



PSG

Financial
Services



RESULTS FOR THE YEAR ENDED
28 FEBRUARY

www.psg.co.za

2025

Who we are

We deliver a broad range of financial services and products to individuals and enterprises. We focus on wealth creation, wealth preservation, asset management and insurance. Throughout, we place a strong emphasis on personal service and building lifelong relationships with our clients.

What we do

PSG Wealth

A comprehensive wealth management service for individuals, families and businesses.

- Financial planning
- Investments
- Unit trusts
- Stockbroking
- Estate and trust services
- Multi-management
- Healthcare
- Employee benefits
- Life insurance
- Wealth platform
- Managed share portfolios

PSG Asset Management

Local unit trusts, global funds and segregated portfolios for individual and institutional investors.

- Investments
- Unit trusts
- Institutional portfolio management

PSG Insure

Personal and commercial non-life insurance solutions.

- Personal non-life insurance
- Commercial non-life insurance



Salient features

Recurring headline earnings per share

2025
101.1 cents ^ 25%

2024 | 81.1 cents

2023 | 72.9 cents

Gross written premium¹

2025
R7.6 bn ^ 9%

2024 | R7.0 bn

2023 | R6.2 bn

Number of advisers

2025
971 ^ 2%

2024 | 953

2023 | 947

Assets under management

2025
R470.7 bn ^ 16%

2024 | R406.9 bn

2023 | R354.1 bn

Dividend per share

2025
52.0 cents ^ 24%

2024 | 42.0 cents

2023 | 36.0 cents

Assets under administration

2025
R646.4 bn ^ 19%

2024 | R543.2 bn

2023 | R481.5 bn

¹ Includes gross written premiums on policies administered by the Insure distribution advisers, which are placed with third-party insurers. The group earns commission income and administration fees on this. It excludes the short-term administration platform gross written premium. We continue to disclose gross written premium as a management performance metric, in line with past practice. It should be noted that this is not a metric reported under IFRS 17.

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Commentary

Financial results

PSG delivered a 24.7% increase in recurring headline earnings per share and a return on equity of 26.6%.

While operating conditions remained challenging, more favourable equity market conditions impacted positively on the group's results during the year. Our key financial metrics under these conditions highlight the competitive advantage of our advice-led business model. Total assets under management increased by 15.7% to R470.7 billion, comprising assets managed by PSG Wealth of R410.0 billion (15.5% increase) and PSG Asset Management of R60.7 billion (17.2% increase), while PSG Insure's gross written premium amounted to R7.6 billion (9.2% increase). Performance fees constituted 3.7% (2024: 2.8%) of headline earnings.

The firm remains confident about its long-term growth prospects, and we therefore continued to invest in both technology and people. Compared to the prior year, our technology and infrastructure spend increased by 18.6% (these costs continue to be fully expensed), while our fixed remuneration cost grew by 6.1%. We are proud of the progress made in growing our own talent, with 150 newly qualified graduates having joined during the financial year.

PSG's key financial performance indicators for the year ended 28 February 2025 are shown below:

	28 Feb 25 R000	Change %	29 Feb 24 R000
Core income	6 797 835	15.6	5 879 358
Recurring and headline earnings	1 272 236	23.1	1 033 276
Non-headline items	1 565		915
Earnings attributable to ordinary shareholders	1 273 801	23.2	1 034 191
Divisional recurring headline earnings			
PSG Wealth	763 212	14.5	666 278
PSG Asset Management	297 246	36.9	217 196
PSG Insure	211 778	41.4	149 802
	1 272 236	23.1	1 033 276
Weighted average number of shares in issue (net of treasury shares) (millions)	1 258.7	(1)	1 274.7
Basic earnings per share (cents)			
- Recurring headline and headline	101.1	24.7	81.1
- Recurring headline (excluding intangible asset amortisation cost)	107.1	23.3	86.9
- Recurring headline (excluding performance fees)	97.3	23.6	78.8
- Attributable	101.2	24.7	81.1
Dividend per share (cents)	52.0	23.8	42.0
- Interim dividend per share	17.0		13.5
- Final dividend per share	35.0		28.5
Return on equity (ROE) (%)	26.6		23.4

PSG Wealth

PSG Wealth's recurring headline earnings increased by 15%

The division continued its solid performance with core income increasing by 14.7% during the current year, consisting of a continued increase in management and other recurring fees, as well as transactional brokerage fees.

Client assets managed by our Wealth advisers increased by 15.5% to R410.0 billion during the current year, which included R20.6 billion of positive net inflows. The division's formidable financial adviser network consisted of 635 Wealth advisers as at 28 February 2025, a net increase of 27 advisers during the current year.

For the sixth consecutive year, PSG Wealth won the coveted Top Wealth Manager of the Year: Large Institutions award at the Krutham Top Private Banks and Wealth Managers Awards. The division also secured first place in five archetype award categories: Wealthy Executive, Retiree, Young Professional, Successful Entrepreneur, and Lump-Sum Investor. PSG Wealth was also awarded Top Overall Broker: Large Institutions at the annual Krutham Top Securities Brokers Awards.

PSG Wealth continues to advise clients to focus on their long-term goals and to maintain diversified portfolios, especially during challenging times. Our advisers provide clients with expert advice and maintain excellent relationships through integrity, trust and transparency. In addition, our sustained investment in digital capabilities to enhance the client experience enables us to operate seamlessly in a changing environment.

We remain confident about the fundamentals and prospects of this division and believe that our commitment to long-term relationships with clients will continue to differentiate us in the markets in which we compete.

PSG Asset Management

PSG Asset Management achieved recurring headline earnings growth of 37%

The division's results for the year were impacted by higher performance fees, as well as strong growth in management fees of 16.6%. Asset Management's results are testimony to the team's long-term track record of delivering top-quartile risk-adjusted investment returns for clients.

Client assets under management increased by 17.2% to R60.7 billion during the current year, with net client inflows of R4.5 billion. Assets administered by the division increased by 16.1% to R264.3 billion, supported by R13.0 billion of multi-managed net inflows.

PSG Asset Management continuously engages with clients on the merits of its 3M investment philosophy and the importance of staying in the market throughout the investment cycles.

PSG Insure

PSG Insure's recurring headline earnings increased by 41%

PSG Insure delivered commendable results during the year against the backdrop of a difficult industry environment. The division achieved gross written premium growth of 9.2% as we continue to focus our efforts on growing our commercial lines' business, which requires specialist adviser expertise. There were 336 insurance advisers in the group at 28 February 2025, a net decrease of 9 advisers during the year due to the planned consolidation of some of our smaller adviser offices.

The comprehensive reinsurance programme we have in place reduced the adverse impact of catastrophe events during the year, including the Western Cape storms and large fire claims. This, when combined with our quality underwriting practices, allowed us to achieve a net underwriting margin of 12.7%, compared to 9.7% achieved in the prior year.

Our strategy and focus of delivering great service to our customers has been recognised with numerous industry awards. In the past year, PSG Insure was recognised as the 2023 Santam National Broker of the Year for performance excellence in personal lines, Western won the Non-Life Insurer of the Year: Commercial award for the third consecutive year at the 2024 FIA Intermediary Experience Awards, while the PSG Insure platform was awarded the Gold award for the best Outsource business in 2023 by Old Mutual Insure.

Strategy

PSG Wealth's overall strategy offers an innovative and all-inclusive end-to-end client proposition and includes a complete range of discretionary and non-discretionary investment products with competitive fees. We advocate diversification, and our solutions offer a balance between rand hedge and interest-rate-sensitive investments with a long-term focus. Management is proud of the experience and reputation of the advisers in the business, who play a key role in providing us with client feedback to continually enhance our platform and product capabilities. Engaging with our clients remains central to our philosophy and continues to involve a hybrid of digital and in-person events. Our Wealth business is well placed to meet client investment needs and consistently strives to improve both our adviser and client service offerings.

PSG Asset Management's strategy consists of investment excellence, operational efficiency, and effective sales and marketing initiatives. Generating the best long-term risk-adjusted returns for investors remains the division's primary focus. PSG Asset Management's differentiated investment approach adds diversification to a blended client solution, helping clients to achieve better outcomes over time. We prioritise investment performance while managing operational processes and talent management. Increasing brand awareness, particularly in the retail investor market, and regular client communication through events and publications remain key focus areas for the division.

