Africa experienced shifts that signal improving conditions. First, the country was removed from the Financial Action Task Force’s grey list in October 2025, following the successful completion of 22 action items – an achievement delivered in less than two years since being placed on the grey list, and widely seen as confidence in the financial system. Second, the South African Reserve Bank lowered the repo rate three times in 2025 – totalling 75 basis points – providing relief to households and signalling a more benign inflation outlook. Of material monetary importance, the inflation target was lowered to 3% per annum, which is closer to those of our major trading partners. These shifts were complemented by South Africa’s successful G20 Presidency and Leaders’ Summit held in Johannesburg in November.

Importantly, there are also indications of greater collaboration between government and business. The penny might have finally dropped that private investment, initiative and involvement is a key that will unlock notable economic growth. On the energy front, new public-private partnership regulations took effect in June 2025, clearing a pathway to crowd in private capital for grid expansion. In parallel, private producers added measurable renewable capacity amid reforms that enabled energy trading and wheeling, strengthening supply stability and catalysing investment. And it is not only in energy but in many other industries such as transport where government is stepping back to allow the private sector in to solve significant challenges. These developments matter to members, because stability in the operating environment augments personal and practice resilience.



**Dr Sybil Seoka**

Chairman: PPS Holdings Trust Board

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Yet households remain under strain. The Association for Savings and Investment South Africa (ASISA) noted that its 2025 Insurance Gap Study revealed a massive shortfall of more than R50 trillion in life and disability cover across South Africa – approximately seven times 2024 gross domestic product – reflecting deep vulnerabilities in household financial resilience. These amounts translate directly into everyday commitments: whether a typical home loan can be cleared, whether tuition at a public university or at a private institution can be funded. For graduate professionals, this gap is even more pronounced, given higher income responsibilities and the need for uninterrupted practice.

## ARTIFICIAL INTELLIGENCE AND RESPONSIBLE INNOVATION

Another major trend to note is the rapid acceleration of the use of artificial intelligence (AI). This is both a tremendous opportunity and a huge risk, and likely to be as important a transition in the way we live and work as the internet was at the end of the previous century, if not more so. AI continues to transform financial services and the many professions in which our members practice. Globally, profound developments include unprecedented capital investments in these new technologies and a wider international emphasis on safe, secure and trustworthy AI.

On the risk side, AI brings escalated fraud challenges as deepfake-enabled scams, synthetic identities and AI-powered social engineering increase in scale. PPS's approach is measured and member-focused. AI-enabled tools streamline routine tasks, enhance underwriting and improve member experience, while defence-in-depth cybersecurity and strict data ethics controls safeguard sensitive information. PPS launched **a comprehensive AI training programme** for staff in 2025, embedded AI governance within Board oversight and strengthened data privacy and security controls. These measures reflect PPS's commitment to protecting members' interests while responsibly harnessing the new technology for increased member value.

## GRADUATE PROFESSIONALS: DRIVERS OF SOUTH AFRICA'S ECONOMY

These global shifts matter because they shape the environment in which graduate professionals operate. Graduate professionals are central to South Africa's prosperity. They diagnose and treat, design and build, argue and adjudicate, teach and research, audit and advise. Their practices form the connective tissue of the economy – employing teams, investing in equipment and technology, paying taxes, mentoring interns and sustaining local supplier networks. A single practice can anchor an entire community's ecosystem of employment and services; a network of practices can catalyse regional growth. When graduate professionals thrive, families are more secure, skills deepen and productivity improves; the whole national economy thrives as well; when they falter, the effects ripple into service delivery, employment and the country's long-term sustainability and competitiveness.

**Protecting and assisting graduate professionals** to be more successful is therefore a national imperative. Insurance that keeps households financially secure after a shock, investment solutions that grow long-term savings and health administration that simplifies complexity all contribute to resilience. PPS's model – where members share directly in all the value created – strengthens this protection. The mutual safety net matters most in difficult years. It keeps graduate professionals in practice, keeps teams employed and keeps communities served.

Working together is essential. Graduate professionals bring expertise and commitment; advisers translate complex needs into practical roadmaps; universities and professional bodies maintain standards and pipeline quality; regulators uphold trust and stability; families and colleagues provide support at the moments that matter. PPS convenes across this system to co-create solutions for professional risks, practice management and well-being.

## DELIVERING TANGIBLE VALUE AND STRATEGIC PROGRESS

Despite the complex operating environment, PPS again delivered exceptional value to members in 2025. We celebrate, for a second consecutive year, the highest Profit-Share allocation ever to our members. These allocations to PPS Profit-Share Accounts™ enable members to share directly in the success of the Group, with many long-standing members receiving allocations that exceeded their annual premiums. The PPS Profit-Share Cross-Holdings Booster further rewards members who hold PPS products across subsidiaries and affiliates, compounding value across life, health, short-term and investments. Our Declared Annual Benefit Adjustment also assists members to keep their cover in line with inflation and lifestyle changes, without any additional underwriting, **helping to combat the South African trend of underinsurance** mentioned earlier.

2025 was a year of bold progress. PPS introduced glu, an offering that extends mutual benefits to a broader audience in South Africa. This is very important, as South Africans in the non-professional segments can enjoy life insurance, short-term insurance and investment solutions under the ethos of mutuality. Furthermore, PPS obtained the necessary regulatory approvals to secure a licence in New Zealand and started writing business in that country in August 2025. PPS Mutual Australia continued to demonstrate the strength of the model in that country, growing from strength to strength, and we are approaching the 20 000-member mark in Australia. PPS expects international operations to benefit local members through brand and intellectual property licensing and providing support services where applicable.

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## INVESTMENT PERSPECTIVE: DRIVING RESILIENCE AND SUSTAINABILITY

2025 marked the third consecutive year of strong investment market performance, contributing significantly to our profit and member allocations. PPS celebrates these results while cautioning against unrealistic expectations. Our investment philosophy remains focused on the longer term. Market cycles are inevitable and, while we celebrate the impressive returns of 2025, we remind ourselves that such returns are not sustainable every year. Our strategy is designed to deliver resilience and sustainable growth over time.

An important area where PPS advances sustainability is through its investment approach. PPS is increasingly prioritising portfolios and managers that share its long-term view and commitment to responsible, sustainable practices. As highlighted in the PPS Sustainability Report 2024, this focus supports financial resilience while contributing to broader environmental and social outcomes that matter for future generations.

## POSITIVE IMPACT IN SOCIETY AND SHARED OBJECTIVES

I mentioned earlier the enormous impact that graduate professionals have on society. Care for well-being is part of this impact and of shared objectives. Graduate professionals often carry a profound sense of duty, but the demands of practice and lifestyle can lead to imbalance.

We can see this from increased claims numbers in 2025, which reduced underwriting profit. Sickness claims were approximately 6% above year-on-year expectations, while death claims ended the year 34% higher. These trends reflect the pressures facing graduate professionals – economic stress, burnout, less time to care for their physical being and mental health challenges. Behind these numbers are real lives and families, and PPS remains steadfast in its role as a partner during difficult times.

PPS advocates for holistic wellness through a programme that encourages active member participation and supports both physical and mental health, and is committed to supporting members not only financially but in living healthier, more sustainable lives.

The PPS Healthy Weigh Challenge, as an example, encourages sustained habits of movement, nutrition and self-care and directs entry fees to education initiatives, **linking personal health to collective progress**. Reality Wellness supports members' mental health, with particular focus during critical illness claims when stress and decisions peak. These programmes exist because a healthier graduate professional is a stronger employer, mentor and community anchor. It also results in fewer claims, increasing the underwriting profits that our members share.

The South African Health Business Academy, an initiative that PPS started in 2023, is another example of collaborative capability building, equipping clinicians with the tools to start and sustain private practices. Continuing professional development programmes and practice forums foster peer learning so that knowledge flows across professions rather than remaining siloed. Partnerships with professional associations ensure product design responds to real-world needs instead of abstract assumptions. The shared objective is simple and urgent: keep professionals serving, protected and thriving so that society can do the same.

## TOP EMPLOYER CERTIFICATION

PPS celebrated the achievement of Top Employer certification in 2025 – recognition that reflects a sustained, proactive commitment to fostering an environment where our employees thrive. Organisations grounded in trust, shared purpose and consistent investment in their people are better positioned to serve members and society. For PPS members, this distinction signals an organisation that prioritises excellence, stability and long-term capability, ensuring that the people who support graduate professionals every day are equipped and empowered to do so.

## EDUCATION AND WORKING TOGETHER FOR THE NEXT GENERATION

Education sits at the heart of PPS's purpose because it shapes who will diagnose, design, adjudicate and lead tomorrow. PPS's approach is collaborative by design. Cultivating Tomorrow's Professionals is an initiative that originated a few years ago among our staff. This has grown since and is a programme where PPS staff give their free time to mentor and work with public schools to support mathematics, host monthly workshops and expose learners to university environments. Learners receive guidance, not only on academics, but on soft skills such as presentation, communication and emotional intelligence that underpin professional confidence. In addition, our **bursary programmes are comprehensive** because financial strain can derail potential. Support covered tuition, residence and living costs within set limits and was coupled with mentorship and wellness interventions so that students could focus on their studies rather than survival.

Work readiness is a joint effort. The Learned Engaged Accelerated Professionals programme equips final-year students and graduates with practical tools for CVs, interviews, professionalism and financial wellness. Subsidised medical aid for students, delivered through healthcare administration partnerships, keeps future graduate professionals healthy during their studies. Nutrition initiatives on campus tackle food insecurity so that energy goes into learning rather than coping. This is mutuality in action. Staff volunteer their time, advisers give expertise, universities open their doors, partners provide resources and members' own wellness efforts fund additional bursaries. The result is an intergenerational compact: today's graduate professionals invest in tomorrow's, who will in turn invest in the next generation. PPS believes that success is better shared, and education is where that truth is most visible.



Read more about PPS Investments' sustainability initiatives in the **PPS Sustainability Report 2024**.

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## LOOKING AHEAD: MUTUALITY REIMAGINED, REIGNITED

As global and local economies navigate uncertainty, the need for organisations that prioritise shared benefit and resilience has never been greater. PPS stands ready to meet this need. Our purpose remains clear: to help members live the lives they want to live in a world worth living in.

