



Clientèle

2025 Integrated Annual Report



Safeguarding your world
with compassion

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Our Purpose, Vision and Values

Our vision

To be South Africa's most reliable and valued financial services partner

Our purpose

Safeguarding Your World with Compassion

Our values



Clientèle

Teamwork

Working effectively with others and utilising individual and combined strengths to succeed.

Respect

Treating colleagues, clients and other stakeholders with respect, courtesy and fairness.

Integrity

Adhering to high moral standards and being honest in all that we do.

Customer excellence

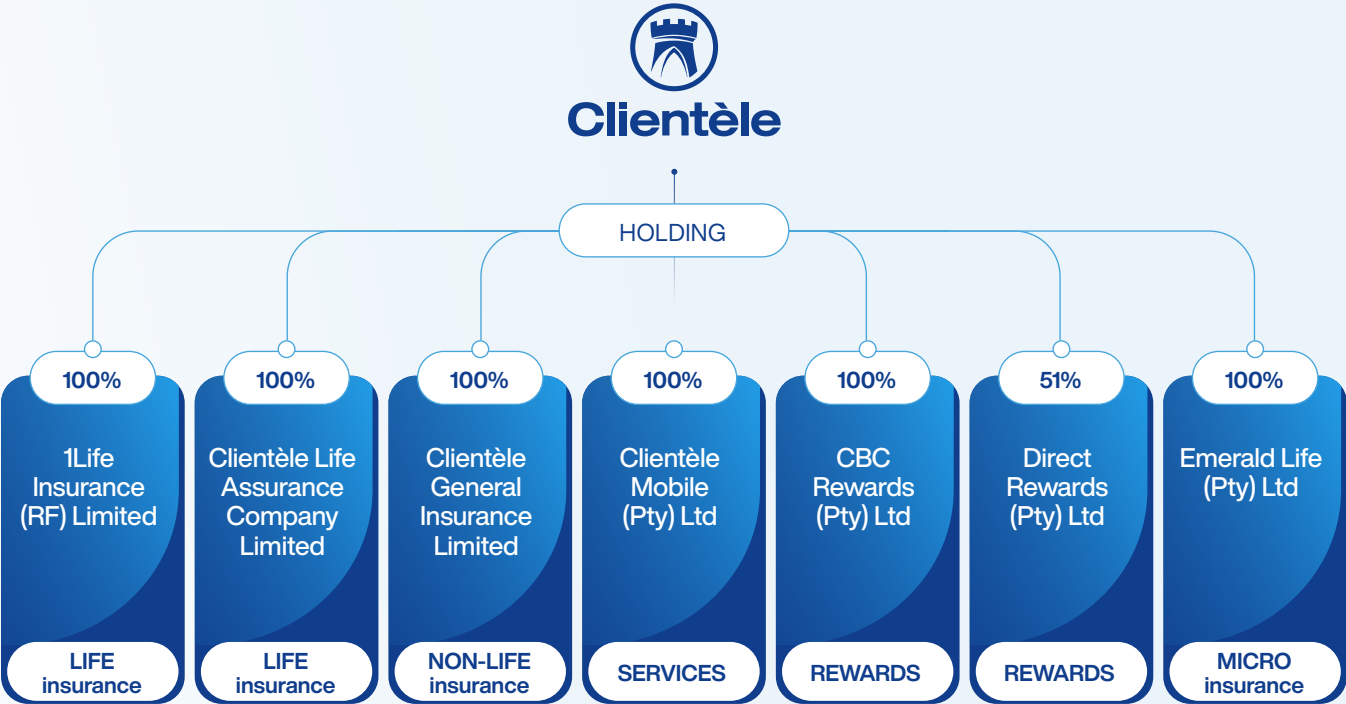
Connecting with our clients in a professional, ethical and focused manner.

Passion

Approaching every task with determination, energy and commitment.

Group Structure

The Group comprises the following operating companies:



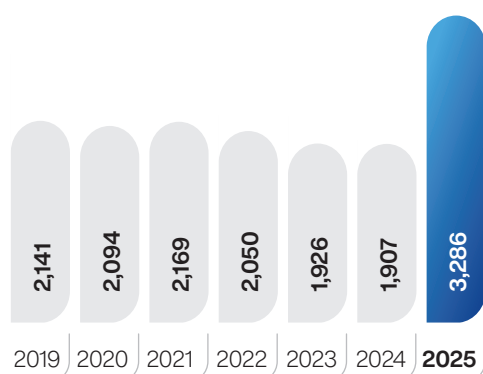
Clientèle Life has the following investments in subsidiaries:



Seven Year Statistics

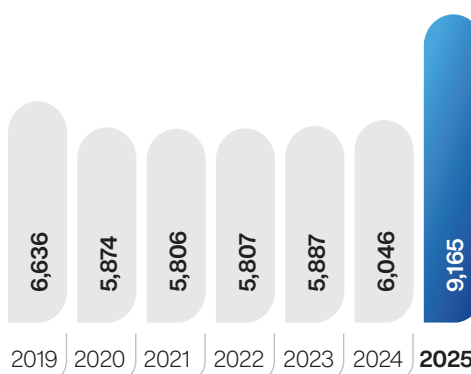
Insurance Revenue (Net of reinsurance contracts)