PSG Insure provides simple and cost-effective non-life insurance solutions that protect clients and their assets from unforeseen events. Critical expertise across underwriting, administration and adviser teams underpins the focus on providing value-added products that meet and exceed clients' expectations. The division continues to invest in its claims and administration functions to build scale and unlock operational efficiencies, thereby enabling our high-calibre advisers to focus on client relationships. To maintain and improve our underwriting results at Western, we are continuously building capacity in the underwriting and actuarial functions, as well as completing our investment in geo-coding.

Corporate activity

PSG's focus remains on organic growth. However, we will consider acquisitions that meet our investment criteria and offer acceptable pricing, a compelling strategic rationale, clearly definable synergies, and ease of integration.

Capital management

PSG's capital cover ratio remains strong at 257% based on the latest insurance group return (29 February

2024: 286%). This comfortably exceeds the minimum regulatory requirement of 100%.

During August 2024, Global Credit Rating Company affirmed the group's long-term and short-term credit ratings at A+(ZA) and A1(ZA), respectively, with a Positive Outlook. The group's capital cover ratio and the credit rating affirmation are testament to the group's strong financial position and excellent liquidity.

PSG continues to generate strong cash flows, which gives us various options to optimise our capital structure and risk-adjusted returns to the benefit of shareholders:

- The group repurchased and cancelled 19.1 million shares at a cost of R330.3 million during the year as part of shareholder capital optimisation.
- Our shareholder investable asset's exposure to equity remains at 9%. We continue to monitor investment markets and will gradually increase our value at risk exposure to align with our long-term target.

Regulatory landscape and risk management

PSG has 21 regulatory licences (17 in South Africa and 4 in foreign jurisdictions) and continues to maintain good working relationships with the regulators in the markets in which we operate.

Marketing initiatives

The group successfully interacted with clients and prospects throughout the year, hosting more than 166 in-person events and over 52 webinars allowing advisers, employees and industry representatives to gain political, economic and practical insights from recognised experts as well as the leadership team.

Quality research within adviser- and client-facing communication continues to be well received. In the digital environment, both paid and organic search campaigns see an average of more than 1.9 million website visits per month. Social media accounts continue to attract new followers, and we are seeing increased engagement levels.

Our Think Big webinar series, now in its fifth year, continues to attract viewers and subscribers to our YouTube and Spotify channels. The series has proven popular with prospects, with a >60% non-client split, thereby making it a strategic brand awareness and lead-generation tool for the group. In the past fiscal year alone, the series received almost 7 547 unique registrations.

Another flagship initiative, the ThinkBigSA competition, which aims at harnessing the power of South Africa's knowledge base to drive economic growth, was launched in 2024, and given its success is continuing in 2025.

The team continues to run integrated product campaigns that help to generate flows and new client leads into the business. An example of this is the retirement annuity/tax-free investment product campaign at tax year-end, which saw a record-high 8.4 million website events. The team also focuses on producing tailored marketing plans per adviser office along with support on the execution.

Information technology

Our focus remains on continuously improving the experience for both clients and advisers. This involves strategic investments in technology to streamline adviser and client systems and processes while fortifying the firm's cyber security framework.

By enhancing our processes in a secure manner, we ensure a seamless client onboarding experience and an improved user journey, leading to higher client retention driven by greater satisfaction. Leveraging technology-driven automation enables the group to scale business volumes while maintaining a low fixed cost structure. We believe that businesses embracing digital transformation are well-positioned to achieve growth and capture market share.

All related IT system costs continue to be fully expensed in line with the group's accounting policy.

Looking forward

PSG is a proudly South African firm that believes in harnessing the power of South Africans' knowledge base to drive economic progress, and in their ability to ignite its untapped potential. Nevertheless, continued low levels of economic growth, South Africa's debt and fiscal situation and heightened geopolitical tensions remain a seemingly intractable problem. Irrespective of the short-term challenges, we remain confident in our long-term strategy and will continue to invest in our businesses, thereby securing prospects for growth. We however understand that our economic and societal challenges will not be resolved quickly. Therefore, we will continue to monitor local and global events and the associated impact on the group's clients and other stakeholders, and will adjust our approach if required.

Our inaugural Think Big SA competition, run in collaboration with Economic Research South Africa, demonstrated the eagerness of South Africans to engage with complex economic issues facing the country. The competition showcased the level of insight and innovation of participants, and based on its success, we have launched the second annual Think Big SA competition with the aim of expanding the debate to encompass the role of capital markets in enhancing economic growth and job creation in South Africa.

Events after reporting date

No events material to the understanding of these results occurred between 28 February 2025 and the date of approval of the condensed consolidated financial statements.

Final dividend declaration

Considering the strong cash position, the board declared a final gross dividend of 35.0 cents per share from income reserves for the year ended 28 February 2025 (2024: 28.5 cents per share). This brings the total dividend distribution to shareholders to 52.0 cents per share (2024: 42.0 cents per share) for the full year, reflecting the group's sound financial position and confidence in its prospects. The group's dividend pay-out ratio remains between 40% to 60% of full year recurring headline earnings excluding intangible asset amortisation.

The dividend is subject to a South African dividend withholding tax (DWT) rate of 20%, unless the shareholder is exempt from paying dividend tax or is entitled to a reduced rate in terms of the applicable double-tax agreement. Including DWT at 20% results in a net final dividend of 28.0 ZAR cents (2024: 22.8 ZAR cents) per share. The number of issued ordinary shares is 1 260 782 880 at the date of this declaration. PSG Financial Services' income tax reference number is 9550/644/07/5.

The salient dates of the dividend declaration are:

Declaration date	Wednesday, 16 April 2025
Last day to trade cum dividend	Tuesday, 6 May 2025
Trading ex-dividend commences	Wednesday, 7 May 2025
Record date	Friday, 9 May 2025
Date of payment	Monday, 12 May 2025

As the dividend has been declared and denominated in ZAR, it will be paid (in ZAR) into the bank accounts of shareholders appearing on the Mauritian register.

Share certificates may not be dematerialised or rematerialised between Wednesday, 7 May 2025 and Friday, 9 May 2025, both days inclusive.

The board extends its appreciation to its stakeholders, including its shareholders, advisers, clients, business partners, management and employees for their continued support and commitment during the past year.

On behalf of the board

Willem Theron Chairman	Francois Gouws Chief executive officer
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Tyger Valley
16 April 2025
www.psg.co.za

We have removed all signatures from this document to protect the security and privacy of our signatories.

Independent auditor's review report on condensed consolidated financial results

To the Shareholders of PSG Financial Services Limited

We have reviewed the condensed consolidated financial statements of PSG Financial Services Limited, contained in the accompanying condensed report set out on pages 9 to 31, which comprise the condensed consolidated statement of financial position as at 28 February 2025 and the condensed consolidated income statement, and condensed consolidated statements of other comprehensive income, changes in equity and cash flows for the year then ended, and selected explanatory notes.

Directors' Responsibility for the Condensed Consolidated Financial Statements

The directors are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for condensed reports, as set out in note 2 to the financial statements, and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Listings Requirements require condensed consolidated financial statements contained in a condensed report to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS Accounting Standards), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and to also, as a minimum, contain the information required by International Accounting Standard (IAS) 34, *Interim Financial Reporting*.

Auditor's Responsibility

Our responsibility is to express a conclusion on these financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, which applies to a review of historical information performed by the independent auditor of the entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements of PSG Financial Services Limited for the year ended 28 February 2025 are not prepared, in all material respects, in accordance with the requirements of the JSE Limited Listings Requirements for condensed reports, as set out in note 2 to the financial statements, and the requirements of the Companies Act of South Africa.