PPS will soon launch a next-generation digital mutuality platform designed to connect graduate professionals and families across jurisdictions, expand shared value participation at speed and bring the mutual experience closer to everyday life.

It is a huge project that we have embarked on with the assistance of one of the world's leading professional firms.

PPS will continue to innovate, advocate and invest in ways that strengthen our ethos and amplify its impact. The theme of our 2025 Integrated Report – Mutuality: Reimagined, Reignited – captures this commitment. It signals a future where mutuality is not only preserved, but expanded through digital platforms, international partnerships and collaborative ecosystems that connect graduate professionals across borders. It is a call to action for shared success and sustainable progress.

To PPS's members, thank you for your trust and loyalty. To PPS's employees and advisers, thank you for living PPS's values every day. Together, we are building a future defined by shared success and sustainable progress.

I would also like to convey the recognition of my fellow trustees to our Group CEO, Izak Smit, who, together with the Group executive team, continues to guide us on our business journey. He and his team ensure that, as a Group, we stay true to our purpose and values and remain consistently responsive to changing needs and circumstances in many proactive and innovative ways. They are supported by our hard-working and dedicated staff, who deliver on our ethos of mutuality every day.

Finally, I would like to express my gratitude for the advice and support of my deputy, Dr Mannie Krüger, the support of all the PPS Trustees and the advice and support from the Chairman of the PPS Insurance Company Board, Charles Erasmus.

They ensure that the Board remains a lasting example of cooperation, innovation and good governance. Their unwavering commitment to the financial security and well-being of the PPS community is truly commendable. I must also thank my family, whose support for me and my work is unfailing.

**Dr Sybil Seoka**  
Chairman: PPS Holdings Trust Board

## CHANGES TO THE BOARD

A number of changes to the PPS Holdings Trust Board of Trustees and the PPS Insurance Company Limited Board took place during the reporting period.

### PPS HOLDINGS TRUST BOARD OF TRUSTEES

- Dr A Coetzee was not elected as a Trustee and resigned from the PPS Holdings Trust Board on 12 May 2025.
- Ms DLT Dondur was not elected as a Trustee and resigned from the PPS Holdings Trust Board on 12 May 2025.
- Dr RE Ngwenya was not elected as a Trustee and resigned from the PPS Holdings Trust Board on 12 May 2025.
- Dr BR Ntshabele resigned from the PPS Holdings Trust Board on 12 May 2025.
- Mr VP Rimbault was not elected as a Trustee and resigned from the PPS Holdings Trust Board on 12 May 2025.
- Ms PD Ndlovu was elected as a Trustee at the 12 May 2025 PPS Holdings Trust AGM.

### PPS INSURANCE COMPANY LIMITED

- Ms DLT Dondur resigned from the PPS Insurance Board on 12 May 2025.

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# Directors of the PPS Insurance Company Limited



*(From left to right)*

Dr DP du Plessis | Mr C Erasmus (Chairman) | Prof WJ Maroun | Mr S Trikamjee | Mr SG Johnson (Group Chief Financial Officer)  
 Mr NJ Battersby (Deputy Group Chief Executive Officer) | Mr JAB Downie | Dr SNE Seoka | Dr CM Krüger | Dr NHP Khosa | Mr EJS Franklin  
 Mr IJ Smit (Group Chief Executive Officer) | Mr CE Backeberg | Mr AH de Vries | Mr LM de Villiers | Prof HE Wainer (Deputy Chairman)

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# CEO's message

“Value creation for members has always been the measure of PPS’s success. In 2025, every decision was guided by one question: how does this strengthen the benefits we deliver to graduate professionals? These efforts are not just about performance today – they are about building confidence and security for generations to come.”

## OVERVIEW

Value creation for members has always been the measure of PPS’s success, and in 2025, this principle remained at the heart of everything we did. Every decision, every investment and every operational improvement was guided by the question: how does this strengthen the benefits we deliver to our graduate professional members and the advisers who guide them? This report reflects that commitment and provides a transparent account of how PPS created value during the year – not only through financial performance but through innovation, sustainability and service excellence.

2025 was shaped by much global uncertainty, yet PPS continued to deliver on its promise. We achieved **strong financial results**, significantly advanced strategic priorities and laid the groundwork for solid future growth. This includes investing in a next-generation digital mutuality platform that will connect and assist professionals with life decisions (to be unveiled to the market in 2026). We strengthened operational efficiency, enhancing digital capability, forming partnerships and accelerating innovation. These achievements matter because they translate into tangible benefits for members – from the security provided by timely payment of valid claims and the confidence that PPS remains a trusted partner throughout their professional life journeys through allocations to members’ PPS Profit-Share Accounts™.

For graduate professionals, long-term value begins with well-being. Everything they aspire to achieve in their careers, the purpose they pursue and the contribution they hope to make to society depends first on being healthy enough to make those ambitions a reality. Protecting that foundation remains central to how PPS supports its members.

This report is more than a record of numbers; it is a story of shared success. It demonstrates how PPS continues to honour its purpose – to help graduate professionals live the lives they want to live, in a world worth living in – and how we are preparing for the future while staying true to the ethos of mutuality that defines us.

## BUSINESS PERFORMANCE

We are pleased to present the Integrated Report for 2025, reflecting a strong year for the Group and our members. We again demonstrated our ability to create long-term value for graduate professionals by strengthening operational foundations, delivering consistent performance and expanding opportunities for shared success. The year was shaped by disciplined execution and a focus on building resilience across all business areas.

For a second consecutive year, we celebrated record Profit-Share allocations to members. To put this in perspective: The Profit-Share distributed was almost equal to gross premiums in our Life Solutions business (death, disability, critical illness and sickness and permanent incapacity cover). Many members received more in Profit-Share allocations than the premiums they paid, which underscores the exceptional value returned to members.

Performance across business units was strong. PPS Life Solutions advanced product innovation with enhancements to existing offerings and **developing new solutions** designed to meet evolving member needs. Initiatives included the simplification of Profit-Share structures, repricing of the Sickness and Permanent Incapacity product to improve sustainability and the introduction of Life Service Fees to strengthen adviser remuneration.



**Izak Smit**  
Group Chief Executive Officer

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As an organisation that operates under the ethos of mutuality, we always celebrate the value that we return to our members in the form of claim payments. Paying valid claims remains our first priority, before allocating Profit-Share. This is of course a difficult statement to make for non-mutual organisations, where the claims line in the income statement is a true negative. But at PPS, we celebrate the fact that the claims support provided to our members in 2025 was **by far the highest in our history**, R4.39 billion. We are always cognisant that behind these numbers are real families and lives. The impact on society is huge. Increased claims, of course, had a dampening effect on underwriting profit.

**PPS Investments** delivered exceptional results, supported by strong inflows, robust investment markets and expanded product ranges. The business introduced hyper-personalised portfolios, including tailored retirement income solutions and Shari'ah-compliant funds, while embedding environmental, social and governance (ESG) principles into investment processes. Impact investments in education and infrastructure reinforced PPS's commitment to creating mutual value beyond financial returns.

The very **strong investment markets** also supported much of the profit that we could allocate to our members. Being an organisation with mutuality at its core and that does not have outside shareholders, PPS has a substantial balance sheet which generates significant investment returns. 2025 was again a very good year in the investment markets, for a third year in a row. Members will know from past reports that I am quick to point out after such a year, that it is the long-term average returns that matter and not a single year's performance. Years such as 2023, 2024 and 2025 support good long-term returns. We celebrate them! But it should not lead to exuberant future expectations. Financial reporting cut-offs are somewhat artificial snapshots in a continuous cycle.

That said, the value returned to our members in 2025 remains exceptional.

**PPS Short-Term Insurance** recorded its strongest performance to date, achieving scale and profitability through disciplined underwriting and operational efficiency. A major milestone was the successful insourcing of claims administration, which improved control, responsiveness and member experience. Retention rates strengthened and digital enhancements such as the Quick Quote Tool positioned the business for future growth.

**PPS Health Professions Indemnity** delivered a standout performance. The insured base expanded significantly, supported by strong uptake from the Pharmaceutical Society of South Africa (PSSA) scheme and healthy renewals. Financial results exceeded expectations, driven by careful expense management and favourable claims experience. Service improvements included a major upgrade to the administration and claims system, enabling faster turnaround times and reinforcing PPS's reputation for reliability in protecting healthcare professionals.

**PPS Healthcare Administrators** continued to innovate in managed care and member health outcomes. Digital transformation initiatives such as robotic process automation and omnichannel platforms streamlined workflows, while AI-powered enhancements improved disease risk management and reduced hospital re-admissions.

International expansion gained momentum, with **PPS Mutual Australia** maintaining strong new business flows and a high-quality book. Now in its tenth year, PPS Mutual Australia has matured significantly. In terms of new business, despite only serving the professional market segment, PPS Mutual Australia is now firmly established among the top ten largest life insurance businesses in terms of new inflows in Australia. We are looking forward to welcoming the 20 000<sup>th</sup> member in that country. After obtaining its regulatory licence, PPS Mutual New Zealand started writing business in that country in August 2025, marking a proud milestone after years of preparation. These developments matter for South African members

because they diversify PPS's revenue streams and strengthen overall financial resilience. Fee and royalty income generated by these businesses contribute to the pool that supports allocations to PPS Profit-Share Accounts™, ensuring members benefit from growth beyond South Africa's borders. In addition, PPS's presence in these markets enhances its influence in global mutuality forums, enabling knowledge-sharing and innovation that ultimately enriches the value proposition for all members.

