

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

1. Categories of Financial instruments

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

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

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

1. Categories of Financial instrument (continued)

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

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

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

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

2. Property and equipment

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

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

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

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

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

3. Investment property

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

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

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

Amounts recognised in profit or loss

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

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

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

3. Investment property (continued)

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

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

* The buildings were sold in November 2025.

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

Inter-relationship between key unobservable inputs and fair value measurement

The estimated fair value would increase if:

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

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

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

4. Intangible assets

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

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

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

5. Investment in Joint Ventures

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

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

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

5. Investment in Joint Ventures (continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7. Short-Term Insurance liabilities

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

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

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

7. Short-Term Insurance liabilities (continued)

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

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

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

7. Short-Term Insurance liabilities (continued)

7.2 Claims development

Disclosure of actual claims compared with previous estimates

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

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

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

7. Short-Term Insurance liabilities (continued)

7.2 Claims development (continued)

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

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

8. Insurance contract liabilities and reinsurance contracts

8.1 Portfolios of insurance and reinsurance contract assets and liabilities

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

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

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

8. Insurance contract liabilities and reinsurance contracts (continued)

8.2 Effect of contracts initially recognised in the year

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

Insurance contracts

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

Reinsurance contracts

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9.2 Reconciliation of measurement components of insurance contract liabilities

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

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

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

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

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

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

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

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

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

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

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

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

10. Reinsurance contract assets

10.1 Reconciliation of the remaining coverage and incurred claims

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

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

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

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

10. Reinsurance contract assets (continued)

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

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

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

10. Reinsurance contract assets (continued)

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

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

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

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

10. Reinsurance contract assets (continued)

10.3 Reconciliation of the remaining coverage and incurred claims

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

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

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

10. Reinsurance contract assets (continued)

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

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

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

11. Contractual service margin

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

2025 R'm	Less than 1 year	In 1 to 3 years	In 4 to 5 years	> 5 years	Total
Insurance contracts					
Life Risk: Non-participating	78	158	163	1 985	2 384
Total CSM for insurance contracts	78	158	163	1 985	2 384
Reinsurance contracts					
Reinsurance contracts outwards	(65)	(134)	(144)	(4 285)	(4 628)
Total CSM for reinsurance contracts	(65)	(134)	(144)	(4 285)	(4 628)
2024 Restated* R'm	Less than 1 year	In 1 to 3 years	In 4 to 5 years	> 5 years	Total
Insurance contracts					
Life Risk: Non-participating	158	323	337	4 886	5 704
Total CSM for insurance contracts	158	323	337	4 886	5 704
Reinsurance contracts					
Reinsurance contracts outwards	(47)	(95)	(99)	(2 517)	(2 758)
Total CSM for reinsurance contracts	(47)	(95)	(99)	(2 517)	(2 758)

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

The CSM represents the unearned profit of a group of contracts and, when measured at inception, results in no profit arising at the outset. A CSM is not required to be set up for PPS¹ participating contracts as the net cash flows of these contracts are eventually returned to policyholders with a residual interest in the Group whether these are current or future policyholders. The participating contracts will not be reflected in this note as a result thereof.

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

12. Receivables

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

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

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

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

13. Cash and cash equivalents

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

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

14. Investment contract liabilities

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

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

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

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

15. Unit trust holders

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

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

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

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

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

16. Deferred tax

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

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

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

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

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

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

16. Deferred tax (continued)

(b) Deferred tax liabilities

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

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

17. Employee and post retirement obligations

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

The assumed rates of mortality are as follows:

During employment: SA85-90 (Light) ultimate table

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

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

18. Payables

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

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

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

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

18. Payables (continued)

(b) Leases

Amounts recognised in the Statement of Financial Position

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

20. Other income

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

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

21. Investment income

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

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

22. Fair value gains on financial assets and investment property

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

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

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

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

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

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

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

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

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

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

24. Expenses

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

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

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

25. Tax

25.1 Income tax expense and deferred tax

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

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

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

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

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

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

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

25. Tax (continued)

25.2 Tax paid

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

26. Commitments

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

27. Cash utilised by operations

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

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

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

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

28. Trustees' remuneration

The PPS Holdings Trust trustees' remuneration from the Group

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

29. Related parties

Holding Company

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

Subsidiaries

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

Other controlled entities

Entities listed below are controlled through board representation:

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

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

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

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

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

Associates and joint ventures

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

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

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

Transactions between Group entities

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

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

29. Related parties (continued)

Key management information

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

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

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

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

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

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

Trustee's remuneration is disclosed in Note 28.