DocuSigned by:

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Deloitte & Touche
 Per: Nina Le Riche
 Registered Auditor
 Partner
 16 April 2025
 The Ridge Building, 6 Marina Road, Victoria & Alfred Waterfront, Cape Town, 8000

Condensed consolidated statement of financial position

as at 28 February 2025

	Notes	Reviewed as at 28 Feb 25 R000	Audited as at 29 Feb 24 R000
ASSETS			
Intangible assets		1 168 254	1 196 006
Property and equipment		96 951	92 961
Right-of-use assets		171 622	144 708
Investment in joint ventures		152	504
Deferred income tax assets		173 161	144 923
Loans and advances		329 276	247 346
Debt securities		4 371 461	3 932 406
Unit-linked investments		97 985 067	100 071 773
Equity securities		4 659 481	3 952 005
Investment in investment contracts		9 207	9 443
Insurance contract assets		13 679	-
Reinsurance contract assets		184 600	111 232
Derivative financial instruments		6 370	9 526
Receivables		2 298 823	2 257 332
Current income tax assets		105 895	67 017
Assets held for sale	8	124 260	133 917
Cash and cash equivalents (including money market funds)		2 623 328	1 738 000
Total assets		114 321 587	114 109 099
EQUITY			
Equity attributable to owners of the parent			
Stated capital		875 905	1 206 174
Treasury shares		(109 476)	(120 381)
Other reserves		(296 333)	(303 407)
Retained earnings		4 494 120	3 818 670
		4 964 216	4 601 056
Non-controlling interest		625 742	568 610
Total equity		5 589 958	5 169 666
LIABILITIES			
Deferred income tax liabilities		185 463	132 413
Lease liabilities		223 361	201 422
Derivative financial instruments		11 141	12 005
Investment contracts	7	52 819 377	45 506 258
Insurance contract liabilities		469 019	360 278
Reinsurance contract liabilities		2 123	3 242
Third-party liabilities arising on consolidation of mutual funds		51 839 062	59 655 531
Trade and other payables		2 969 289	2 853 100
Current income tax liabilities		88 534	81 267
Liabilities held for sale	8	124 260	133 917
Total liabilities		108 731 629	108 939 433
Total equity and liabilities		114 321 587	114 109 099
Net asset value per share (cents)		397.1	362.9

Condensed consolidated income statement

for the year ended 28 February 2025

	Reviewed Year ended 28 Feb 25 R000	Audited Year ended 29 Feb 24 R000
Insurance revenue	2 614 052	2 263 643
Insurance service expense	(2 135 083)	(1 869 219)
Net expense from reinsurance contracts held	(143 166)	(144 734)
<i>Insurance service result</i>	335 803	249 690
Finance expense from insurance contracts issued	(27 832)	(25 385)
Finance income from reinsurance contracts held	18 247	17 110
<i>Net insurance service result</i>	326 218	241 415
Revenue from contracts with customers and other operating income	5 829 727	5 228 103
Interest income on amortised cost financial instruments	176 906	148 711
Interest income on fair value through profit or loss financial instruments	221 290	210 984
Dividend income	12 713	9 341
Net fair value gains and losses on financial instruments	88 885	15 912
Net income attributable to investment contract holders and third-party liabilities	36 707	55 430
Total income	6 692 446	5 909 896
Financial advice fees	(2 169 543)	(1 922 763)
Depreciation and amortisation ¹	(198 529)	(183 453)
Employee benefit expenses	(1 523 230)	(1 325 725)
Marketing, administration and other expenses	(847 318)	(853 232)
Total expenses	(4 738 620)	(4 285 173)
Total loss from joint ventures	(352)	(472)
Profit before finance costs and taxation	1 953 474	1 624 251
Finance costs	(32 808)	(33 850)
Profit before taxation	1 920 666	1 590 401
Taxation	(540 605)	(472 640)
Profit for the year	1 380 061	1 117 761
Attributable to:		
Owners of the parent	1 273 801	1 034 191
Non-controlling interest	106 260	83 570
	1 380 061	1 117 761
Earnings per share (cents)		
Attributable (basic)	101.2	81.1
Attributable (diluted)	99.9	80.4
Headline and recurring headline (basic)	101.1	81.1
Headline and recurring headline (diluted)	99.8	80.4

¹ Includes amortisation cost of R77.8 million (2024: R75.7 million).

Condensed consolidated statement of comprehensive income

for the year ended 28 February 2025

	Reviewed Year ended 28 Feb 25 R000	Audited Year ended 29 Feb 24 R000
Profit for the year	1 380 061	1 117 761
Other comprehensive income for the year, net of taxation	(8 114)	7 322
<i>Items that are or may be reclassified to profit or loss:</i>		
Currency translation adjustments	(8 114)	7 322
Total comprehensive income for the year	1 371 947	1 125 083
Attributable to:		
Owners of the parent	1 265 687	1 041 513
Non-controlling interest	106 260	83 570
	1 371 947	1 125 083

Earnings and headline earnings per share

for the year ended 28 February 2025

	Reviewed Year ended 28 Feb 25 R000	Audited Year ended 29 Feb 24 R000
Headline and recurring headline earnings	1 272 236	1 033 276
Non-headline items (net of non-controlling interest and related tax effect)		
Profit on disposal of intangible assets (including goodwill)	953	227
Profit on disposal of property and equipment	897	688
Other	(285)	-
Profit attributable to ordinary shareholders	1 273 801	1 034 191
Earnings per share (cents)		
Attributable (basic)	101.2	81.1
Attributable (diluted)	99.9	80.4
Headline and recurring headline (basic)	101.1	81.1
Headline and recurring headline (diluted)	99.8	80.4
Number of shares (millions)		
In issue (net of treasury shares)	1 250.0	1 267.9
Weighted average (net of treasury shares)	1 258.7	1 274.7

Condensed consolidated statement of changes in equity

for the year ended 28 February 2025

	Attributable to equity holders of the group					Total R000
	Stated capital R000	Treasury shares R000	Other reserves R000	Retained earnings R000	Non-controlling interest R000	
Balance at 1 March 2023 (Audited)	1 413 420	(130 759)	(330 328)	3 294 884	493 348	4 740 565
Comprehensive income						
Profit for the year	-	-	-	1 034 191	83 570	1 117 761
Other comprehensive income for the year	-	-	7 322	-	-	7 322
<i>Total comprehensive income for the year</i>	-	-	7 322	1 034 191	83 570	1 125 083
Transactions with owners	(207 246)	10 378	19 599	(510 405)	(8 308)	(695 982)
Repurchase and cancellation of ordinary shares	(207 246)	-	-	-	-	(207 246)
Share-based payment costs	-	-	60 938	-	-	60 938
Net movement in treasury shares	-	13 559	-	-	-	13 559
Current tax on equity-settled share-based payments	-	-	11 826	-	-	11 826
Deferred tax on equity-settled share-based payments	-	-	14 381	-	-	14 381
Loss on issue of shares in terms of share scheme	-	-	(89 054)	-	-	(89 054)
Release of share-based payment reserve to retained earnings on vested share options	-	-	21 508	(21 508)	-	-
Release of profits from treasury shares to retained earnings	-	(3 181)	-	3 181	-	-
Dividends paid	-	-	-	(492 078)	(8 308)	(500 386)
Balance at 29 February 2024 (Audited)	1 206 174	(120 381)	(303 407)	3 818 670	568 610	5 169 666
Comprehensive income						
Profit for the year	-	-	-	1 273 801	106 260	1 380 061
Other comprehensive income for the year	-	-	(8 114)	-	-	(8 114)
<i>Total comprehensive income for the year</i>	-	-	(8 114)	1 273 801	106 260	1 371 947
Transactions with owners	(330 269)	10 905	15 188	(598 351)	(49 128)	(951 655)
Repurchase and cancellation of ordinary shares	(330 269)	-	-	-	-	(330 269)
Share-based payment costs	-	-	73 611	-	-	73 611
Transactions with non-controlling interest	-	-	-	1 458	246	1 704
Net movement in treasury shares	-	16 415	-	-	-	16 415
Current tax on equity-settled share-based payments	-	-	17 062	-	-	17 062
Deferred tax on equity-settled share-based payments	-	-	4 452	-	-	4 452
Loss on issue of shares in terms of share scheme	-	-	(111 221)	-	-	(111 221)
Release of share-based payment reserve to retained earnings on vested share options	-	-	31 284	(31 284)	-	-
Release of profits from treasury shares to retained earnings	-	(5 510)	-	5 510	-	-
Dividends paid	-	-	-	(574 035)	(49 374)	(623 409)
Balance at 28 February 2025 (Reviewed)	875 905	(109 476)	(296 333)	4 494 120	625 742	5 589 958