R'million



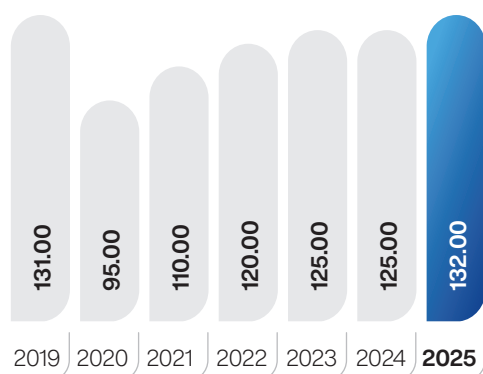
Embedded Value

R'million



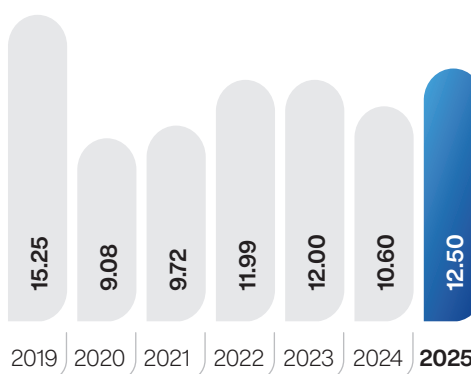
Dividend declared per share

Cents



Share price: 30 June

Rands



30 June	2019	2020	2021	2022	2023	2024	2025***
Net profit for the year (R'000)	400,937	328,517	392,255	420,353	346,405*	333,909	1,059,348
Earnings per share (cents)	119.65	97.97	116.98	125.36	102.60*	98.39	235.07
Headline earnings per share (cents)	120.00	99.18	117.82	126.94	102.60*	98.39	147.08
EV per share (cents)	1,979.16	1,751.90	1,731.61	1,731.79	1,755.77	1,802.99	2,021.97
Total comprehensive income (R'million)	405.1	324.2	383.9	413.6	336.9*	492.4	1,604.2
Total distributions declared (R'million)	439	319	369	402	419	567	598
VNB (R'million)	301	(91)**	215	291	245	220	330
RRoEV (%)	8	**	12	13	12	12	17
REVE (R'million)	492	**	687	725	663	655	1,269

* Restated and reported in line with the adoption of IFRS 17 reporting.

** Clientèle normally publishes a REVE figure. As a consequence of COVID-19 and the lockdown, the change in EV for 2020 financial year was negative and any split between recurring and once-off items would have been spurious due to the inter-relationship of various factors following the shutdown of much of the new business operations for a few months.

*** Clientèle acquired 1Life and Emerald in the current financial year, which had a positive impact on our key statistics. Included in net profit for the year is a bargain purchase gain arising from the acquisition of 1Life of R403.2 million. Included in Net profit for the year is a bargain purchase gain arising from the acquisition of 1Life of R403.2 million.

Chairman's Statement

Gavin Routledge

Clientèle has become acquisitive, resulting in the acquisition of 1Life Insurance Company Limited on 12 July 2024 and the acquisition of Emerald Life (Pty) Limited with effect from 24 June 2025.



I try to sustain a thread through my Chairman's Statements from year to year as I think there is much truth in the observation by Mark Twain that "History does not repeat itself but it often rhymes".

In preparing to write this year's Statement, I spent some time looking back at the history of Clientèle. It is a remarkable story.

Clientèle started as a small direct marketing insurance broker in 1993, it transitioned to a registered life insurer in 1997, relisting through the old Crusader Life listing and forecasting a profit in its first financial year as a listed company of some R2,5 million! Clientèle then grew organically over many years, along the way starting the IFA channel, forming Clientèle Legal and later Clientèle Benefits Company and becoming a registered Insurance Group in 2021.

More recently Clientèle became acquisitive, resulting in the acquisition of 1Life Insurance Company Limited in July 2024 and the acquisition of Emerald Life (Pty) Limited with effect from 24 June 2025.

What was once a small company with a single distribution channel occupying one floor in one building on the current Clientèle Campus, Clientèle has grown into a significant Group with numerous distribution channels and is now straining the seams of the entire Campus and boasts a significant presence in both Durban and Cape Town. Clientèle is now a diverse and complex Group. I feel both fortunate and proud to say that the management group has grown with Clientèle (many have been with the Group for many years) and drove the performance of the Group such that for the 2025 year we report a profit before tax of R1,3 billion.

The executive team at the Group are experienced, innovative, dynamic, passionate and determined and have achieved not only a good financial performance but have also driven significant non-financial performance in the areas of sustainability, brand consciousness, transformation and value to clients. I am extremely proud of them.

Looking back at the Clientèle story, I can confidently say that Mark Twain was correct, there are many rhymes...

Chairman's Statement *continued*

For Clientèle one constant refrain over time is the fundamental ethos of the business – To create value, generate profit and contribute to the broader economy and society by offering simple value for money insurance products meeting the needs of its target market in a convenient way.