In January 2025, we launched **glu**, a new business to broaden access to mutuality-driven benefits in South Africa. The proposition was extended because there was a clear need within the broader community for solutions that drew on the ethos of mutuality in a more accessible way. As a young operation, glu has a clear long-term outlook anchored in strong operational foundations, growing distribution capability and continued investment in digital enablement. The team has expanded the accredited financial adviser base, implemented major system releases and introduced ProfitBack™, which operates similarly to PPS's Profit-Share by rewarding members for their engagement. Awareness initiatives have supported recognition of the offering as glu continues to establish its presence in the market. PPS remains committed to positioning glu as a recognised brand in 2026, with a clear focus on further refining the product offering, strengthening distribution and leveraging digital innovation to accelerate adoption. As part of this strategy, PPS Investments introduced glu Invest, extending inclusive investment opportunities to new segments and reinforcing the Group's diversification objectives. PPS Short-Term Insurance have also rolled out glu products to the non-professional market segments.

These achievements are not ends in themselves; they are the means through which PPS delivers on its promise to members. Every operational improvement and strategic initiative is aimed at **strengthening the foundation for future growth** and ensuring that success is shared. This is the essence of mutuality reimagined – a model that prioritises long-term value over short-term gains and builds confidence for generations to come.

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## MEMBERSHIP

Membership growth in 2025 reflected steady progress despite a challenging economic environment. Members holding PPS life-risk products in South Africa now amounts to more than 130 000. This **growth** was supported by sustained engagement efforts focused on young graduate professionals at earlier stages of their careers, where interest in long-term financial security continues to strengthen.

Encouragingly, South African lapse rates remained exceptionally low by industry standards, reinforcing PPS's ability to retain members even amid financial pressures. The lapse rate for 2025 was 4.6%, compared to 4.4% in 2024. **Strong retention** continues to be a key driver of profitability and long-term sustainability, ensuring that members benefit from consistent value throughout their careers.

The **Graduate Division** played a pivotal role in building relationships early in professional careers, generating thousands of leads through campus activations and financial literacy initiatives.

## STRATEGIC PROGRESS: BUILDING FOR THE FUTURE

2025 was a year of disciplined execution and meaningful progress on initiatives that will shape PPS's next decade. The organisation's **85<sup>th</sup> anniversary**, now in 2026, inspired the theme of this report – Mutuality Reimagined. Reignited. – a theme that reflects both continuity and renewal. It signals PPS's commitment to honouring its ethos of mutuality while reimagining how it is delivered in a world where member expectations, market dynamics and societal priorities are evolving rapidly.

Looking ahead, we are extremely excited about a **new digital offering** that we will launch to members and the wider South African population later in 2026. This next-generation digital platform is designed to help individuals

plan and live their lives, which talks to our purpose at PPS. More will be revealed in due course but the platform is designed to create a connected experience that integrates products, services and rewards, enabling members to engage with mutuality in a way that is modern, seamless and globally scalable.

Process and product innovation continued to strengthen PPS's value proposition. **Enhancements to flagship offerings** and the development of new solutions ensure that PPS remains competitive and responsive to members' needs.

Operational progress was evident in several areas. **Digital transformation accelerated**, with significant enhancements to platforms and processes, improving efficiency and member and adviser experience. A key initiative focused on streamlining new business processes and improving ease of doing business for advisers and members. By reducing administrative complexity and introducing automation, turnaround times were shortened and service reliability was enhanced.

PPS introduced advanced digital tools designed to empower advisers and engage members. PPS Wealth Mentor, a financial needs analysis platform, enables advisers to deliver personalised, holistic advice and helps members visualise their financial goals. This tool supports **informed decision-making** and reinforces the ethos of mutuality by showing members how PPS solutions can work together to create long-term security. Alongside PPS Wealth Mentor, we launched PPS Metropolis, a gamified digital platform where members and potential members can learn more about PPS and its offerings in an interactive, engaging way.

Across the organisation, we are also embracing the opportunities that new **AI technologies** provide. A significant portion of our staff, including most of the senior leadership team, have received extensive AI

training and are encouraged to bring these innovations into their jobs, to serve our members even better.

## OUR STAFF

At PPS we have always believed that happy and motivated employees serve our members and their advisers better. We take employee well-being seriously. New colleagues who join us always remark on the very special and unique culture at PPS, often different from the environments that they came from. We are extremely proud of this culture.

Our **Top Employer certification** in 2025 reflects the focused work of the Human Resources team in building a modern, values-aligned workplace that supports performance and well-being. Key initiatives during the year strengthened leadership development, talent processes and organisational culture, ensuring that teams have the skills and support needed to respond to member needs with agility and professionalism. These efforts form an essential foundation for operational resilience and they reinforce PPS's commitment to developing the people who deliver value to graduate professionals throughout the year. The achievements reflected in this report always remain a huge team effort.



Follow this link or scan the **QR code** to access the **PPS Wealth Mentor**.



Follow this link or scan the **QR code** to access the **PPS Metropolis**.

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## A WORD OF THANKS

My sincere appreciation goes to all PPS colleagues for their dedication and resilience. Your efforts have strengthened our ability to deliver meaningful benefits and lay the foundation for future growth.

I also acknowledge the invaluable guidance of our non-executive Board members. Dr Sybil Seoka, Chairman of PPS Holdings Trust, and Charles Erasmus, Chairman of PPS Insurance Limited, together with the chairs and members of subsidiary boards and subcommittees, continue to provide trusted counsel that reinforces strong governance and strategic clarity.

I had the privilege of working with Charles for many years. He will be stepping down as Chairman of PPS Insurance in 2026, after almost two decades with the organisation as a non-executive. The footprint that he will leave at PPS and the broader financial services community in South Africa, is immense. Our members have benefitted hugely from his wise counsel, wealth of experience and steady guidance.

To our partners and accredited advisers, thank you for your collaboration and support in helping us serve members better.

Finally, a profound thank you to our members. Your trust in PPS is the reason we exist. It drives us to innovate, uphold integrity and create value that matters - today and for generations to come. It is always great if one can find true purpose in one's endeavours and helping our members to live the lives that they want to live is a purpose that my colleagues and I find truly inspirational.

**Izak Smit**  
PPS Group Chief Executive Officer



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# PPS Group Executive Committee



*(From left to right)*

Mr NJ Battersby (Deputy Group Executive Officer) | Mr SG Johnson (Group Chief Financial Officer) | Mr L du Plessis | Mr AJ Fraser | Mr MM Mtshali  
 Mr JD van der Sandt | Mr JA Thomas | Ms MD Molefe | Mr WJ Mouton | Ms S Bassudev | Mr S Ruiters | Ms AN Seboni | Mr IJ Smit (Group Chief Executive Officer)  
 Mr HH van Heerden | Mr VE Barnard | Mr JP Loubser

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# Group performance

## PPS Life Solutions

### ● Value

PPS Life Solutions provides graduate professionals with comprehensive life-risk cover that adapts to their evolving needs throughout their careers and into retirement. Holding a qualifying life-risk product is the core requirement for members to participate in Profit-Share allocations, enabling them to share in PPS's success while securing long-term financial protection and well-being.

### ● Focus

Customised life-risk solutions including life, accidental death, sickness, critical illness, disability and education insurance.

### ● Unique features

- Lifetime solutions for graduate professionals from their fourth academic year, throughout their careers and into retirement.
- Dynamic cover that adjusts to members' changing professional and personal needs, ensuring lifelong relevance and security.

### ● Core solution

The Sickness and Permanent Incapacity benefit covers up to 728 days of gross professional income in the event of sickness or incapacity, provided the individual has been booked off for seven days or longer. Cover continues in the case of permanent disability until the chosen benefit retirement age.

### ● Additional benefits

- International cover and cover for hazardous recreational activities.
- A single mobile app offering access to the member's portfolio, information about products and services, wellness planning, retirement planning, fiduciary services and a professional community.

In 2025, PPS Life Solutions reinforced its position as a key contributor to member well-being by delivering comprehensive life-risk cover and enabling participation in Profit-Share allocations through qualifying products. This remains the central value of the business unit: providing graduate professionals with financial security while ensuring they share in PPS's success. The introduction of a transparent and simplified Profit-Share Lifetime Mutuality structure improved clarity and strengthened the ethos of mutuality, making it easier for members to understand how their qualifying products contribute to long-term wealth creation.

Product enhancements addressed evolving member needs. The repricing of the Sickness and Permanent Incapacity benefit, implemented on 1 November 2025, ensured sustainability while maintaining competitive cover. The Immediate Needs benefit limit has been increased to R100 000, offering members greater financial security during critical life events. These changes demonstrate PPS Life Solutions's commitment to delivering relevant and robust protection.

Performance indicators reflected the success of these initiatives. Membership growth was supported by targeted campaigns such as Business Assurance, Mingle and Mingle Reconnect, alongside eligibility reviews that reactivated previously cancelled members. These efforts contributed to an increase in annual premium income and improved retention rates. Lapse rates trended slightly upward but continued to stay very low, reinforcing member trust and loyalty.

### VALUE ADDED

Beyond core benefits, PPS Life Solutions introduced initiatives that enriched the member experience and strengthened adviser engagement. The launch of a new fee model in October 2025 enhanced adviser remuneration and incentivised superior service delivery. PPS IQ training equipped distribution teams with advanced knowledge and tools, enabling them to communicate PPS's value proposition effectively and drive deeper engagement with members.

Digital innovation continued to add value through the PPS mobile app, which provides members with seamless access to their portfolios, planning tools and wellness resources. These enhancements reflect PPS Life Solutions's focus on creating an integrated, advice-led experience that goes beyond traditional insurance.

Profit-Share benefits continued to deliver long-term value through features such as the PPS Profit-Share Cross-Holdings Booster. In addition, members with a vested PPS Profit-Share Account™ can continue earning allocations post-retirement, reinforcing PPS's commitment to shared success and financial security beyond active professional years. These developments underscore the principle that success is better, shared and demonstrate PPS Life Solutions's ability to translate mutuality into tangible financial benefits.

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# PPS Life Solutions continued

## Claims statistics

Sickness claims paid  
**R983.6m**  
 up 6.3%  
 from 2024

Permanent incapacity claims paid  
**R1 007.5m**  
 up 6.7%  
 from 2024

Life cover claims paid  
**R1 504.9m**  
 up 35.8%  
 from 2024

Critical illness claims paid  
**R792.8m**  
 up 50.6%  
 from 2024

Lump-sum disability claims paid  
**R102.3m**  
 down 34.4%  
 from 2024

## SUPPORTING PPS'S OVERALL STRATEGY

The initiatives implemented by PPS Life Solutions in 2025 directly supported the Group's strategic objectives. Enhancing transparency around Profit-Share and reinforcing qualifying product requirements strengthened the ethos of mutuality and deepened member engagement. Product enhancements such as the repricing of the Sickness and Permanent Incapacity benefit and the increase in Immediate Needs benefit limits addressed evolving member needs, while digital innovations like the PPS mobile app improved accessibility and convenience.