Condensed consolidated statement of cash flows

for the year ended 28 February 2025

	Notes	Reviewed Year ended 28 Feb 25 R000	Audited Year ended 29 Feb 24 R000
Cash flows from operating activities			
Cash utilised in operations		(577 944)	(1 991 170)
Interest received		2 317 391	2 024 576
Dividends received		1 135 159	1 092 917
Finance costs		(32 808)	(33 850)
Taxation paid		(526 372)	(427 364)
<i>Operating cash flows before policyholder cash movement</i>		2 315 426	665 109
Policyholder cash movement		25 387	2 805
<i>Net cash flow from operating activities</i>		2 340 813	667 914
Cash flows from investing activities			
Consolidation of mutual funds	9.1	-	80 025
Acquisition of intangible assets		(45 459)	(98 368)
Purchases of property and equipment		(54 420)	(60 055)
Deconsolidation of mutual funds	9.2	(105 141)	-
Proceeds from disposal of intangible assets		1 909	1 096
Other		3 830	607
<i>Net cash flow from investing activities</i>		(199 281)	(76 695)
Cash flows from financing activities			
Dividends paid		(623 409)	(500 386)
Disposal to non-controlling interest		1 704	-
Lease liabilities paid – principal portion		(79 328)	(75 111)
Shares repurchased and cancelled		(330 269)	(207 246)
Treasury shares sold and share option settlement	9.3	(94 806)	(75 495)
<i>Net cash flow from financing activities</i>		(1 126 108)	(858 238)
Net increase/(decrease) in cash and cash equivalents		1 015 424	(267 019)
Cash and cash equivalents at the beginning of the year		1 738 508	2 000 943
Exchange (losses)/gains on cash and cash equivalents		(12 266)	4 584
Cash and cash equivalents at the end of the year ¹	9.4	2 741 666	1 738 508
¹ Includes the following:			
Clients' cash linked to investment contracts		62 796	37 409
Other client-related balances		185 332	(182 340)
<i>Total client-related cash and cash equivalents</i>		248 128	(144 931)

Notes to the statement of cash flows:

The movement in cash utilised in operations can vary significantly as a result of daily fluctuations in cash linked to investment contracts, cash held by the stockbroking business and cash utilised for the loan facilities provided to clients on their share portfolios at PSG Securities Limited. PSG Life Limited, the group's linked insurance company, issues linked policies to policyholders (where the value of policy benefits is directly linked to the fair value of the supporting assets). When these policies mature, the company raises a debtor for the money receivable from the third-party investment provider and raises a creditor for the amount owing to the client. Timing difference occurs at month-end where the money was received from the third-party investment provider but only paid out by the company after month-end, resulting in significant fluctuations in the working capital of the company. Similar working capital fluctuations occur at PSG Securities Limited, the group's stockbroking business, mainly due to the timing of the close of the JSE in terms of client settlements. Refer to note 6.8 for the impact of the client-related balances on the cash flows from operating activities.

Notes to the condensed consolidated financial statements

for the year ended 28 February 2025

1. Reporting entity

PSG Financial Services Limited is a public company domiciled in the Republic of South Africa. The condensed consolidated financial statements of the company as at and for the year ended 28 February 2025 comprise the company and its subsidiaries (together referred to as the 'group') and the group's interest in joint ventures.

2. Basis of preparation

The condensed consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements and the requirements of the Companies Act, No. 71 of 2008 (as amended) (the Companies Act) of South Africa. The Listings Requirements require condensed financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS Accounting Standards), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 – Interim Financial Reporting.

3. Preparation

The condensed consolidated financial statements are the responsibility of the board of directors of the company and have been prepared on a going concern basis. These condensed consolidated financial statements were prepared under the supervision of the chief financial officer, Mike Smith, CA(SA). These condensed consolidated financial statements for the year ended 28 February 2025 have been reviewed by Deloitte & Touche, who expressed an unmodified review conclusion. A copy of the auditor's review report is included on page 8 and is available for inspection at the company's registered office, together with the financial statements identified in the auditor's report. Any reference to future financial performance included in these condensed consolidated financial statements has not been reviewed by or reported on by PSG's auditor.

4. Accounting policies

The accounting policies applied in the preparation of these condensed consolidated financial statements are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements as at and for the year ended 29 February 2024.

5. Use of estimates and judgements

In preparing these condensed consolidated financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated annual financial statements for the year ended 29 February 2024.

6. Segment information

The composition of the reportable segments represents the internal reporting structure and the monthly reporting to the chief operating decision-maker (CODM). The CODM for the purpose of IFRS 8 – Operating Segments has been identified as the chief executive officer, supported by the group management committee (Manco). The group's internal reporting structure is reviewed in order to assess performance and allocate resources. The group is organised into three reportable segments, namely:

- PSG Wealth – *deriving income mainly from total managed assets and total platform assets*
- PSG Asset Management – *deriving income mainly from total assets under management and administration*
- PSG Insure – *deriving income mainly from written premiums and underwriting*

Corporate support costs refer to a variety of services and functions that are performed centrally for the individual business units within each business segment, as well as housing the group's executive office. Besides the traditional accounting and secretarial services provided to group divisions and subsidiaries, the corporate office also provides legal, risk, IT, marketing, HR, payroll, internal audit and corporate finance services. The strategic elements of IT, in terms of both services and infrastructure, are also centralised in the corporate office. The corporate costs are allocated to the three reportable segments.

6.1 Description of business segments

PSG Wealth, which consists of five business units – Distribution, Securities, LISP and Life Platform, Investment Management and Employee Benefits – is designed to meet the needs of individuals, families and businesses. Through its highly skilled Wealth managers, PSG Wealth offers a wide range of personalised services (including portfolio management, stockbroking, local and offshore investments, estate planning, financial planning, local and offshore fiduciary services, multi-managed solutions and retirement products). The Wealth offices are fully equipped to deliver a high-quality personal service to customers.

PSG Asset Management is an established investment management company with a proven investment track record. It offers investors a simple but comprehensive range of local and global investment products. The division's products include both local and international unit trust funds.

PSG Insure, through its registered insurance brokers and PSG's non-life insurance company, Western National Insurance Company Limited, offers a full range of tailor-made non-life insurance products and services from personal (home, car and household insurance) to commercial (business and agri-insurance) requirements. To harness the insurance solutions available to customers effectively, the division's expert insurance specialists, through a strict due diligence process, will simplify the selection process for the most appropriate solution for its clients. In addition to the intermediary services which PSG Insure offers, PSG Short-Term Administration supports clients through the claim process, administrative issues and general policy maintenance, including an annual reappraisal of their portfolio.

Notes to the condensed consolidated financial statements

for the year ended 28 February 2025

6. Segment information (continued)

6.1 Description of business segments (continued)

The CODM considers the performance of reportable segments based on total core income as a measure of growth and headline earnings as a measure of profitability. In order to evaluate the core results of the group, the CODM segregates the income statement by eliminating the impact of the linked investment policies issued and the consolidation of the collective investment schemes from the core operations in the group.

A subsidiary of the group, PSG Life Limited, is a linked insurance company and issues linked policies to policyholders (where the value of policy benefits is directly linked to the fair value of the supporting assets), and as such does not expose the group to the market risk of fair value adjustments on the financial asset as this risk is assumed by the policyholder.

The group consolidates collective investment schemes, in terms of IFRS 10 – Consolidated Financial Statements, over which the group has control. The consolidation of these funds does not impact total earnings, comprehensive income, shareholders' funds or the net asset value of the group; however, it requires the group to recognise the income statement impact as part of that of the group.