Another rhyme is that there will always be a sustainable market for insurance. While it remains true that insurance is sold not bought, nevertheless it is part of the human condition to want to protect against risk or mitigate the effect of a risk event and that is what Clientèle does, it “safeguards our clients' world with compassion”. Clientèle is driven to understand its target market better, offer them better products and services and find ways to add tangible value to our clients during the lifetime of each policy and not just at the time of the insured event.

Another rhyme is the mantra of our Group MD who reminds us at each Board meeting that the key drivers of success for Clientèle are:

- Striving to make every client contact positive;
- New business volumes and quality;
- Healthy and motivated employees;
- Treating Clients Well;
- Claims experience;
- Persistency;
- Expenses; and
- Investment returns.

Another rhyme is that the economic health of our target market is critical to the success of Clientèle. When the economy was in good health, our target market was able to buy policies they needed and keep up payment of premiums consistently. In recent years the weak economy and high unemployment rate have placed enormous strain on the majority of our target market resulting in lower levels of production and weaker payment persistency. Layered on top of this is growing competition from not only other insurance companies who have identified our target market segment as a growth area, but also banks, retail stores and Telco's who are now marketing insurance products as an add-on to their core offerings to clients. To complicate things further, many of these newer entrants to the insurance market have access to detailed information about the financial health of their clients which the traditional insurers do not have, creating an uneven playing field. The challenge is to try and educate the market that price is not the best determinant of value and that service and a deep understanding of the entry level insurance market is of longer term value.

The South African economy remains weak, growing at less than 1% per annum, considerably slower than the population growth rate and the rate at which new entrants are joining the job market. The rate of growth of the economy may indeed turn out to be lower than this given global factors outside the control of South Africa, such as the Trump trade tariffs and potential action against South Africa or the ANC arising from South Africa's foreign policy which is perceived by many to be anti-American, as opposed to non-aligned (the position put forward by the South African government).

Growth rates in the Global economies are also uncertain and volatile given the constant changes to the Trump tariffs, the war in the Ukraine and Gaza and other global issues. All these factors have an effect on the small open market economy of South Africa.

The Government of National Unity (“the GNU”), which a year ago held such positive promise, has not yet delivered significant results and seems often to be the very opposite of “united”. Commentators are divided on whether the GNU will survive and if not what the alternative would look like. There is also no consensus on whether this would be good or bad for South Africa.

The crisis in the South African Police Force and security cluster has now spilled into the open and President Ramaphosa has announced the formation of yet another Board of Enquiry.

Sadly, the quality of leaders in South Africa is not what one would like, and the examples that these leaders set does not encourage the high standards that one would like our youth in South Africa to strive for and emulate.

It is easy to become negative and despondent under these circumstances, however the potential that exists in South Africa is too great to waste. Although we may be unable to control a number of the factors set out above we at Clientèle are determined to be positive and excited about the things we can control and to focus on taking small steps towards a better future. Every positive step makes a difference.

All of the above factors weigh on the economy and consequently the financial health of our target market. These factors have driven the team at Clientèle to think harder and smarter, work harder and smarter and focus even more intently on creating value for our clients and improving the community in which we operate. Despite the high unemployment rate, we believe that there is a demand for our products in our target market and we are now focusing intently on “the township economy” where there is considerable economic activity occurring that is not in the eye of the main stream.

Chairman's Statement *continued*

Our focus is to be the best at those areas of our business where we are able to control the outcomes and to be attentive, resilient and fast moving in those areas where we are not able to control the outcome and have to respond to external factors.

Areas where we believe we have been successful include:

- The merger with 1Life has brought another strong brand into the Group combined with a strong and determined management team lead by Laurence Hillman. 1Life has performed extremely well this year, in particular in the SASSA client area. 1Life has also launched its version of Clientèle Royalty, the rewards scheme I reported on last year, called 1Lifestyle. The growth of utilisation in this area is very pleasing. As I mentioned last year, this transaction also brought Tom Creamer and Murray Raisbeck onto the Clientèle Board as non-executive directors and their contribution has created considerable value over the past year.
- Clientèle Rewards and Clientèle Royalty (and, as mentioned above, 1Lifestyle). The growth in this area has been phenomenal both in terms of products sold and in the growth of the value proposition to clients. The value given to clients who take full advantage of the benefits of Royalty makes a significant difference to their lives and is a true example of what Clientèle stands for.
- The Strategic Affiliates Channel which partners with intermediaries and other organisations with large memberships in our market. The growth in the number of Affiliates and the increase in the policy book as a result is very pleasing. Clientèle has now acquired a very positive reputation in this sector and is attracting further Affiliates and books of business. We believe the partnership with Clientèle is a significant benefit to the Affiliate, Clientèle and the clients that come on board, who benefit from enhanced professionalism and governance.
- Emerald Life. While the full benefits of this acquisition will only be felt next year, the quality of the management team, their understanding of their target market and their focus on the micro insurance market are all positives that I am very excited about.

Areas that have not performed as well as we would have liked and are the subject of intense management focus are the Telesales and Agency distribution channels. Management are confident that both these channels can be improved significantly during the year ahead.