30. Critical accounting estimates and judgements in applying accounting policies

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

30.1 Valuation of insurance contract liabilities

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

30.1.1 Contractual Service Margin (CSM)

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

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

30.1.2 Risk adjustment for non-financial risk

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

30.1.3 Discount rates

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

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

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

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

Products with cash flows that do not vary with underlying items

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

Products with cash flows that vary with underlying items

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

30.1.4 Measurement Fulfilment Cash Flows within Contract Boundary

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

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

Best Estimate of Expected FCF include:

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

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

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

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

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

30.2 Income tax

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

30.3 Loans to related parties

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

30.4 Short-Term Insurance contracts – assumptions

Liability for incurred claims

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

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

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

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

30.5 Assumptions, change in assumptions and sensitivities

a) Process used to set assumptions

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

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

- Mortality

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

- Morbidity

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

- Persistency

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

- Investment returns

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

- Renewal expense level and inflation

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

- Tax

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

- Future profit allocations

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

- Incurred but not reported (IBNR)

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

- Change in assumptions

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

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

30.5 Assumptions, change in assumptions and sensitivities (continued)

b) Sensitivity analysis

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

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

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

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

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

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

30.5 Assumptions, change in assumptions and sensitivities (continued)

b) Sensitivity analysis (continued)

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

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

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

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

31. Management of risks

31.1 General

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

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

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

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

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

31. Management of risks (continued)

31.2 Insurance product risk management

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

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

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

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

Insurance contracts - Long-term

(a) Frequency and severity of claims

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

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

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

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

31. Management of risks (continued)

31.2 Insurance product risk management (continued)

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

Risk exposure and concentrations of risk

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

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

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

31. Management of risks (continued)

31.2 Insurance product risk management (continued)

Insurance contracts – Short-term

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

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

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

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

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

31. Management of risks (continued)

31.2 Insurance product risk management (continued)

Risk exposure and concentrations of risk

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

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

Reinsurance Risk Management

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

Key components of the reinsurance programme include:

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

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

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

Risk management relating to investment contracts

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

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

31. Management of risks (continued)

31.3 Financial risk management

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

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

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

Credit and counterparty risk

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

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

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

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

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

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

31. Management of risks (continued)

31.3 Financial risk management

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

Exposure to credit risk

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

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

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

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

(a) Debt securities

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

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

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

31. Management of risks (continued)

31.3 Financial risk management (continued)

Concentrations of credit risk

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

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

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

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

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

31. Management of risks (continued)

31.3 Financial risk management (continued)

Ageing of financial assets

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

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

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

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

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

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

31. Management of risks (continued)

31.3 Financial risk management (continued)

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

Liquidity risk

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

The Group manages liquidity risk as follows:

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

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

31. Management of risks (continued)

31.3 Financial risk management (continued)

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

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

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

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

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

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

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

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

31. Management of risks (continued)

31.3 Financial risk management (continued)

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

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

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

Market risks

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

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

31. Management of risks (continued)

31.3 Financial risk management (continued)

Management of market risk

Each major component of market risk is managed as follows:

a. Interest rate risk

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

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

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

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

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

31. Management of risks (continued)

31.3 Financial risk management (continued)

Management of market risk

Interbank offered rates (IBOR) reforms

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

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

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

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

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

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

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

31. Management of risks (continued)

31.3 Financial risk management (continued)

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

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

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

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

31. Management of risks (continued)

31.3 Financial risk management (continued)

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

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

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

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

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

31. Management of risks (continued)

31.3 Financial risk management (continued)

b. Currency risk

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

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

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

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

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

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

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

c. Equity price risk

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

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

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

31. Management of risks (continued)

31.3 Financial risk management (continued)

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

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

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

Expense risk

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

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

Business volume risk

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

31. Management of risks (continued)

31.3 Financial risk management (continued)

Data and model risk

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

Capital management (unaudited)

Long-Term Insurance

The Group's capital management objectives are:

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

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

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

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

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

Short-Term Insurance

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

31. Management of risks (continued)

31.3 Financial risk management (continued)

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

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

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

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

Funds managed by PPS Multi-Managers (Pty) Ltd

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

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

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

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

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

32. Going concern

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

33. Restatements

Continuous improvement and restatements

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

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

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

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

Statement of financial position

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

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

33. Restatements (continued)

33.2 Reinsurance Stress Modelling and Risk Adjustment

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

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

Accordingly, this represents an incorrect application of known contractual terms rather than a change in assumptions, judgement or modelling methodology. Following recent reinsurance repricing actions, management reassessed the appropriateness of the stress modelling framework and identified that the non-guaranteed nature of the reinsurance arrangements had not been adequately reflected, giving rise to the prior period error.

The financial impact is reflected in the tables below:

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

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

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

33. Restatements (continued)

33.2 Reinsurance Stress Modelling and Risk Adjustment (continued)

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

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

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

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

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

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

33.5 Restatement of receivables classification (Note 12)

Refer to note 12 for detail regarding the receivables restatement.