Adviser enablement through the new commission model, Life Service Fees and PPS IQ training supported the delivery of superior advice and improved member relationships. Membership growth campaigns and eligibility reviews contributed to diversification and resilience amid economic uncertainty. Operational efficiencies achieved through IT optimisation and streamlined processes reinforced sustainability, while enhancements to member benefits demonstrated PPS's commitment to trust and long-term value creation.

Through these actions, PPS Life Solutions translated strategic intent into tangible outcomes, ensuring that graduate professionals continue to benefit from comprehensive protection and shared success.

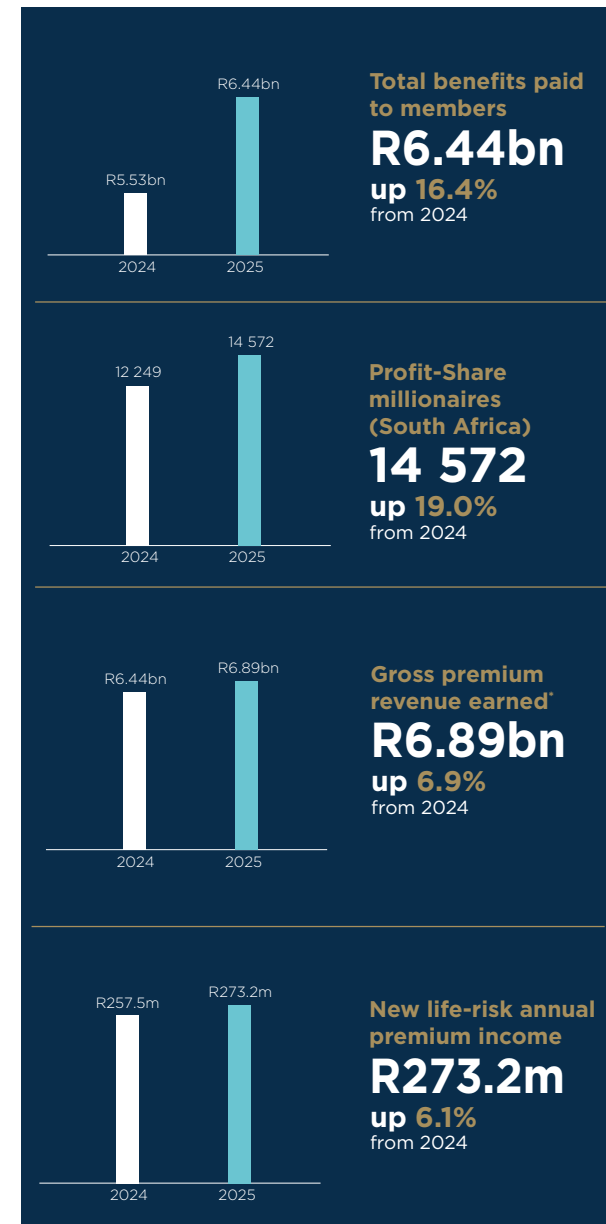
## FUTURE OUTLOOK

Looking ahead, PPS Life Solutions is well-positioned to build on these achievements. Priorities for 2026 include launching new products, completing benefit enhancements and advancing digital capabilities to deliver a seamless onboarding experience. The business will continue to focus on innovation, transparency and adviser enablement to ensure relevance in a competitive market. While economic growth is expected to remain constrained and emigration continues to impact the graduate professional segment, PPS Life Solutions will leverage its strong value proposition and targeted campaigns to attract new members and retain existing ones.

By aligning its initiatives with PPS's strategic pillars and maintaining its unwavering commitment to mutuality, PPS Life Solutions will continue to create enduring financial security for graduate professionals and deliver on the promise of shared success.



Follow this link or scan the QR code for more information about PPS Life Solutions.



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# PPS Investments

- Value**

PPS Investments provides graduate professionals with bespoke investment solutions that combine competitive portfolio returns with the benefits of mutuality. Members holding qualifying life-risk products enjoy allocations to their PPS Profit-Share Accounts™, reinforcing long-term wealth creation and shared success.
- Focus**

Diversified investment solutions tailored for graduate professionals, including hyper-personalised investment solutions, retirement income strategies, multi-managed portfolios and discretionary fund management.
- Unique features**

Integrated investment and insurance solutions that reward loyalty through Profit-Share allocations. Hyper-personalised solutions and digital platforms enable members to exercise choice over their Profit-Share allocations and portfolio construction while developing South Africa’s future graduate professionals.
- Core solution**

The PPS Multi-Managed portfolio range delivered an average annualised return of 19.1%, ahead of both their benchmarks and ASISA peer category.
- Additional benefits**

Access to PPS Partnership Funds managed by leading local and global asset managers, Shari’ah-compliant options and Retirement Income Solutions uniquely designed for professionals and their respective vocation with sustainable drawdown strategies.

In 2025, PPS Investments strengthened its role as a key contributor to member prosperity through strong investment performance, product innovation and digital transformation.

The business delivered resilient financial results, expanded its fund range and introduced solutions that support members throughout their professional and retirement journeys. These initiatives reinforced PPS’s ethos of mutuality and commitment to creating long-term value for graduate professionals.

## INVESTMENTS AND INVESTMENT CAPABILITIES

PPS Investments responded to ongoing member preferences and professional needs by introducing Retirement Income Solutions, which was launched to provide members nearing retirement with sustainable drawdown strategies and smoother transitions.

Multi-managed portfolios continued to deliver strong outcomes and Portfolio Choice remained a key feature for members from age 55, enabling them to decide how their accumulated PPS Profit-Share Account™ allocations are invested. By allowing members to select from PPS-approved investment portfolios, this feature helps align Profit-Share with retirement objectives and risk appetite, ensuring relevance and long-term value creation.

Hyper-personalised offerings, including Shari’ah-compliant funds and tailored glidepath portfolios, further strengthened PPS Investments’s ability to meet diverse member requirements.

In 2025, PPS Investments expanded its asset management fund range with the introduction of three new funds and partner managers, namely, the PPS SA Flexible, PPS SA Balanced and PPS Worldwide Funds, thereby enhancing the range of investment options available.

Across the fund ranges, the investment team navigated a volatile market environment with disciplined portfolio positioning. Early-year defensive allocations protected

members during periods of uncertainty, while tactical increases in risk exposure during the market rebound captured upside potential.

## OPERATIONAL RESILIENCE

Operational efficiency improved with the implementation of a centralised investment data platform and enabling scalable processes to deliver member investment solutions. PPS Investments maintained strong governance and compliance, responding proactively to regulatory developments, such as the new Conduct Standard for CIS Managers and anti-money laundering requirements.

Assets under administration and management grew to R112.12 billion, supported by continued inflows into multi-managed portfolios and new investments into discretionary fund management services and the partnership fund range, increasing gross flows for the year by 19%.

## VALUE ADDED

Beyond financial returns, PPS Investments enriched stakeholder value through purposeful initiatives. Advisers benefitted from targeted training programmes such as the Mutual Mastery webinar series equipping them to deliver holistic advice under PPS’s mutuality-led model, while members joined insightful engagements with the Retirement Reimagined series.

## SUPPORTING PPS’S OVERALL STRATEGY

The initiatives implemented by PPS Investments in 2025 directly supported the Group’s strategic objectives. Enhancing transparency around Profit-Share and reinforcing qualifying product requirements strengthened the ethos of mutuality and deepened member engagement. Lifetime Mutuality initiatives and enhanced Profit-Share projection tools empowered members to understand and maximise long-term benefits.

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## PPS Investments continued

To extend the benefits of mutuality for members and their families, PPS Investments launched glu Invest, designed to reinforce mutuality benefits across member generations.

Product innovation, including the launch of new PPS Partnership Funds and Retirement Income Solutions, addressed evolving member needs while broadening the investment range. Digital enhancements such as the secure online portal upgrade and adviser authorisation functionality improved accessibility and convenience for both members and advisers.

PPS Investments also advanced its environmental and social agenda by embedding ESG principles into investment mandates and allocating capital to impact funds aligned with PPS's sustainability framework. This included transitioning offshore assets to sustainability-focused portfolios and allocating capital to impact funds such as EduFund and IDEAS, which support education and infrastructure development.

### Morningstar ratings:

1 fund = 5-star rating

9 funds = 4-star ratings

These actions align with PPS's sustainability framework and UN SDGs, particularly SDG 4 (Quality Education) and SDG 13 (Climate Action). By integrating ESG into mandates, engaging with asset managers on sustainability and aligning investments to the Code for Responsible Investing in South Africa (CRISA), PPS Investments contributes to PPS's broader strategy of creating long-term value for members while promoting responsible growth.