Topics that are regularly debated at our Board meetings and which will absorb much time and energy of the management team in the year ahead include the following:

- Instability in the payments system. Changes in the law and regulation have forced a number of changes in the payments system over the last few years and this is again the status quo at present. The result has been certain failures in debit orders being processed by the bank, some delays in payments and some lost mandates all of which take considerable management time to trace and resolve as many of the steps needed to fix these problems are not within our control. These failures impacted our new business volumes and collections and consequently the Value of New Business and Embedded Value.
- How to service clients in the township economy most effectively.
- How to manage Generation Z employees most effectively to get the best out of them and harness their different way of looking at the world.
- Artificial Intelligence.
- Cybersecurity.
- Fake news.
- Impatience.
- Intolerance.

We are determined to understand our target markets' requirements and desires as well as their problems and preferences as best as possible so that we can "Safeguard their world with compassion". Knowledge and hard work will benefit Clientèle and all our clients, employees and shareholders.

RESULTS

The results are fully dealt with in the Group Managing Director's Report.

Chairman's Statement *continued***FUTURE PROSPECTS**

We believe that improved economic conditions will, in time, improve the financial health of our clients and potential clients which will create a fertile market for Clientèle Group products. We believe that the steps we are taking now will create an excellent foundation for the future.

The merger with 1Life and acquisition of Emerald Life brings additional very strong brands into the Group as well as great management and experience and knowledge of other areas of the market as well as products.

The demand for products from the wider Clientèle Group remains strong and we believe that our efforts to encourage sustainable loyalty will build long term value for Clientèle and all of its stakeholders. We intend to keep and grow all of the brands in the Group and will be led by the preferences of clients in their choice of brand.

The Clientèle Group remains well capitalized with good solvency and liquidity ratios and strong positive cash flows.

We value our clients and are valued by them and we remain committed to working towards our objective of A Clientèle Group Product in Every Home.

APPRECIATION

I welcomed Tom Creamer and Murray Raisbeck to the Board of Clientèle Limited last year as well as Laurence Hillman as the MD of 1Life. They have all delivered more value over the last year than my high expectations – Thank you.

During the year Hugo Louw, the MD of Clientèle Life was deservedly appointed as Deputy MD of the Clientèle Group. Recognition of the great value Hugo has delivered to the Group over the last several years. Well done Hugo.

I am pleased to welcome Etienne van der Westhuizen and Edwin du Toit, senior executives and directors of Emerald Life to the Clientèle Group. I have no doubt that they will bring new perspectives to the Group and will add great value.

I am also very pleased to announce the appointment of Ian Kirk to the Board of Clientèle Limited. Ian was formerly CEO of Sanlam and has many years of experience in the Insurance and Financial Services sector. We are extremely lucky to have someone of Ian's knowledge and experience join the Clientèle Group and I know he will add enormous value to the Group.

I once again thank all the management and staff of Clientèle for their continued effort and commitment, they have delivered way beyond expectation.

Thanks also to the non-executive directors on the Board of Clientèle who have again demonstrated a level of commitment and passion beyond the normal for non-executives. I am proud to Chair a Board of such dedicated and valuable people.

Thank you all.



Mr. GQ Routledge

22 September 2025

Group Managing Director's Report

Basil Reekie

THE YEAR IN PERSPECTIVE

The acquisition of 1Life and Emerald Life during the year has strengthened the Group's position in its chosen market and placed the Group in a really strong position for future growth.



Over the past financial year, South Africa's macroeconomic environment has again been characterised by low economic growth, fiscal challenges, labour issues, water supply constraints, political uncertainty both locally and globally, and more recently the imposition of US tariffs. These factors were tempered by the continuation of the Government of National Unity ("GNU") despite ongoing challenges, and a modest sense of optimism fuelled by a reduction in load shedding, declining inflation and the improved stock market performance, particularly in the last quarter.

Despite the optimism, it will take time to see an improvement in the high unemployment rate and for positive change to reflect in the lives of our target market. Currently, our market continues to experience difficult economic circumstances, negatively affecting affordability and financial resilience. As a result, the Group continues to experience high levels of withdrawals, suspension of debit order mandates, and disputes resulting in the Group strengthening the withdrawal assumptions underpinning the reported results.

Internally, the Group's acquisition of 1Life Insurance (RF) Limited ("1Life") was approved by the Regulatory Authorities effective 12 July 2024 and the acquisition of Emerald Life (Proprietary) Limited ("Emerald") was approved by the Regulatory Authorities effective 24 June 2025.

1Life successfully moved and transitioned operations to the Clientèle Campus during the first half of the financial year. As with any merger, it is expected to take some time to fully integrate the people, systems, and processes to ensure optimal value is realised from this transaction, nonetheless the move went well, and initial signs are positive. The acquisition has also resulted in some complex technical accounting treatments. The commercial terms of the acquisition were based on the Embedded Value ("EV") of 1Life relative to that of Clientèle and the purchase consideration was settled by the issue of Clientèle shares.

Group Managing Director's Report *continued*

The accounting standards however require that the transaction be measured at the "fair value" of the purchase consideration. This resulted in a bargain purchase gain of R403.1 million, the calculation of which is fully set out on pages 239 to 240. In reality, Clientèle paid a premium to EV of R69 million for the acquisition of 1Life as shown in the Analysis of Embedded Value on page 70.