6.2 Headline earnings per reportable segment

For the year ended 28 February 2025 (Reviewed)	Asset			
	Wealth R000	Management R000	Insure R000	Total R000
Headline and recurring headline earnings ¹	763 212	297 246	211 778	1 272 236
Recurring headline earnings – excluding intangible asset amortisation cost ²	818 262	297 246	234 539	1 350 047

For the year ended 29 February 2024 (Audited)	Asset			
	Wealth R000	Management R000	Insure R000	Total R000
Headline and recurring headline earnings ¹	666 277	217 196	149 803	1 033 276
Recurring headline earnings – excluding intangible asset amortisation cost ²	719 509	217 196	172 287	1 108 992

¹ Headline earnings are calculated in terms of the requirements stipulated in Circular 1/2023 as issued by SAICA. Recurring headline earnings are calculated by excluding non-recurring headline earnings to increase comparability of the performance of the group from one year to another. Non-recurring headline earnings include one-off gains and losses and the resulting tax charge on these items. Recurring headline earnings is a non-IFRS measure used by the CODM, and is audited as part of the audited financial statements.

² The intangible asset amortisation cost includes the amortisation on customer relationships. It excludes the amortisation on computer software and other intangible assets.

6. Segment information (continued)

6.3 Income per reportable segment

For the year ended 28 February 2025 (Reviewed)	Asset			
	Wealth R000	Management R000	Insure R000	Total R000
Total IFRS reported income	4 118 295	1 027 800	1 546 351	6 692 446
Linked investment business and other income	105 389	-	-	105 389
Total core income	4 223 684	1 027 800	1 546 351	6 797 835
Total segment income	5 115 375	1 588 247	1 640 344	8 343 966
Intersegment income	(891 691)	(560 447)	(93 993)	(1 546 131)

For the year ended 29 February 2024 (Audited)	Asset			
	Wealth R000	Management R000	Insure R000	Total R000
Total IFRS reported income	3 713 459	852 958	1 343 479	5 909 896
Linked investment business and other income	(30 538)	-	-	(30 538)
Total core income	3 682 921	852 958	1 343 479	5 879 358
Total segment income	4 475 611	1 340 809	1 422 719	7 239 139
Intersegment income	(792 690)	(487 851)	(79 240)	(1 359 781)

Intersegment income and expenses consist of fees charged at market-related rates. The group accounts for intersegment income and expenses by eliminating these transactions to only reflect transactions with third parties. Intersegment income is eliminated by deducting it from total segment income to reflect income generated by segment from external customers.

The group mainly operates in the Republic of South Africa, with 91.9% (2024: 92.5%) of the total income from external customers (total IFRS reported income) generated in the Republic of South Africa.

Other information provided to the CODM is measured in a manner consistent with that of the financial statements.

Notes to the condensed consolidated financial statements

for the year ended 28 February 2025

6. Segment information (continued)

6.4 Divisional income statement

The profit or loss information follows a similar format to the consolidated income statement. The divisional income statement reflects the core business operations of the group.

For the year ended 28 February 2025 (Reviewed)	Asset			Total R000
	Wealth R000	Management R000	Insure R000	
Total income	4 223 684	1 027 800	1 546 351	6 797 835
Total expenses ^{1,2}	(3 134 698)	(644 553)	(1 115 743)	(4 894 994)
	1 088 986	383 247	430 608	1 902 841
Total loss from joint ventures	-	-	(352)	(352)
Profit before finance costs and taxation	1 088 986	383 247	430 256	1 902 489
Finance costs ³	(24 039)	(3 075)	(5 694)	(32 808)
Profit before taxation	1 064 947	380 172	424 562	1 869 681
Taxation	(290 427)	(82 899)	(116 294)	(489 620)
Profit for the year	774 520	297 273	308 268	1 380 061
Attributable to:				
Owners of the parent	763 563	297 273	212 965	1 273 801
Non-controlling interest	10 957	-	95 303	106 260
	774 520	297 273	308 268	1 380 061
Headline and recurring headline earnings	763 212	297 246	211 778	1 272 236

For the year ended 29 February 2024 (Audited)	Asset			Total R000
	Wealth R000	Management R000	Insure R000	
Total income	3 682 921	852 958	1 343 479	5 879 358
Total expenses ^{1,2}	(2 725 234)	(538 726)	(1 030 105)	(4 294 065)
	957 687	314 232	313 374	1 585 293
Total loss from joint ventures	-	-	(472)	(472)
Profit before finance costs and taxation	957 687	314 232	312 902	1 584 821
Finance costs ³	(26 440)	(2 931)	(4 479)	(33 850)
Profit before taxation	931 247	311 301	308 423	1 550 971
Taxation	(254 413)	(94 102)	(84 695)	(433 210)
Profit for the year	676 834	217 199	223 728	1 117 761
Attributable to:				
Owners of the parent	666 672	217 199	150 320	1 034 191
Non-controlling interest	10 162	-	73 408	83 570
	676 834	217 199	223 728	1 117 761
Headline and recurring headline earnings	666 277	217 196	149 803	1 033 276

¹ Depreciation and amortisation is included within total expenses and amounts to R127.1 million (2024: R119.6 million) for PSG Wealth, R11.8 million (2024: R10.1 million) for PSG Asset Management, and R59.7 million (2024: R53.7 million) for PSG Insure.

² Employee benefit expenses is included within total expenses and amounts to R856.6 million (2024: R746.8 million) for PSG Wealth, R234.4 million (2024: R195.0 million) for PSG Asset Management, and R432.2 million (2024: R383.9 million) for PSG Insure.

³ The finance costs in the PSG Wealth division of R24.0 million (2024: R26.4 million) consist mainly of the finance charge on the lease liabilities of R15.6 million (2024: R14.2 million) with the remaining portion of the finance charge on the CFD margin and the bank overdrafts.

6. Segment information (continued)

6.5 Statement of financial position (client vs own)

In order to evaluate the consolidated financial position of the group, the CODM segregates the statement of financial position of the group between own balances and client-related balances.

Client-related balances represent the investment contract liabilities and related linked client assets of PSG Life Limited, the broker and clearing accounts, and the settlement control accounts of the stockbroking business, the collective investment schemes consolidated under IFRS 10 – Consolidated Financial Statements and corresponding third-party liabilities, the non-life claim control accounts and related bank accounts, as well as the contracts for difference assets and related liabilities.

As at 28 February 2025 (Reviewed)	Total IFRS reported R000	Own balances R000	Client-related balances R000
ASSETS			
Debt securities ¹	4 371 461	-	4 371 461
Unit-linked investments	97 985 067	2 743 353	95 241 714
Equity securities	4 659 481	42 877	4 616 604
Investment in investment contracts	9 207	-	9 207
Receivables ¹	2 298 823	378 348	1 920 475
Derivative financial instruments	6 370	-	6 370
Cash and cash equivalents (including money market funds) ¹	2 623 328	2 375 200	248 128
Other assets ²	2 367 850	2 367 850	-
Total assets	114 321 587	7 907 628	106 413 959
EQUITY			
Equity attributable to owners of the parent	4 964 216	4 964 216	-
Non-controlling interest	625 742	625 742	-
Total equity	5 589 958	5 589 958	-
LIABILITIES			
Investment contracts	52 819 377	-	52 819 377
Third-party liabilities arising on consolidation of mutual funds ¹	51 839 062	-	51 839 062
Derivative financial instruments	11 141	-	11 141
Trade and other payables ¹	2 969 289	1 224 910	1 744 379
Other liabilities ³	1 092 760	1 092 760	-
Total liabilities	108 731 629	2 317 670	106 413 959
Total equity and liabilities	114 321 587	7 907 628	106 413 959

¹ The client-related balances include the impact of the consolidation of the PSG Money Market Fund. The cash invested therein is derecognised, and all of the fund's underlying highly liquid debt securities, receivables and trade and other payables are recognised. Third-party cash invested in the PSG Money Market Fund is included under third-party liabilities arising on consolidation of mutual funds.

² Other assets consist of property and equipment, right-of-use assets, intangible assets, investment in joint ventures, current and deferred income tax assets, loans and advances, insurance contract assets, reinsurance contract assets and assets held for sale.

³ Other liabilities consist of lease liabilities, current and deferred income tax liabilities, insurance contract liabilities, reinsurance contract liabilities and liabilities held for sale.