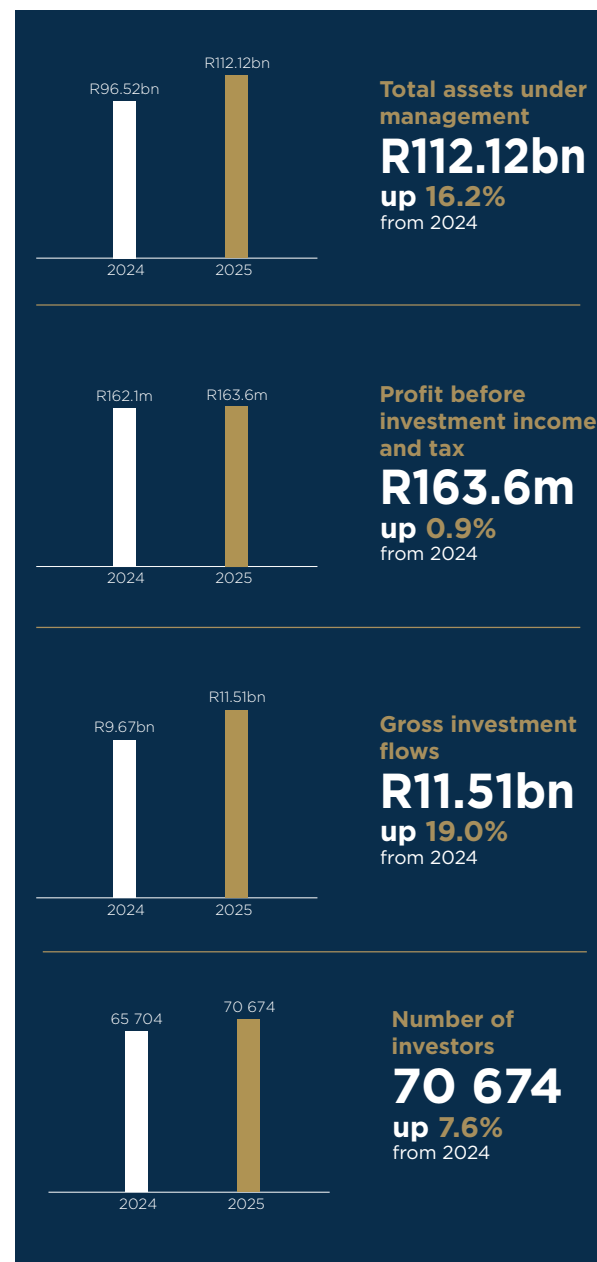
## FUTURE OUTLOOK

Looking ahead, PPS Investments will continue to build on the progress achieved in 2025 by focusing on sustainable growth and innovation. The business is committed to deepening its value proposition for graduate professionals through solutions that anticipate changing financial needs and market dynamics. A key priority will be enhancing the integration of technology and advice, ensuring that members and advisers experience seamless, data-driven interactions that support holistic planning.

Further development of personalised investment solutions will remain central, with emphasis on pre-retirement strategies and flexible options that empower members to make informed decisions about their financial futures. PPS Investments will also advance its environmental and social agenda by further embedding ESG principles more deeply into its investment approach and expanding the range of responsible investment options available to members.

Operational excellence will continue to underpin these initiatives to improve reporting and faster turnaround times, reinforcing the business's ability to deliver superior member service. Adviser enablement will remain a cornerstone, with plans to strengthen support through advanced tools, regional knowledge forums and collaborative engagement opportunities.

Through these actions, PPS Investments aims to create enduring financial security for graduate professionals while driving innovation and reinforcing the ethos of mutuality. The focus will be on delivering solutions that not only meet immediate needs, but also support long-term prosperity and shared success for future graduate professionals.



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Follow this link or scan the QR code for more information about **PPS Investments**.



Read more about PPS Investments' sustainability initiatives in the **PPS Sustainability Report 2024**.

# PPS Short-Term Insurance

PPS Short-Term Insurance and PPS Health Professions Indemnity operate under the same short-term insurance licence in South Africa. These businesses extend PPS’s ability to deliver comprehensive financial protection for graduate professionals by addressing risks beyond life and disability cover. Together, they contribute to holistic solutions that safeguard members’ assets and professional reputations, while diversifying PPS’s revenue streams.

## PPS Short-Term Insurance (Personal and commercial lines)

### Value

Provides graduate professionals with tailored short-term cover for vehicles, homes and businesses, ensuring peace of mind and financial security.

### Focus

Intelligent and customised short-term insurance solutions delivered through omni-channel distribution.

### Unique features

Cover designed for graduate professionals, complemented by benefits such as Home Drive Assist, Home Assist, Roadside Assist and emergency Protect Me assistance.

### Core solution

- Pro-Insure Personal: Comprehensive cover for personal assets.
- Pro-Insure Business: Protection for commercial assets and risks.

### Additional benefits

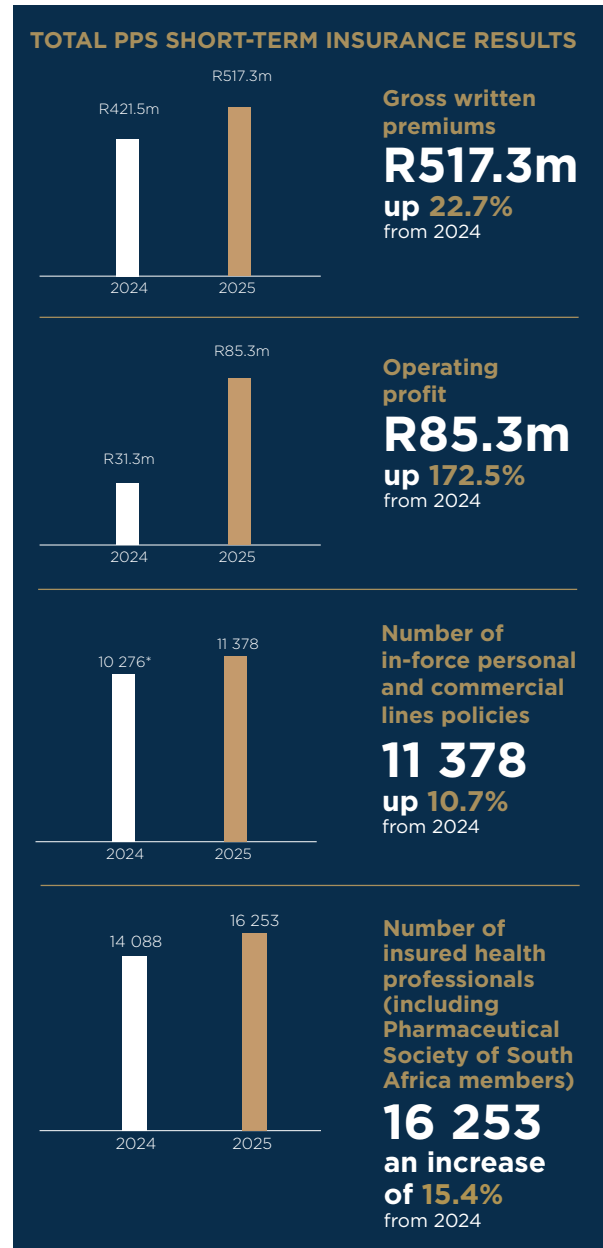
- Personal leisure rental car difference in excess cover.
- Luggage delay compensation for flights.
- WhatsApp servicing for policy queries and claims updates.
- Home Drive Assist to encourage responsible driving.
- Emergency Protect Me assistance for armed responder support.
- Home Assist for plumbing, electrical and locksmith emergencies.
- Roadside Assist, including towing and battery jump-start.

In 2025, PPS Short-Term Insurance strengthened its role in supporting graduate professionals by paying R151.1 million in personal and commercial lines claims, an increase of 3.2% compared to 2024. A growing number of graduate professionals chose PPS Short-Term Insurance for personal and commercial lines cover, reflected in a 10.7% increase in in-force policies to 11 378 compared to 2024. Digital tools such as Quick Quote and enhanced telephony platforms improved convenience, while WhatsApp servicing provided additional avenues for members to engage with PPS Short-Term Insurance. The insourcing of claims administration, implemented in late 2024, marked its first full year and proved transformative. Direct control over the claims process enabled faster turnaround times, improved quality assurance and a more empathetic, member-focused experience.

Financial performance exceeded expectations despite economic headwinds. Premium income and profitability grew steadily, supported by strong retention rates and competitive pricing. Independent intermediaries continued to drive new business growth, supported by streamlined processes and adviser enablement initiatives.



Follow this link or scan the QR code for more information about **PPS Short-Term Insurance**.



\* In 2024, the disclosed number of members reflected only personal lines (9 236). This figure has since been updated to include both personal and commercial lines members.

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# PPS Short-Term Insurance continued

## PPS Short-Term Insurance (Personal and commercial lines continued)

### CLAIMS EXPERIENCE

The first anniversary of insourced claims administration highlighted continuance in quality service delivery. Enhanced quality audits, training and process documentation resulted in greater consistency and accuracy. Member feedback emphasised the importance of proactive communication and self-service capabilities, which are receiving focused attention. Retention rates remained high, reflecting member confidence in claims responsiveness and fairness.

### VALUE ADDED

Beyond financial protection, PPS Short-Term Insurance contributed to holistic well-being through educational initiatives on risk prevention and sustainability. Cover for electric vehicles and other environmentally conscious solutions reflected the Group's commitment to ESG principles. Adviser enablement through streamlined quoting tools and process optimisation reduced complexity and empowered intermediaries to deliver superior service.

### SUPPORTING PPS'S OVERALL STRATEGY

PPS Short-Term Insurance strengthens PPS's strategic objectives by diversifying revenue streams and expanding the Group's footprint beyond traditional life-risk solutions. Its omnichannel distribution model and digital innovations enhance member engagement, while ESG-aligned offerings support PPS's sustainability goals. These contributions ensure PPS delivers holistic solutions that meet evolving member needs and reinforce long-term resilience.

### FUTURE OUTLOOK

Priorities for 2026 include scaling the portfolio responsibly, expanding self-service capabilities and leveraging AI for enhanced efficiency across operations. Sustainability will remain integral to product development, ensuring relevance and resilience amid evolving risks.

## PPS Health Professions Indemnity

### Value

Provides healthcare professionals with comprehensive indemnity protection, safeguarding their professional reputation and financial security.

### Focus

Indemnity insurance for practitioners across all medical disciplines.

### Unique features

Personalised, risk-adjusted cover backed by global expertise from ProAssurance Corporation with fully integrated digital processes.

### Core solution

Comprehensive indemnity cover for healthcare professionals registered with recognised councils such as the Health Professions Council of South Africa, the South African Nursing Council and equivalent bodies in Namibia. The solution protects against claims arising from professional services, including allegations of negligence, errors or omissions and includes legal defence costs. Backed by global expertise through ProAssurance Corporation, this flagship offering ensures practitioners have robust protection and access to expert support throughout the claims process.

### Additional benefits

- Online incident reporting and claims tracking.
- Dedicated account managers for personalised support.
- Proactive risk management and advisory services.
- Legal assistance and professional advisory support.
- Direct-to-member model for efficiency and cost control.