The Emerald transaction was funded through a combination of free cash and the issuance of preference shares by Clientèle Life, the proceeds of which were used to advance a loan to Clientèle Limited in order to acquire Emerald. The acquisition has resulted in the recognition of goodwill of R104.9 million, reflecting the anticipated synergies and future economic benefits expected from the integration of Emerald into our operations. We intend to leverage this acquisition to drive long-term value creation and will continue to provide updates on the integration process and its impact on our financial performance and EV.

In terms of the financial results reported on in this integrated report, the benefits from the 1Life integration can be seen and I only expect to report on the positive financial impact of the Emerald integration in the next financial year.

HIGHLIGHTS

Financial

The key elements of the Group's performance are:

- An increase of 167% in the total insurance service result;
- A decrease in total net investment result of 33%;
- An increase of 95% in the net insurance finance income;
- An increase of 31% in operating expenses; and
- An increase in taxation of 11%.

The total insurance service result increased by 167% to R458.5 million (2024: R171.6 million) impacted by:

- The positive Clientèle result (R98.8 million) which is as a result of a small decrease in the insurance revenue coupled with a decrease in attributable insurance expenses arising from a reduced impact of onerous contracts in the current year;
- The consolidation of 1Life (R42.2 million) which had a positive impact driven by strong production performance and a reduction in mortality assumptions, offset by an increase in withdrawal assumptions to align to recent experience; and
- An increase of R145.9 million which recognises the impact on the Group Contractual Service Margin ("CSM") of the 1Life business, recognised at the date of acquisition.

The total net investment result of R170.2 million is 33% below the prior year (2024: R254.9 million) impacted by:

- The decrease in Clientèle's net investment result (R82.4 million) which is due to:
 - a decrease in the underlying Investments arising from net maturities;
 - an increase in the liability for IPF tax on the Single Premium business as a result of the corresponding increase in the deferred tax asset relating to the IPF; offset by,
 - higher net returns on both the recurring Premium Savings business and the shareholder portfolio; and
- Finance costs from 1Life (R2.3 million) which reduced the investment result.

The total net insurance finance income is 95% higher than the prior year at R403.9 million (2024: R207.3 million) mainly due to:

- The positive Clientèle result (R62.4 million) which arises from a reduction in the long term inflation assumptions, as well as the increase in the interest accreted on insurance contracts;
- The consolidation of 1Life (R160.4 million) where the impact is primarily the interest accreted on insurance contracts; offset by
- A reduction of R26.3 million which recognises the change in assumptions, recognised at the date of acquisition of 1Life.

Revenue from contracts with customers increased by 3% to R393.1 million (2024: R380.4 million). This is largely driven by:

- The negative Clientèle result (R13.9 million) which arises from investment products maturing during the prior year being only partly offset by new investment products written in the current year, as well as the decrease in the business fee income in IFA. This was offset to some extent by an increase in revenue earned from the growing stand-alone Rewards business; and
- The positive 1Life revenue from contracts with customers (R26.5 million) which arises from the deferred income earned on 1Life Single Premium Investment business.

Group Managing Director's Report *continued*

The Group's operating expenses increased by 31% to R551.2 million (2024: R420.7 million) driven by the net impact of:

- Once off costs as part of the integration of 1Life into the Group as well as the acquisition costs of Emerald and cost increases within the Clientèle Rewards business on the back of strong revenue growth, partially offset by cost savings across the balance of Clientèle (R5.7 million);
- The inclusion of 1Life operating costs (R111.3 million); and
- The amortisation of intangibles arising from the acquisition of 1Life (R13.4 million).

The taxation charge for the financial year increased by 11.3% to R240.6 million (2024: R216.1 million) primarily due to the inclusion of 1Life's charge in the current year of R77.9 million (including its IAS 12 impact of R7 million) and, within Clientèle, a credit of R18 million arising from the recognition of a higher deferred tax asset. Due to the volume of co-branded Single Premium business written, the likelihood of the utilisation of the existing assessed loss within Clientèle was reassessed and a further deferred tax asset was raised increasing this asset to R125.1 million (2024: R107.1 million). There is a corresponding charge in the change in investment contract liabilities within the net investment result, resulting in a small increase in net profit for the year.

The total comprehensive income includes:

- The bargain purchase gain of R403.1 million;
- The positive impact of the revaluation of the owner-occupied properties of the Group of R39.2 million net of tax (2024: R7.7 million net of tax) primarily as a consequence of the renovations and extensions carried out during the year;
- The addition of other comprehensive income ('OCI') which is the movement in the insurance finance reserve of R505.5 million net of tax (2024: R150.8 million net of tax) as a result of the change in the closing balances of the insurance liabilities and assets arising from the change in the yield curve, used to discount all cashflows. The Group has opted to disaggregate the other comprehensive income from net profits, as allowed for by the International Financial Reporting Standard on Insurance Contracts ("IFRS 17"), as this number is expected to be volatile; and,
- The small impact of eliminating the non-controlling interest in Direct Rewards.