Notes to the condensed consolidated financial statements

for the year ended 28 February 2025

6. Segment information (continued)

6.5 Statement of financial position (client vs own) (continued)

As at 29 February 2024 (Audited)	Total IFRS reported R000	Own balances R000	Client-related balances R000
ASSETS			
Debt securities ¹	3 932 406	9 904	3 922 502
Unit-linked investments	100 071 773	2 668 035	97 403 738
Equity securities	3 952 005	37 416	3 914 589
Investment in investment contracts	9 443	-	9 443
Receivables ¹	2 257 332	378 553	1 878 779
Derivative financial instruments	9 526	-	9 526
Cash and cash equivalents (including money market funds) ¹	1 738 000	1 882 931	(144 931)
Other assets ²	2 138 614	2 138 614	-
Total assets	114 109 099	7 115 453	106 993 646
EQUITY			
Equity attributable to owners of the parent	4 601 056	4 601 056	-
Non-controlling interest	568 610	568 610	-
Total equity	5 169 666	5 169 666	-
LIABILITIES			
Investment contracts	45 506 258	-	45 506 258
Third-party liabilities arising on consolidation of mutual funds ¹	59 655 531	-	59 655 531
Derivative financial instruments	12 005	-	12 005
Trade and other payables ¹	2 853 100	1 033 248	1 819 852
Other liabilities ³	912 539	912 539	-
Total liabilities	108 939 433	1 945 787	106 993 646
Total equity and liabilities	114 109 099	7 115 453	106 993 646

¹ The client-related balances include the impact of the consolidation of the PSG Money Market Fund. The cash invested therein is derecognised, and all of the fund's underlying highly liquid debt securities, receivables and trade and other payables are recognised. Third-party cash invested in the PSG Money Market Fund is included under third-party liabilities arising on consolidation of mutual funds.

² Other assets consist of property and equipment, right-of-use assets, intangible assets, investment in joint ventures, current and deferred income tax assets, loans and advances, reinsurance contract assets and assets held for sale.

³ Other liabilities consist of lease liabilities, current and deferred income tax liabilities, insurance contract liabilities, reinsurance contract liabilities and liabilities held for sale.

6. Segment information (continued)

6.6 Income statement (client vs own)

In order to evaluate the consolidated income statement of the group, the CODM segregates the income statement by eliminating the impact of the linked investment policies issued and the consolidation of the collective investment schemes from the core operations in the group.

For the year ended 28 February 2025 (Reviewed)	Total IFRS reported R000	Core business R000	Linked investment business and other R000
Revenue from contracts with customers and other operating income ¹	5 829 727	5 971 823	(142 096)
Investment income ²	410 909	410 909	-
Net fair value gains and losses on financial instruments	88 885	88 885	-
Net income attributable to investment contract holders and third-party liabilities	36 707	-	36 707
Net insurance service result	326 218	326 218	-
Total income	6 692 446	6 797 835	(105 389)
Marketing, administration and other expenses ¹	(847 318)	(1 003 692)	156 374
Other ³	(3 891 302)	(3 891 302)	-
Total expenses	(4 738 620)	(4 894 994)	156 374
Total loss from joint ventures	(352)	(352)	-
Profit before finance costs and taxation	1 953 474	1 902 489	50 985
Finance costs	(32 808)	(32 808)	-
Profit before taxation	1 920 666	1 869 681	50 985
Taxation	(540 605)	(489 620)	(50 985)
Profit for the year	1 380 061	1 380 061	-
Attributable to:			
Owners of the parent	1 273 801	1 273 801	-
Non-controlling interest	106 260	106 260	-
	1 380 061	1 380 061	-

¹ The linked investment business and other income statement includes the impact of the fees eliminated between the collective investment schemes (consolidated under IFRS 10 - Consolidated Financial Statements) and the collective investment scheme management company, PSG Collective Investments (RF) Limited.

² Investment income consists of interest income on amortised cost financial instruments, interest income on fair value through profit or loss financial instruments and dividend income.

³ Other consists of financial advice fees, depreciation and amortisation and employee benefit expenses.

Notes to the condensed consolidated financial statements

for the year ended 28 February 2025

6. Segment information (continued)

6.6 Income statement (client vs own) (continued)

For the year ended 29 February 2024 (Audited)	Total IFRS reported R000	Core business R000	Linked investment business and other R000
Revenue from contracts with customers and other operating income ¹	5 228 103	5 252 995	(24 892)
Investment income ²	369 036	369 036	-
Net fair value gains and losses on financial instruments	15 912	15 912	-
Net income attributable to investment contract holders and third-party liabilities	55 430	-	55 430
Net insurance service result	241 415	241 415	-
Total income	5 909 896	5 879 358	30 538
Marketing, administration and other expenses ¹	(853 232)	(862 124)	8 892
Other ³	(3 431 941)	(3 431 941)	-
Total expenses	(4 285 173)	(4 294 065)	8 892
Total loss from joint ventures	(472)	(472)	-
Profit before finance costs and taxation	1 624 251	1 584 821	39 430
Finance costs	(33 850)	(33 850)	-
Profit before taxation	1 590 401	1 550 971	39 430
Taxation	(472 640)	(433 210)	(39 430)
Profit for the year	1 117 761	1 117 761	-
Attributable to:			
Owners of the parent	1 034 191	1 034 191	-
Non-controlling interest	83 570	83 570	-
	1 117 761	1 117 761	-

¹ The linked investment business and other income statement includes the impact of the fees eliminated between the collective investment schemes (consolidated under IFRS 10 – Consolidated Financial Statements) and the collective investment scheme management company, PSG Collective Investments (RF) Limited.

² Investment income consists of interest income on amortised cost financial instruments, interest income on fair value through profit or loss financial instruments and dividend income.

³ Other consists of financial advice fees, depreciation and amortisation and employee benefit expenses.

6. Segment information (continued)

6.7 Revenue from contracts with customers and other operating income

The revenue from contracts with customers and other operating income relating to the core business operations of the group has been disaggregated as follows in accordance with IFRS 15:

According to division

For the year ended 28 February 2025 (Reviewed)	Wealth R000	Asset Management R000	Insure R000	Total R000
Revenue from contracts with customers	3 959 122	983 616	978 643	5 921 381
Other operating income	29 601	267	20 574	50 442
	3 988 723	983 883	999 217	5 971 823

For the year ended 29 February 2024 (Audited)	Wealth R000	Asset Management R000	Insure R000	Total R000
Revenue from contracts with customers	3 473 225	819 982	929 988	5 223 195
Other operating income	16 174	271	13 355	29 800
	3 489 399	820 253	943 343	5 252 995

According to nature of the revenue

	Reviewed Year ended 28 Feb 25 R000	Audited Year ended 29 Feb 24 R000
Revenue from contracts with customers		
Dealing and structuring (including brokerage)		
- Brokerage ¹	172 814	159 946
- Offshore brokerage commission ¹	130 299	106 348
- Other dealing and structuring income ²	185 806	168 247
Commission, administration and other fees ³		
- Commission income ⁴	2 410 573	2 163 405
- Administration fees ⁴	768 362	680 112
- Other fees ⁵	82 339	67 731
Management and performance fees (including rebates) ^{4, 6}	2 063 708	1 775 351
Policy administration fees ^{4, 7}	107 480	102 055
	5 921 381	5 223 195

¹ Brokerage and offshore brokerage commission are recognised at a point in time.

² The other dealing and structuring income and other fees include R160.1 million (2024: R144.0 million) revenue recognised over time, with the balance of this revenue being recognised at a point in time.

³ Commission, administration and other fees are generated by PSG Wealth and PSG Insure.

⁴ This revenue from contracts with customers is recognised over time.

⁵ The other fees include revenue recognised at a point in time and over time, with the majority of this revenue being recognised over time.

⁶ Management and performance fees are earned by PSG Asset Management and PSG Wealth.

⁷ Policy administration fees are recognised by PSG Insure.

Notes to the condensed consolidated financial statements

for the year ended 28 February 2025

6. Segment information (continued)

6.8 Statement of cash flows (client vs own)

In order to assist the CODM to evaluate the consolidated statement of cash flows of the group, the statement of cash flows is segregated between cash flows relating to own balances and client-related balances.

The movement in cash (utilised in)/generated by operations can vary significantly as a result of fluctuations in the receivables and payables relating to our stockbroking business, which have been included within client-related balances.