PPS Health Professions Indemnity delivered exceptional performance in 2025. Gross written premiums were R181.1 million (2024: R146.1 million), driven by increased uptake among specialists and improved portfolio mix. Claims run-off savings from prior years reinforced the quality of the portfolio.

A new direct-to-member model has reduced downtime and process re-engineering has improved efficiency in new business and renewals. Policies can now be issued within one hour of first contact to reflect the business commitment to service excellence.

### VALUE ADDED

Beyond indemnity cover, PPS Health Professions Indemnity delivers value through proactive risk management, helping practitioners mitigate exposure and improve outcomes. Continuous system enhancements and process optimisation ensure that resources are deployed where they have the greatest impact: servicing members.

### SUPPORTING PPS'S OVERALL STRATEGY

PPS Health Professions Indemnity advances PPS strategic objectives by diversifying revenue and extending the Group footprint in specialised risk solutions for healthcare professionals. It supports the holistic approach to financial protection, while disciplined underwriting and digital innovation strengthen sustainability, efficiency and resilience.

### FUTURE OUTLOOK

The business will continue to focus on growth among healthcare professionals and new graduates, supported by system-enabled processes and disciplined operations. The strategic objective remains clear: to provide comprehensive indemnity protection at a fair premium, ensuring long-term sustainability and member confidence.

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Follow this link or scan the QR code for more information about **PPS Health Professions Indemnity**.

# PPS Healthcare Administrators

## ● Value

PPS Healthcare Administrators provides boutique healthcare administration and managed care services that prioritise member well-being and scheme sustainability. It delivers tailored solutions that combine advanced technology with personalised engagement, ensuring long-term value for members, advisers and healthcare partners.

## ● Focus

Administration and managed healthcare services for medical schemes, supported by digital platforms and data-driven insights. PPS Healthcare Administrators offers client-centric solutions that enhance member experiences and improve health outcomes through innovation and operational excellence.

## ● Unique features

- Boutique servicing model that offers tailor-made solutions.
- Integration of AI and automation to improve efficiency and accuracy across operations.
- Omnichannel engagement tools, including enhanced portals, mobile app features and WhatsApp for Business, enabling seamless interaction for members and advisers.
- Industry-leading preventative healthcare initiatives, such as digital facial scanning technology for early risk detection.

## ● Core solution

Advanced managed care programmes that include disease risk management, re-admission prevention and mental well-being support. These programmes leverage AI and data analytics to improve health outcomes, reduce hospital admissions and enhance scheme sustainability.

## ● Medical schemes/insurance clients

- Profmed receives full administration and managed care services, including preventative health initiatives such as digital facial scanning.
- KeyHealth benefits from administration and managed care supported by AI-driven disease risk management and re-admission prevention programmes.
- Regular Force Medical Continuation Fund (RFMCF) is supported through managed healthcare services focused on chronic condition management and reducing hospital admissions.
- Chartered Accountants Medical Aid Fund (CAMAF) relies on PPSHA for advanced forensic services to strengthen fraud detection.
- Witbank Coalfields Medical Aid Scheme (WCMAS) benefits from managed healthcare services, including mental well-being programmes and enhanced disease risk management.
- PPS Health Insurance provides affordable primary healthcare solutions designed to offer essential health services for members unable to join traditional medical schemes.

## ● Additional benefits

- Affordable primary healthcare solution through PPS Health Insurance, designed for members who cannot access traditional medical schemes.
- Enhanced adviser support through dedicated portals, call centres and digital tools that enable efficient servicing and improved client engagement.
- Continuous innovation in fraud detection and member retention modelling using AI and machine learning.
- Mental well-being and care programmes that support healthier lifestyles and improved outcomes for members.
- PPS Wallet and PPS Gap solutions, together with dental risk management for Profmed members, offering greater flexibility and comprehensive cover options.

In 2025, PPS Healthcare Administrators strengthened its position as a trusted partner in healthcare administration by delivering innovative, client-focused solutions that improve member well-being and enhance scheme sustainability. The business continued to differentiate through boutique servicing, advanced digital capabilities and strategic partnerships that deliver measurable health outcomes.

AI-powered tools were embedded across administration and managed care processes, improving accuracy and creating more efficiency. Digital facial scanning technology was introduced for Profmed and KeyHealth, setting a new standard in preventative healthcare management. PPSHA also launched PPS Health Insurance, an affordable primary healthcare solution that addresses gaps in access amid economic and regulatory challenges.

These developments reflect PPS Healthcare Administrators' commitment to innovation and operational excellence, ensuring members receive seamless, caring service while schemes benefit from improved efficiency and resilience.

## Challenges

The operating environment in 2025 presented significant challenges. Regulatory uncertainty, including delays in Low-Cost Benefit Options and ongoing discussions around National Health Insurance, created affordability pressures. Economic constraints and rising unemployment affected membership growth and retention. Competitive pricing among administrators required continuous efficiency improvements, while retaining younger, healthier members remained a priority in a shifting demographic landscape.

## Service enhancements and innovations

PPS Healthcare Administrators strengthened its digital transformation strategy by introducing tools that support employees behind the scenes, streamlining workflows and enhancing service accuracy while ensuring that members continue to receive personal, attentive support. Omnichannel platforms, including enhanced portals

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# PPS Healthcare Administrators continued



and WhatsApp for Business, improved engagement for members, providers and advisers. Managed care programmes were expanded to include mental well-being support and enhanced disease risk management, leveraging data analytics to reduce hospital admissions and improve health outcomes.

### VALUE ADDED

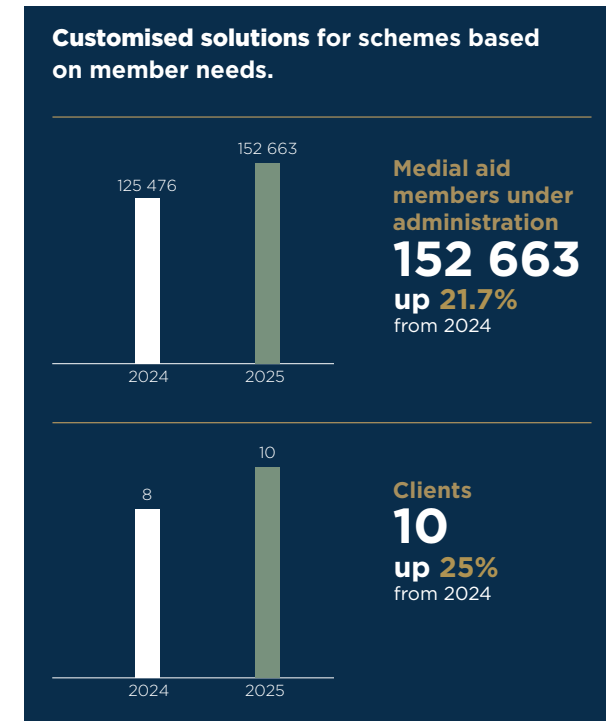
PPSHA delivered significant value beyond core administration through technology-driven enhancements and strategic partnerships. AI and machine learning supported fraud detection and member retention modelling, enabling proactive interventions and reducing risk. Managed care programmes improved health outcomes and strengthened scheme solvency. Employee development was prioritised through bursaries, learnerships and continuous training, fostering a high-performance culture and supporting long-term success.

### SUPPORTING PPS'S OVERALL STRATEGY

PPSHA's initiatives in 2025 were closely aligned with the organisation's strategic priorities. A strong focus on innovation and digital transformation drove the deployment of AI, automation and omnichannel platforms, which enhanced operational efficiency and improved engagement across stakeholders. Operational excellence was reinforced through cost optimisation and streamlined processes, ensuring resilience and competitiveness in a challenging market. The expansion of managed healthcare services, together with the introduction of affordable health insurance, reflected PPSHA's commitment to delivering holistic solutions that meet diverse member needs. Sustainability remained central, with programmes designed to improve health outcomes and strengthen scheme solvency, creating long-term value for members and supporting the ethos of mutuality.

### FUTURE OUTLOOK

In 2026, PPS Healthcare Administrators will continue investing in digital solutions, generative process automation and quality assurance enhancements. Strategic priorities include expanding managed healthcare services for new clients, introducing mental well-being programmes for PPS members and extending operations into additional African markets. These initiatives aim to deliver superior member experiences, improve health outcomes and sustain long-term success in a rapidly evolving healthcare landscape.



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# glu

## Value

Offers more South Africans the opportunity to participate in a mutual financial ecosystem that prioritises shared success. Through its embedded ProfitBack™ benefit and simplified product suite, glu helps members build long-term financial resilience while navigating life's uncertainties with confidence.

## Focus

Mutuality-based life-risk and financial protection solutions designed to extend PPS's legacy to a broader South African market. glu offers cover for life, disability, critical illness and sickness, as well as non-life solutions including investments, home and car insurance and fiduciary services. The offering is tailored for middle-to-upper income individuals, ideally aged 25 to 55, with a diploma or degree or a connection to a PPS member.

## Unique features

- Inclusive eligibility criteria that expands access beyond PPS's graduate-only market.
- ProfitBack™ automatically accumulates value for members with qualifying cover, unlocking progressively over time and fully accessible after 25 years or at age 65, whichever comes first.
- The Financial Togetherness™ philosophy fosters a community-centred approach to financial planning.

## Core solution

glu is a digital-first insurance business that combines seamless technology with a human touch to remove anxiety from a member's financial journey.

## Additional benefits

- Home and car insurance designed for simplicity and ease of use.
- Fiduciary services, including will drafting, trust administration and estate planning.
- glu Investments, offering accessible investment options to support wealth creation and long-term financial goals.

## PERFORMANCE

2025 marked glu's first year of operations and the successful establishment of its physical presence in Johannesburg and Cape Town.

While the year delivered meaningful progress in adviser accreditation and policy uptake, membership growth was slower than anticipated. This reflects the reality of operating in a highly competitive South African market, where building trust and awareness for a new division takes time. The team responded by intensifying engagement efforts and refining distribution strategies to strengthen traction.