The total comprehensive income increased by 226% to R1,604.2 million (2024: R492.4 million) driven by:

- The increase in Clientèle's comprehensive income (R331 million) for the reasons outlined above;
- The first consolidation of 1Life in the Group's results (R280.9 million);
- The bargain purchase gain (R403.2 million), as described above; and,
- The impacts of R96.7 million that arise from adjustments made at the date of acquisition of 1Life, as described above.

The above has resulted in the earnings per share of 235.07 cents being more than 100% higher than prior year (2024: 98.39 cents). The headline earnings per share of 147.08 cents is 49% higher than the comparative year (2024: 98.39 cents).

The Group EV as at 30 June 2025 increased to R9.16 billion (2024: R6.05 billion). The increase is driven by the 1Life acquisition (in exchange for an issue of shares) and the Emerald Life acquisition which increased the EV by circa R2.1 billion and R127.9 million respectively at the date of acquisition. This was reduced by a dividend of R566.4 million which was paid in October 2024. The various other movements which grew the EV to R9.16 billion are detailed in the Statement of Group Embedded Value on pages 64 to 71.

Recurring Embedded Value Earnings ("REVE") of R1.27 billion were earned for the year (2024: R654.6 million), an increase of 93.9% which includes 1Life and Emerald. REVE is calculated as EV earnings with the impact of economic assumption changes and other once-off items (mainly pertaining to once-off project expenses) removed. This translates into a Recurring Return on Embedded Value ("Recurring ROEV") of 16.8% p.a. (2024: 12.0% p.a.).

The VNB for the year of R330.1 million increased by 49.8% year-on-year (2024: R220.3 million) and includes 1Life's VNB of R101 million and Emerald's VNB of R1.4 million (the latter pertains to new business for 6 days).

The EV and VNB sensitivities are illustrated in the Statement of Group Embedded value on pages 64 to 71.

Group Managing Director's Report *continued***NON-FINANCIAL****Vision and brand purpose**

The foundation to all that we do remains Treating our Clients Well and Treating our Employees Well. We will continue to do this by embracing our brand values of Customer Excellence, Respect, Integrity, Passion and Teamwork.

As South Africa navigates an increasingly complex economic and social landscape, our vision for the 2026 financial year remains rooted in creating tangible added value for our customers. One of the key benefits of the merger of 1Life and Emerald into the group is the economies of scale that will be realized, ultimately improving our ability to enhance the value for our customers and shareholders. We recognise that our clients are facing unprecedented challenges, including economic instability, rising costs of living, and social uncertainty. In response, we are committed to ensure our clients remain protected by innovating our product offerings to ensure that they are not only comprehensive but also adaptable to the evolving needs of our clients.

Equally crucial to our vision is the well-being of our employees, who are the cornerstone of our success. We understand that a motivated and engaged workforce is essential for delivering exceptional service and driving growth. To this end, we are dedicated to fostering a supportive and dynamic work environment that prioritises professional development, work-life balance, and inclusivity. Our goal is to empower our team with the tools and opportunities that they need to excel, thereby cultivating a culture of excellence and innovation that will benefit both our staff and our clients.

We fully appreciate the impact that the current economic and social challenges have on our clients and we are determined to address these issues with empathy and foresight. Our approach involves proactive engagement with our clients to understand their evolving needs and provide solutions that are both practical and supportive. By maintaining open lines of communication and offering targeted assistance, we strive to overcome obstacles and reinforce our commitment to the well-being of our clients and the stability of our Group.

GOVERNANCE AND KING IV

The Board of the Clientèle Group is committed to upholding the principles of sound corporate governance as outlined in King IV. This commitment is reflected in the Group's culture, which promotes ethical conduct, integrity, and responsible business practices throughout the organisation.

In alignment with King IV's "apply and explain" philosophy, the Clientèle Group has adopted a governance approach that goes beyond mere compliance. The Group is able to articulate how it applies each principle in practice, demonstrating a thoughtful and integrated implementation of the framework. During the 2025 financial year, the Group applied the majority of the voluntary King IV principles and fully complied with the mandatory corporate governance provisions set out in the JSE Listings Requirements.

The Group's governance framework plays a strategic role in safeguarding its reputation and credibility, supporting effective leadership, attracting and retaining top talent, and enabling agility in a dynamic corporate environment. This framework is comprehensive and interconnected, drawing on the principles of King IV, Governance and Operational standards for Insurers (GOI), Governance and Operational standards for Insurance Groups (GOG), the Companies Act, and other relevant legislation.

Recognising that governance is an evolving discipline, the Group remains committed to the ongoing review and enhancement of its governance practices. This includes the proactive identification and adoption of best practices where appropriate.

The Board and the Group Audit Committee are satisfied with the manner in which the Group applied the King IV recommendations during the reporting period. They will continue to assess and benchmark governance structures and processes to ensure that the Board and its Directors provide effective, ethical leadership and uphold the principles of good corporate citizenship.

A detailed narrative outlining the Group's application of the King IV principles and compliance with the JSE Listings Requirements is provided in the Corporate Governance section of this Integrated Annual Report.

RISK MANAGEMENT

The Board continues to acknowledge and monitor its responsibilities with regard to the management of risk in terms of King IV. The Group Risk Committee is an established Board Committee with a Terms of Reference approved by the Board.