Included under receivables are broker and clearing accounts at our stockbroking business, of which R1 915.0 million (2024: R1 877.7 million) represents amounts owing by the JSE for trades conducted during the last few days before the end of the year. The balances fluctuate on a daily basis, depending on the activity in the market.

The control account for the settlement of these transactions is included under the trade and other payables, with the settlement to the clients taking place within three days after the transaction date.

For the year ended 28 February 2025 (Reviewed)	Total IFRS reported R000	Own balances R000	Client-related balances R000
Cash flows from operating activities	2 340 813	1 838 058	502 755
Cash (utilised in)/generated by operations ¹	(577 944)	1 966 673	(2 544 617)
Interest received	2 317 391	398 196	1 919 195
Dividends received	1 135 159	12 713	1 122 446
Finance costs	(32 808)	(32 808)	-
Taxation paid	(526 372)	(506 716)	(19 656)
Policyholder cash movement	25 387	-	25 387
Cash flows from investing activities	(199 281)	(94 140)	(105 141)
Deconsolidation of mutual funds	(105 141)	-	(105 141)
Other ²	(94 140)	(94 140)	-
Cash flows from financing activities	(1 126 108)	(1 126 108)	-
Net increase in cash and cash equivalents	1 015 424	617 810	397 614
Cash and cash equivalents at the beginning of the year	1 738 508	1 883 439	(144 931)
Exchange losses on cash and cash equivalents	(12 266)	(7 711)	(4 555)
Cash and cash equivalents at the end of the year	2 741 666	2 493 538	248 128

¹ The cash generated by operations under own balances includes a R175.0 million withdrawal from unit-linked investments for operational cash requirements.

² Other consists of cash flows relating to the acquisition of intangible assets, purchases of property and equipment, proceeds from disposal of intangible assets and other.

6. Segment information (continued)

6.8 Statement of cash flows (client vs own) (continued)

For the year ended 29 February 2024 (Audited)	Total IFRS reported R000	Own balances R000	Client-related balances R000
Cash flows from operating activities	667 914	991 977	(324 063)
Cash (utilised in)/generated by operations ¹	(1 991 170)	1 068 393	(3 059 563)
Interest received	2 024 576	359 695	1 664 881
Dividends received	1 092 917	9 341	1 083 576
Finance costs	(33 850)	(33 850)	-
Taxation paid	(427 364)	(411 602)	(15 762)
Policyholder cash movement	2 805	-	2 805
Cash flows from investing activities	(76 695)	(156 720)	80 025
Consolidation of mutual funds	80 025	-	80 025
Other ²	(156 720)	(156 720)	-
Cash flows from financing activities	(858 238)	(858 238)	-
Net decrease in cash and cash equivalents	(267 019)	(22 981)	(244 038)
Cash and cash equivalents at the beginning of the year	2 000 943	1 901 836	99 107
Exchange gains on cash and cash equivalents	4 584	4 584	-
Cash and cash equivalents at the end of the year	1 738 508	1 883 439	(144 931)

¹ The cash generated by operations under own balances includes R191.6 million excess short-term cash transferred to unit-linked investments to increase our shareholder investable asset's exposure to equity to enhance investment income yield.

² Other consists of cash flows relating to the acquisition of intangible assets, purchases of property and equipment, proceeds from disposal of intangible assets and other.

7. Investment contracts

Investment contracts are represented by the following financial assets:

	Reviewed as at 28 Feb 25 R000	Audited as at 29 Feb 24 R000
Unit-linked investments	48 130 770	41 544 817
Equity securities	4 616 604	3 914 589
Investments in investment contracts	9 207	9 443
Cash and cash equivalents	62 796	37 409
	52 819 377	45 506 258

Notes to the condensed consolidated financial statements

for the year ended 28 February 2025

8. Assets and liabilities held for sale

The assets and liabilities classified as held for sale relate to the Western National Insurance Namibia business, which have been presented as held for sale since 29 February 2024 following the approval by the group's management to sell this business. The business was sold to Santam Namibia for R51.0 million, effective 3 March 2025, after the fulfilment of suspensive conditions.

	Reviewed Year ended 28 Feb 25 R000	Audited Year ended 29 Feb 24 R000
Assets classified as held for sale		
Unit-linked investments	-	124 252
Reinsurance contract assets	5 922	9 157
Cash and cash equivalents (including money market funds)	118 338	508
	124 260	133 917
Liabilities classified as held for sale		
Insurance contract liabilities	(124 260)	(133 917)
	(124 260)	(133 917)

9. Notes to the statement of cash flows

9.1 Consolidation of mutual funds

For the year ended 29 February 2024

The group obtained control of the PSG Wealth Global Creator Feeder Fund on 29 February 2024. This fund was consolidated in accordance with IFRS 10 – Consolidated Financial Statements and is a collective investment scheme managed by PSG Investment Management.

	PSG Wealth Global Creator Feeder Fund R000
% interest in fund on effective date	30
Date of acquisition	29 Feb 2024

Details of the net assets acquired are as follows:

Unit-linked investments	23 629 071
Receivables	12 087
Cash and cash equivalents (including money market funds)	80 025
Third-party liabilities arising on consolidation of mutual funds	(16 550 813)
Trade and other payables	(8 765)
Net asset value	7 161 605
Fair value of interest held before the business combination	(7 161 605)
Total consideration paid	-

9. Notes to the statement of cash flows (continued)

9.2 Deconsolidation of mutual funds

For the year ended 28 February 2025

The group deconsolidated the PSG Wealth Global Creator Feeder Fund during the 2025 financial year as the group lost control of this fund due to a decrease in the effective interest in the fund.

	PSG Wealth Global Creator Feeder Fund R000
Details of the net assets disposed of are as follows:	
Unit-linked investments	28 873 731
Receivables	14 595
Cash and cash equivalents (including money market funds)	105 141
Third-party liabilities arising on consolidation of mutual funds	(20 962 725)
Trade and other payables	(10 783)
Net asset value	8 019 959
Transfer to unit-linked investments	(8 019 959)
Cash consideration received	-
Cash and cash equivalents given up	(105 141)
Net cash outflow for the year ended 28 February 2025	(105 141)

9.3 Treasury shares sold and share option settlement

The cash flow impact of the treasury shares sold and share option settlement during the respective financial years can be summarised as follows:

	Reviewed Year ended 28 Feb 25 R000	Audited Year ended 29 Feb 24 R000
Treasury shares sold	16 415	13 559
Loss on settlement of share options in terms of share scheme	(111 221)	(89 054)
Net cash outflow	(94 806)	(75 495)

9.4 Cash and cash equivalents at the end of the year

	Reviewed Year ended 28 Feb 25 R000	Audited Year ended 29 Feb 24 R000
Cash and cash equivalents (including money market funds)	2 623 328	1 738 000
Cash and cash equivalents classified as assets held for sale	118 338	508
	2 741 666	1 738 508

Notes to the condensed consolidated financial statements

for the year ended 28 February 2025

10. Financial risk management

The group's activities expose it to a variety of financial risks: market risk (including price risk, foreign currency risk, cash flow and fair value interest rate risks), credit risk and liquidity risk. Insurance activities expose the group to insurance risk (including pricing risk, reserving risk, underwriting risk and reinsurance risk). The group is also exposed to operational risk and legal risk.

The capital risk management philosophy is to maximise the return on shareholders' capital within an appropriate risk framework.

The condensed consolidated financial statements do not include all risk management information and disclosure required in the annual financial statements and should be read in conjunction with the group's annual financial statements as at 28 February 2025.

There have been no changes in the group's financial risk management objectives and policies since the previous financial year-end.

Market risk (price risk, foreign currency risk and interest rate risk)

Market risk is the risk of adverse financial impact due to changes in fair values or future cash flows of financial instruments from fluctuations in interest rates, equity prices and foreign currency exchange rates.

A portion of the policyholders' and shareholders' investments are valued at fair value and are therefore susceptible to market fluctuations.

With regard to the subsidiary, PSG Life Limited, this company only invests assets into portfolios that are exposed to market price risk that matches linked policies to policyholders (where the value of policy benefits is directly linked to the fair value of the supporting assets), and as such does not expose the business to the market risk of fair value adjustments on the financial asset as this risk is assumed by the policyholder. Fees charged on this business are determined as a percentage of the fair value of the underlying assets held in the linked funds, which are subject to price and interest rate risk. As a result, the management fees fluctuate but cannot be less than nil.