Digital-first technology enabled seamless onboarding and efficient processes, positioning glu as a modern, technology-driven solution provider. Operational priorities included building strong distribution partnerships and accrediting advisers at scale, supported by dedicated training and digital tools.

## ADDED VALUE

glu extended the ethos of mutuality to a broader audience. The ProfitBack™ feature remained central to this value proposition, allowing members to accumulate long-term benefits while enjoying peace of mind through comprehensive cover.

For advisers, glu provided hands-on support and intuitive digital platforms that streamlined processes and freed up time for relationship-building. Internal stakeholders benefited from a culture of agility and collaboration, with opportunities for innovation and growth embedded into everyday operations.

Feedback channels were actively used to refine products and processes, ensuring that glu remained responsive to market needs and aligned with its promise of Financial Togetherness™.

## SUCCESSFUL INITIATIVES

glu's market entry was supported by extensive marketing and brand-building campaigns that focused on awareness, engagement and trust. A national roadshow brought the brand closer to

advisers, fostering advocacy and strengthening distribution relationships. Strategic media partnerships and thought-leadership contributions positioned glu as a credible and innovative player in the financial services sector.

Digital campaigns delivered strong engagement, with significant traffic to the glu website and early adoption of its online platforms. Social media activations and targeted content amplified the brand's message, while participation in industry podcasts and events reinforced its reputation for innovation.

Recognition through industry awards, including multiple Gold PRISM Awards and a nomination as Africa Tech Start-Up of the Year, affirmed glu's impact and credibility. These achievements, combined with operational milestones such as adviser accreditation and positive service ratings, reflect a strong foundation for future growth.

## LOOKING AHEAD

2026 will focus on accelerating member growth. The first year provided valuable insights into market dynamics and highlighted the need for deeper engagement and stronger distribution reach.

The priority for the year ahead is to build on these lessons by refining marketing strategies, strengthening adviser networks and enhancing service delivery. Product improvements and digital enhancements will continue to support a seamless experience for members and advisers.

Economic conditions remain challenging, but glu is committed to applying a disciplined approach to growth and operational efficiency. The emphasis will be on converting awareness into adoption and ensuring that the value proposition resonates with a broader audience.



Follow this link or scan the QR code for more information about glu.

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Summary and reference to full report on [www.pps.co.za](http://www.pps.co.za)



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# Summarised Corporate Governance Report

## CORPORATE GOVERNANCE OVERVIEW

“Strong governance is the backbone of confidence – for members, regulators and stakeholders. Our priority is clear: Ensure transparency, compliance and accountability while enabling strategic progress.”

PPS maintains a governance environment designed to uphold transparency, accountability and responsible leadership. The governance philosophy is rooted in ethical conduct and long-term value creation for graduate professionals. PPS fully applies the principles and outcomes of King IV™ and continues to align governance structures and practices with the direction of King V™ coming into effect for financial years commencing from 1 January 2026, which places increasing emphasis on technology accountability, sustainability and organisational resilience. The governance approach ensures that the organisation remains agile, compliant and forward-looking as expectations for ethical and responsible corporate behaviour evolve.

PPS Holdings Trust serves as the controlling entity and its Board carries ultimate responsibility for governance across the PPS Group. Governance is executed through a clearly defined delegation framework that spans the PPS Holdings Trust Board, the PPS Insurance Board and the boards of subsidiary entities. This structure supports consistent oversight of strategic progress, financial soundness, risk exposures and compliance with regulatory standards. It fosters an environment in which directors apply independent judgement, demonstrate integrity and act in the best interests of its members and stakeholders.

## GOVERNANCE FRAMEWORK

The governance framework is based on a unitary Board model, which enables coordinated oversight of organisational performance and risk. Key elements include formal mandates, committee structures, internal controls and an enterprise risk management framework that ensures systematic and proactive risk identification, assessment and mitigation. Policies that guide risk management, compliance, internal control, Fit-and-Proper requirements and technology governance underpin the governance framework and reinforce fairness, accountability and transparency throughout the Group.

Regulatory alignment remains a core focus. The governance environment incorporates the requirements of the Companies Act, the Insurance Act, Prudential Standards and related legislation. Governance policies are reviewed regularly so that updates in regulatory and governance expectations are reflected in operational and decision-making processes. This enables disciplined oversight of internal financial controls, actuarial governance, compliance monitoring, data and information management, technology risks and the combined assurance model. These elements collectively support accurate reporting, responsible conduct and sound financial management.

Specialised governance functions strengthen the operational integrity of the PPS governance system. These include the company secretariat, risk management, compliance, internal audit, actuarial governance, the Head of Actuarial Function, external audit, resulting in combined assurance. These functions provide independent insight into key risk areas, monitor adherence to policies and legislation and support the internal control environment. Fraud and corruption prevention mechanisms, as well as confidential reporting channels, further enhance ethical conduct and provide assurance that all concerns may be raised securely and without prejudice. These governance functions form the foundation of PPS’s Five Lines of Assurance model and contribute to a robust and reliable control environment.



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# Summarised Corporate Governance Report continued

## BOARD AND COMMITTEE OVERSIGHT

The PPS Holdings Trust Board is composed predominantly of independent non-executive trustees, including a majority of Trustees elected by Ordinary Members, supplemented by co-opted Trustees with specialised skills. The Chairman and Deputy Chairman of PPS Insurance serve as ex officio members of the PPS Holdings Trust Board and, similarly, the Chairman and Deputy Chairman of PPS Holdings Trust serve as ex officio members of the PPS Insurance Board, supporting alignment across the Group. The PPS Insurance Board comprises a majority of independent non-executive directors and includes nominated members drawn from the PPS Holdings Trust Board. In combination, the Boards offer expertise across insurance, risk, investments, finance, governance, technology and business leadership. Board composition and performance are regularly assessed and supported by structured succession planning and Fit-and-Proper evaluations.

Board committees provide focused oversight in key areas.

- **PPS Holdings Trust and Group Audit Committees:** Oversee internal financial controls, financial reporting integrity, compliance and combined assurance.
- **Group Risk Committee:** Monitors risk appetite, risk capacity and exposure to insurance, financial, operational and technology risks.
- **Group Actuarial Committee:** Oversees actuarial governance, policyholder liabilities and embedded value methodologies.
- **Group Remuneration Committee:** Ensures that remuneration frameworks support responsible risk-taking and long-term value creation.

- **Group Nominations Committee:** Oversees Board composition, appointments and succession planning.
- **Group Social and Ethics Committee:** Monitors ethical conduct, transformation outcomes and stakeholder relationships.
- **Group Technology Steering Committee:** Provides oversight of digital transformation, cyber resilience and technology governance in line with King IV™ Principle 12 and King V™'s focus on data ethics and digital accountability.

## KEY GOVERNANCE PRIORITIES

During the year, governance priorities centred on strengthening internal controls, enhancing risk oversight, advancing technology and information governance and supporting sustainable value creation. Particular attention was given to technology oversight and accountability, sustainability-related governance expectations and resilience planning. PPS completed an assessment of its application of King IV™ principles and confirmed strong alignment.

## STATEMENT OF ACCOUNTABILITY

The Board acknowledges its responsibility to ensure sound governance, ethical leadership and long-term value creation. PPS will continue refining governance practices to ensure that the organisation remains resilient, transparent and accountable to its members and broader society.



Follow this link or scan the QR code to read the full **Corporate Governance Report**.



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Summary and reference to full report on [www.pps.co.za](http://www.pps.co.za)



Follow this link or scan the QR code to view the **PPS Annual Financial Statements 2025**.



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## CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 December 2025

	2025 R'm	2024 Restated* R'm	Description of individual items
<b>ASSETS</b>			
Property and equipment	672	642	PPS office premises and other fixed assets which are owned and leased.
Investment property	195	269	Properties held for rental income and capital appreciation.
Intangible assets	772	300	Primarily internally developed software.
Deferred tax	280	269	
Investment in associates and joint ventures	527	179	New ventures to expand the ethos of mutuality.
Financial assets – Investments at fair value through profit or loss	81 146	69 434	Assets backing insurance liabilities. These mainly comprise investments in equities and bonds.
Attributable to Group	56 520	49 741	
Attributable to unit trusts and pooled funds managed for third parties	24 626	19 693	
Reinsurance contract assets	261	1 390	Reinsurance contracts where the Group transfers insurance risk to the reinsurance company.
Receivables	1 972	2 236	Non-insurance amounts owing to PPS.
Attributable to Group	1 250	1 638	
Attributable to unit trusts and pooled funds managed for third parties	722	598	
Current income tax asset	768	218	
Non-current assets held for sale	39	-	
Cash and cash equivalents	3 466	2 658	Cash resources including cash attributable to unit trust holders.
Attributable to Group	1 044	734	
Attributable to unit trusts and pooled funds managed for third parties	2 422	1 924	
<b>Total assets</b>	<b>90 098</b>	<b>77 595</b>	
<b>PROFIT-SHARE AND OTHER LIABILITIES</b>			
PPS Profit-Share Accounts™ and long-term insurance contract liabilities	50 173	46 492	Members' PPS Profit-Share Accounts™ comprising cumulative operating profits and investment profits/(losses). The liability for remaining coverage represents the obligation for future policy benefits and services not yet provided, while the liability for incurred claims reflects the expected cost of claims that have already occurred but are not yet paid.
PPS Profit-Share Accounts™	43 743	38 337	
Liability for remaining coverage and incurred claims	6 758	7 636	
Residual interest in the net assets of the PPS Group	(328)	519	
Short-term insurance liabilities	227	174	Liabilities relating to the short-term insurance business.
Investment contract liabilities	9 097	6 862	Members invested in PPS living annuities and endowment products.
Unit trust holders	27 361	21 902	Value of outsiders' investments in unit trusts controlled by PPS.
Deferred tax	1 418	919	
Reinsurance contract liabilities	27	22	
Employee-related obligations	490	417	
Payables	710	582	Non-insurance amounts owed by PPS.
Current income tax liabilities	595	225	
<b>Total Profit-Share and other liabilities</b>	<b>90 098</b>	<b>77 595</b>	

\* Refer to Annual Financial Statements for the restatement notes.