The strategy for managing risk is aligned to the principles of the Insurance Act and related prudential standards. Business objectives, based on a three-year time horizon, are set by the various entities and divisions within the Group. Action plans to achieve these business objectives are then identified so as to support the longer term strategy. Risk events that could threaten the achievement of the business objectives are identified and rated against an impact scale, which differs between entities and divisions given their individual materiality level, likelihood and risk velocity scales.

Potential risk events are monitored and managed so as to minimise any negative impact on the Group. All risk events are measured against a pre-defined overall risk appetite. The current Group risk appetite comprises three metrics, namely, financial soundness (prudential minimum plus a buffer), free cash flow (cash profits on the management accounts basis less dividends) and REVE.

Specific key risks are also measured individually against pre-defined risk tolerance levels.

The risk management process contributes towards the early identification and on-going management of systemic and organisational risk exposure, in parallel with all Board and Non-Board Committees, which all contribute to our combined assurance model.

B-BBEE

Our transformation commitment goes beyond complying with the regulatory requirements of the B-BBEE Act. We believe in building long-term relationships that promote economic inclusivity and foster working environments that are representative of the country that we live and operate in.

Our B-BBEE status is now rated as a Level 3 Contributor and we continue to look for opportunities to improve our position. Over and above the improvement in the scorecard, we believe in collaborative partnerships to solve some of South Africa's socio-economic challenges, one initiative at a time. In collaboration with the Insurance SETA, we have been able to build internal skills and competencies through the development programmes offered to our employees. Furthermore, our participation in the annual internship opportunities have enabled us to offer employment to unemployed graduates after completing the 12 month training and development programme.

We have recently entered our third year of participating in the Youth Employment Services ("YES") programme, through which we have provided access to employment opportunities to over 350 unemployed youth (over 100 youth in the 2025 financial year).

The investment in our IFA network and other black business partners, is an important part of Clientèle's support to sustaining small black enterprises in this challenging economic environment. We remain committed to partnering with procurement suppliers that promote the economic empowerment and inclusion of previously marginalised sectors and people in South Africa.

The Group is continuously looking to improve its B-BBEE contribution status and remains committed to increasing the B-BBEE shareholding in Clientèle over time. The majority of our B-BBEE shares are held directly and indirectly by Yellowwoods Trust Investments (Proprietary) Limited ("YTI"), a wholly owned subsidiary of the Hollard Foundation Trust, a Broad-Based Black Economic Empowerment Trust. YTI's total shareholding, including the indirect holdings, amounted to approximately 8.39% as at the end of the 2025 financial year.

Clientèle has continued to provide financial assistance resulting in a net exposure, via guarantees, of R200 million for the purchase of approximately 6% of Clientèle's issued ordinary shares by YTI.

In addition to the provision of the guarantee, as part of YTI's funding arrangement to purchase the equity stake in Clientèle, the Clientèle Group hold preference shares in YTI with a nominal value of R50 million.

SHARED VALUE

The Group subscribes to the principle of Shared Value. In short this involves the Group sharing the value we create with clients, communities that support us as well as the broader South African society, employees and shareholders. Shared value, in the Clientèle context, takes many forms, including:

1. Providing loyalty benefits to our loyal clients via the Clientèle Loyalty program, Clientèle Royalty and the recently launched 1Life Loyalty program, 1LifeStyle. Since its launch in February 2024, we have shared over R300 million of value with our loyal clients. Now exceeding R25 million on a monthly basis and growing each month;
2. Environmental initiatives (e.g. the installation of solar panels right across our office park and a water harvesting system, significantly reducing our purchased electricity and water consumption needs);
3. Taking part in youth employment initiatives such as the YES program;

Group Managing Director's Report *continued*

4. Consumer education;
5. Providing a regular income to thousands of South Africans via employment opportunities or as, field agents, broker intermediary agents, and many more;
6. Investing in South Africa (e.g. Government Bonds); and,
7. Various CSI initiatives (some of which are detailed below).

CORPORATE SOCIAL INVESTMENTS

The focus of the Corporate Social Investment portfolio at Clientèle has always been aligned to the Group Purpose and playing an active role in providing sustainable support to our communities in South Africa.

For the 2025 year, our CSI initiatives focused on the following pillars:

1. Education

Now in its 16th year, the Clientèle bursary scheme has supported the children of our staff, clients and IFA's with bursaries to enable them to complete tertiary studies. To date, this bursary scheme has sponsored around 150 students covering a wide range of disciplines including medicine, accounting, science, law and administrative management. The bursaries cover all costs relating to the beneficiaries' studies including tuition, books, meals and accommodation.

The mentorship engagements provided to the students, by the Clientèle's senior management team have proved to be a valuable part of the support structure to manage study workloads as well as other socio- psychological aspects of student life.

2. Community Support and Donations

We recognise the socio-economic challenges that many consumers in South Africa face on a daily basis. We have maintained our support for childhood development and vulnerable youth care by sponsoring the following primary beneficiaries:

- Sithabile Child and Youth Centre in Benoni. In addition to financial support, in celebration of Mandela Day, the CSI team spent the day at the Youth Centre and donated food parcels as well as non-perishable items; and,
- Donation of school bags to Grade 1 & 2 learners at Ditau Primary School in Soweto. This was in support of activities to get the young scholars ready for the school year in January 2025.