Included in the equity securities of R4 659.5 million (2024: R3 952.0 million) are quoted equity securities of R4 659.2 million (2024: R3 951.8 million), of which R4 616.6 million (2024: R3 914.6 million) relates to investments in linked investment contracts. The price risk of these instruments is carried by the policyholders of the linked investment contracts.

Unit-linked investments of R48 130.8 million (2024: R41 544.8 million) are linked to investment contracts and do not directly expose the group to price or interest rate risk.

Cash and cash equivalents linked to policyholder investments amounted to R62.8 million (2024: R37.4 million) and do not expose the group to interest rate risk.

10. Financial risk management (continued)

Fair value estimation

The information below analyses financial instruments, carried at fair value, by level of hierarchy as required by IFRS 7 – Financial Instruments and IFRS 13 – Fair Value Measurement. The different levels have been defined as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – input other than quoted prices included within level 1 that is observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- Level 3 – input for the asset or liability that is not based on observable market data (that is, unobservable input).

There have been no significant transfers between level 1, 2 or 3 during the financial year under review.

The table below analyses financial assets and liabilities, which are carried at fair value, by valuation method. There were no significant changes in the valuation techniques and assumptions applied since 29 February 2024.

Valuation techniques and main assumptions used in determining the fair value of financial assets and liabilities classified within level 2 can be summarised as follows:

Instruments	Valuation techniques	Main assumptions
Derivative financial instruments	Exit price on recognised over-the-counter platforms	Not applicable
Debt securities	Valuation model that uses the market input (yield of benchmark bonds)	Bond interest rate curves Issuer credit ratings Liquidity spreads
Unit-linked investments	Quoted put (exit) price provided by the fund manager	Not applicable – daily prices are publicly available
Investment in investment contracts	Prices are obtained from the insurer of the particular investment contract	Not applicable – prices provided by registered long-term insurers
Investment contract liabilities – unit linked	Current unit price of underlying unitised financial asset that is linked to the liability, multiplied by the number of units held	Not applicable
Third-party liabilities arising on the consolidation of mutual funds	Quoted put (exit) price provided by the fund manager	Not applicable – prices are publicly available

Notes to the condensed consolidated financial statements

for the year ended 28 February 2025

10. Financial risk management (continued)

Fair value estimation (continued)

The fair value of financial assets and liabilities measured at fair value in the statement of financial position can be summarised as follows:

As at 28 February 2025 (Reviewed)	Level 1 R000	Level 2 R000	Level 3 R000	Total R000
Financial assets				
Derivative financial instruments	-	6 370	-	6 370
Equity securities	4 659 241	-	240	4 659 481
Debt securities	1 363 521	3 007 940	-	4 371 461
Unit-linked investments	-	97 907 653	77 414	97 985 067
Investment in investment contracts	-	9 207	-	9 207
	6 022 762	100 931 170	77 654	107 031 586
Own balances	42 637	3 779 330	46 290	3 868 257
Client-related balances	5 980 125	97 151 840	31 364	103 163 329
Financial liabilities				
Derivative financial instruments	-	11 141	-	11 141
Investment contracts	-	52 788 013	31 364	52 819 377
Trade and other payables	-	-	54 171	54 171
Third-party liabilities arising on consolidation of mutual funds	-	51 839 062	-	51 839 062
	-	104 638 216	85 535	104 723 751
Own balances	-	-	54 171	54 171
Client-related balances	-	104 638 216	31 364	104 669 580
As at 29 February 2024 (Audited)				
Financial assets				
Derivative financial instruments	-	9 526	-	9 526
Equity securities	3 951 765	-	240	3 952 005
Debt securities	1 031 638	2 900 768	-	3 932 406
Unit-linked investments	-	99 942 741	129 032	100 071 773
Investment in investment contracts	-	9 443	-	9 443
	4 983 403	102 862 478	129 272	107 975 153
Own balances	37 176	3 438 500	41 882	3 517 558
Client-related balances	4 946 227	99 423 978	87 390	104 457 595
Financial liabilities				
Derivative financial instruments	-	12 005	-	12 005
Investment contracts	-	45 418 868	87 390	45 506 258
Trade and other payables	-	-	34 855	34 855
Third-party liabilities arising on consolidation of mutual funds	-	59 655 531	-	59 655 531
	-	105 086 404	122 245	105 208 649
Own balances	-	-	34 855	34 855
Client-related balances	-	105 086 404	87 390	105 173 794

10. Financial risk management (continued)

Fair value estimation (continued)

The following table presents the changes in level 3 financial instruments during the financial years under review:

	Reviewed 28 Feb 25 R000	Audited 29 Feb 24 R000
Assets		
Opening carrying value	129 272	137 615
Additions	106 487	38 441
Disposals	(165 607)	(54 953)
Gains recognised in profit or loss ^{1,2}	7 502	8 169
Closing carrying value	77 654	129 272
Liabilities		
Opening carrying value	122 245	148 066
Additions	144 039	73 315
Settlements	(189 151)	(107 305)
Losses recognised in profit or loss ^{1,3}	8 402	8 169
Closing carrying value	85 535	122 245

¹ The gains and losses on level 3 financial instruments are recognised in profit or loss under 'net fair value gains and losses on financial instruments' and 'net income attributable to investment contract holders and third-party liabilities'.

² Gains recognised in profit or loss include unrealised gains of R6.9 million and realised gains of R0.6 million for the 2025 financial year (2024: unrealised gains of R6.9 million and realised gains of R1.3 million).

³ Losses recognised in profit or loss include unrealised losses of R7.8 million and realised losses of R0.6 million for the 2025 financial year (2024: unrealised losses of R6.9 million and realised losses of R1.3 million).

Trade and other payables classified within level 3 have significant unobservable inputs, as the valuation technique used to determine the fair values takes into account the probability (at each reporting period) that the contracted party will achieve the profit guarantee as stipulated in the business agreement. These relate to the purchase of intangibles, and as such, any change in measurement would result in a similar adjustment to the intangible assets, with the exception of those acquired in terms of business combinations. Therefore, the group's overall profit or loss is not materially sensitive to changes in the inputs.

11. Related-party transactions

Related-party transactions similar to those disclosed in the group's annual financial statements for the year ended 29 February 2024 took place during the financial year.

12. Events after the reporting date

No event material to the understanding of these results has occurred between the end of the reporting period and the date of approval of the condensed consolidated financial statements.

Corporate information

Non-executive directors

W Theron (Chairman)
PE Burton*
AM Hlobo*
L Lambrechts*
B Mathews*
ZRP Matsau^
PJ Mouton*
AH Sangqu*

^ *Lead independent*
* *Independent*

Executive directors

FJ Gouws (Chief executive officer)
MIF Smith (Chief financial officer)
JL Johannes (Chief transformation officer)

Registered name

PSG Financial Services Limited
(Incorporated in the Republic of South Africa)
(‘PSG Financial Services’ or ‘PSG’ or ‘the company’
or ‘the group’)
Registration number: 1993/003941/06
JSE share code: KST
NSX share code: KFS
SEM share code: PSGK.N0000
ISIN code: ZAE000191417
LEI: 378900ECF3D86FD28194

Company secretary

PSG Management Services Proprietary Limited

PSG Financial Services head office and registered office

4th Floor, The Edge, 3 Howick Close
Tyger Waterfront
Tyger Valley
Bellville
7530

Postal address

PO Box 3335
Tyger Valley
Bellville
7536

Listings

Johannesburg Stock Exchange (JSE)
Namibian Stock Exchange (NSX)
Stock Exchange of Mauritius (SEM)

Transfer secretary

Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank
2196

Private Bag X9000
Saxonwold
2132

Sponsors

JSE sponsor: PSG Capital Proprietary Limited
NSX sponsor: PSG Wealth Management (Namibia)
Proprietary Limited
SEM authorised representative and SEM sponsor:
Perigeum Capital Ltd

Auditor

Deloitte & Touche

Website address

www.psg.co.za