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## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME for the year ended 31 December 2025

	2025 R'm	2024 Restated* R'm	Description of individual items
<b>Net insurance service result</b>	<b>539</b>	<b>1 065</b>	
<b>Insurance service result</b>	(1 169)	(16)	
Insurance revenue	5 085	5 489	Consideration which the Group expects to receive in exchange for insurance services.
Insurance claims and service expenses	(6 036)	(5 116)	Gross benefits paid to members and insurance related expenses.
Net expense from reinsurance contracts held	(218)	(389)	Expenses paid to reinsurers or income received from reinsurers.
<b>Net finance income</b>	1 708	1 081	
Finance income from insurance contracts issued	2 753	1 234	Interest earned due to unwinding of discounting on future cash flows, calculated using the locked-in discount rate on insurance contracts issued.
Finance expense from reinsurance contracts held	(1 045)	(153)	Unwinding of discount rates and changes in financial assumptions on the reinsurance asset, reflecting the financial cost of holding the reinsurance contracts.
Other income	916	854	Administration fees: Long- and short-term insurance, medical aid and retirement annuity. Short-term insurance commissions. Fees earned for asset management.
Operating expenses	(1 467)	(1 353)	
Finance expenses	(11)	(7)	
<b>Net investment result</b>	9 138	6 699	
Investment income	3 458	3 371	
Interest income at amortised cost	154	128	Interest on investment assets held at amortised cost.
Investment income – other	3 304	3 243	Interest, dividends and realised and unrealised gains on investment assets held at fair value through profit or loss.
Fair value gains on investments	12 171	6 184	
Attributable to unit trust holders	(6 049)	(2 455)	Third-party unit trust holders' share of relevant income and revaluation gains.
Asset manager fees	(442)	(401)	Expenses related to investment management.
Movement in fair value of policyholder liabilities under investment contracts	(1 079)	(720)	Changes in the underlying assets linked to investment policyholder contracts, net of expenses.
Share of profit – Associates and joint ventures	8	8	Share of profits in new ventures to expand the ethos of mutuality.
<b>Profit before tax</b>	<b>8 044</b>	<b>6 546</b>	
Tax	(1 035)	(661)	
<b>Profit after tax</b>	7 009	5 885	
<b>Other comprehensive income</b>			
Surplus on revaluation of owner-occupied property, net of deferred tax	-	9	
<b>Total comprehensive income for the period<sup>(a)</sup></b>	<b>7 009</b>	<b>5 894</b>	This is the accounting measure, which is not the same as the actuarially determined total amount allocated to PPS Profit-Share Account™, as the latter is based on the actuarial calculation of investment and operating profit.
Allocated to qualifying policyholders' PPS Profit-Share Accounts™ <sup>(b)</sup>	(7 249)	(5 590)	Amounts allocated to notional PPS Profit-Share Accounts™.
Change in residual net assets of the PPS Group arising in the year	240	(304)	
<b>Total comprehensive income after allocations to PPS Profit-Share Accounts™ and change in residual net assets</b>	<b>-</b>	<b>-</b>	

\* Refer to Annual Financial Statements for the restatement note.

<sup>(a)</sup> 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.

<sup>(b)</sup> The mutual nature of PPS should be noted. The allocation to PPS Insurance and PPS Insurance Namibia policyholders – described above as "Allocated to qualifying policyholders' PPS Profit-Share Accounts™" – is the annual allocation to members' PPS Profit-Share Account™ in their capacity as policyholders.

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# About this report

The PPS Integrated Report 2025 deals with the performance of the PPS Holdings Trust and its subsidiaries (the Group). It is designed to keep members informed and provides an overview of significant developments up to the date of publication.

The report provides a comprehensive view of the Group's strategy, operations and performance, with a central focus on creating long-term value for members. It explores how this commitment shapes our approach to sustainability, employment equity, innovation and service delivery.

The goal is to present a thorough and balanced perspective of the financial and non-financial performance. The intention is to provide accessible information about our strategic direction, operating environment, operational management, efficiency, quality, corporate governance, accountability and corporate social responsibility.

The information provided complies with relevant national and international legislation and regulations.

## SCOPE AND BOUNDARY

This report covers material information for the period 1 January 2025 to 31 December 2025 (the 2025 FY) and includes financial information regarding our operations in South Africa.

Any notable or material events after this date and up to the approval of this report are included and noted accordingly.

## MATERIALITY

Our double materiality determination process underpins how we determine which information to include in our Integrated Report by identifying matters that affect enterprise value (financial materiality) and those that impact the environment, communities and society.

This ensures that we focus not only on what affects PPS, but also on how PPS affects the communities in which we operate.

## REPORTING FRAMEWORKS

We considered local and international reporting regulations, standards and frameworks that guide the information provided in this report. Our disclosures were selected with reference to the:

- International Financial Reporting Standard 17 (IFRS 17)
- International <IR> Framework
- King IV™ Report on Corporate Governance for South Africa, 2016 (King IV™)\*
- King V™ Report on Corporate Governance for South Africa, 2025 (King IV™)\*

\* Copyright and trademarks are owned by the Institute of Directors South Africa NPC and all of its rights are reserved.

## DISCLOSURE AND ASSURANCE

The PPS Holdings Trust Board (the Board) aimed to achieve the highest standard of disclosure in this report and to provide meaningful, accurate, complete, transparent and balanced information.

The Board, together with its committees and management, was actively involved in finalising all disclosures and assumes responsibility for the information contained therein.

The annual financial statements were prepared in accordance with International Financial Reporting Standards and were independently audited by EY South Africa. The non-financial information contained in the report has not been independently assured.

## FORWARD-LOOKING STATEMENTS

Some of the remarks contained in this report are forward-looking statements and should not be considered as guarantees or predictions of future performance. Like all businesses, we face risks and other factors beyond our control, which may impact our performance in 2026 and beyond.

## BOARD APPROVAL

The Board approved the PPS Integrated Report 2025 on 25 March 2026 and believes that it fairly presents the organisation's performance and addresses all material matters.

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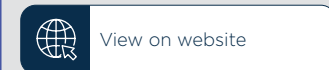
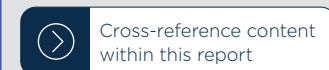
## OUR REPORTING SUITE

The PPS Integrated Report forms part of a broader reporting suite that collectively provides a complete view of PPS's performance, governance, financial position, sustainability priorities and people-related practices. The Integrated Report should therefore be read in conjunction with the reports listed below. These documents offer additional detail that supports and expands on the information summarised in the Integrated Report.

Readers can access the complete set of reports using the links and QR codes provided:



## NAVIGATING THIS REPORT



# Acronym definitions

ACRONYM	DEFINITION
<b>AI</b>	Artificial intelligence
<b>ASISA</b>	Association for Savings and Investment South Africa
<b>bn</b>	Billion
<b>CRISA</b>	Code for Responsible Investing in South Africa
<b>ESG</b>	Environmental, social and governance
<b>EY</b>	Ernest & Young
<b>EVP</b>	Employee Value Proposition
<b>FICA</b>	Financial Intelligence Centre Act
<b>FY</b>	Financial year
<b>ICMIF</b>	International Cooperative and Mutual Insurance Federation
<b>IFRS 17</b>	International Financial Reporting Standards 17
<b>m</b>	million
<b>PPS</b>	Professional Provident Society
<b>PPSHA</b>	PPS Healthcare Administrators
<b>PSSA</b>	Pharmaceutical Society of South Africa
<b>SDGs</b>	Sustainable Development Goals
<b>UN</b>	United Nations

## DISCLAIMERS:

The Professional Provident Society Holdings Trust No IT 312/2011 (PPS Holdings Trust) is a Registered South African Trust.

Professional Provident Society Holdings Trust No IT 312/2011 (PPS) is a Registered South African Trust. The Professional Provident Society Insurance Company Limited Reg. No 2001/017730/06. Professional Provident Society Insurance Company Limited is a licensed insurer conducting life insurance business, a licensed controlling company and an authorised financial services provider. Any reference to PPS in this form means PPS Insurance.

Professional Provident Society Insurance Company (Namibia) Limited Reg. No 2003/122 is a registered long-term insurance provider regulated by the Namibia Financial Institutions Supervisory Authority. Any reference to PPS Namibia in this form means PPS Insurance Company (Namibia) Limited.

The PPS Profit-Share Account™ reflects the accumulated value of annual profit allocations made to members who hold qualifying products. These amounts are invested on the member's behalf and vest at retirement, death or in other limited circumstances permitted under the qualifying insurance policy terms and conditions. Allocations may be positive or negative depending on operating experience and investment performance, and past allocations are not necessarily indicative of future outcomes.

PPS Short-Term Insurance Company Limited Reg. No. 2005/005531/06 is an insurer licensed to conduct non-life insurance business and an authorised FSP. Licence No.46274

PPS Health Professions Indemnity is a division of PPS Short-Term Insurance Company Limited Reg. No. 2005/005531/06, an insurer licensed to conduct non-life insurance business and an authorised FSP. Licence No.46274.

PPS Healthcare Administrators is an authorised FSP.

PPS Investments is an authorised FSP.

glu is a division of PPS Group.

Kindly note that this does not constitute financial advice. The information provided is purely informational. In terms of the Financial Advisory and Intermediary Services Act, an FSP should not provide advice to investors without an appropriate risk analysis and thorough examination of a client's particular financial situation. The information, opinions and communication from the PPS Group or any of its subsidiaries, whether written, oral or implied, are expressed in good faith and not intended as investment advice, nor do they constitute an offer or solicitation in any manner.

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# 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](http://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](http://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

## CONNECT WITH US

We encourage and welcome feedback on our reporting suite from our stakeholders.



Please send any comments or suggestions to: [memberservices@pps.co.za](mailto:memberservices@pps.co.za)



Scan the **QR code** to gain quick access to our website: <https://www.pps.co.za>



Connect with us on LinkedIn: <http://www.linkedin.com > pps>



FOR PROFESSIONALS

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SINCE 1941

PPS is a licensed insurer conducting life insurance business, a licensed controlling company and an authorised FSP.