Furthermore, we partnered with certain of our business partners to support the charitable initiatives that they partake in.

3. Employee Giving and Volunteering

Our employees continue to share the concern for considering the underprivileged in the communities that they and our clients come from. The Employee Giving Campaign focused on the following worthy causes:

- Donation to Manger Care Centre to support initiatives in the fight against Gender based Violence in communities.
- The donation of over 2,600 sanitary packs to assist in alleviating female hygiene challenges for school going girls in Ivory Park, north of Johannesburg.

4. Consumer Education

In line with the Group's purpose of safeguarding your world with compassion, we have continued to provide basic financial literacy education to consumers in South Africa.

The demographic reach of the project was as follows:

- 51% of the participants were from rural areas;
- 100% of the participants were Black South Africans;
- 54% of the participants were young, black females; and,
- 98% of the participants fall within the LSM 1- 8.

1Life's "Truth about Money Programme" was established in 2014 with the aim of making financial literacy accessible to all South Africans, with a focus on previously disadvantaged communities. The programme consists of three main pillars, Financial Literacy courses provided through Boston College or digitally, Legal assistance including the free drafting of a will and estate mediation and Debt Management. To date 79 671 people have completed the financial literacy program.

BUSINESS SEGMENTS

Clientèle Life Insurance

Clientèle Life remains the major contributor to the Group's performance. The continued focus on cost savings, initial realisation of economies of scale from the 1Life integration and a decrease in the tax charge offset the impact of higher-than-expected withdrawals (and the consequent change in withdrawal assumptions for traditional business). There is also a once-off gain of circa R90 million arising from the derecognition of leased assets (which had no impact at group level as they relate to owner occupied properties). This resulted in a 69.1% increase in net profit for the year to R427.2 million (2024: R252.6 million).

Included in other comprehensive income is the movement in the Insurance Finance Reserve of R340.0 million net of tax (2024: R150.8 million) as a result of the changes in the closing balances of the insurance liabilities and assets arising from the change in the yield curve used to discount all cashflows.

Group Managing Director's Report *continued*

All of the above has resulted in total comprehensive income increasing by 90.2% to R767.3 million (2024: R403.4 million).

Clientèle Life's total VNB for the year was R126.2 million (2024: R104.8 million), an increase of 20.4%. Clientèle Life earned REVE of R441.9 million (2024: R411.1 million), an increase of 7.5%. The Recurring ROEV was 11.3% p.a. (2024: 10.5% p.a.).

1Life Insurance

1Life's net profit for the year of R132.5 million is driven by strong premium income as well as a reduction in gross claims.

1Life's total VNB for the year was R101.0 million. Using the EV at the date of acquisition as the opening EV, the REVE for 1Life is R503.8 million (including a number of once-off positive impacts as a consequence of the merger). This translates into a Recurring ROEV of 26.8% p.a.

Emerald Life Insurance

Emerald was acquired by the Group for R605.2 million at the very end of the financial year (24 June 2025). This transaction was funded by the issue of R570 million of preference shares issued by Clientèle Life, the proceeds of which were loaned to Clientèle Limited, and R35.2 million of cash. The EV of the business as at 30 June 2025 R735.2 million, meaning that Emerald added R129.3 million to the Group's REVE, after allowing for the R700 000 of accrued dividends on the preference shares issued. Emerald's VNB was R1.4 million (for 6 days of new business).

Non-Life Insurance

Clientèle General's net profit for the year reduced slightly when compared to the prior year, before the once-off gain of circa R37 million arising from the derecognition of the leased property which has no impact at group level. Allowing for this once-off gain, the net profit increased by 31.0% to R138.3 million (2024: R105.6 million), Clientèle General's VNB was R55.2 million (2024: R73.1 million) a decrease of 24.5%. Clientèle General generated REVE of R142.7 million (2024: R203.5 million) a decrease of 29.9%, mainly due to the impact of assumption changes on withdrawals and lower new business volumes. The Recurring ROEV was 9.7% p.a. (2024: 14.7% p.a.).

The Clientèle General management team are focused on improving all performance metrics.

CBC Rewards, Mobile and Direct Rewards

CBC Rewards, Mobile and Direct Rewards – the Group's non-insurance entities – reported a combined net loss of R4.9 million (2024: net loss of R19.4 million) for the year. The improvement in the net loss over the year is as a result of the Rewards book within CBC stabilising following growth in prior years.

The segment produced VNB of R46.3 million (2024: R42.4 million), an increase of 9%. The Segment recorded REVE of R45.1 million (2024: R53.7 million) which included a once-off reversal of historical inter-company expense allocations) translating into a Recurring ROEV of 44.8% p.a.

CBC Rewards is responsible for, amongst other things:

- Clientèle Royalty which was developed during the previous year and launched in February 2024;
- 1Lifestyle, akin to the Clientèle Royalty program, was launched in January 2025; and
- The highly successful stand-alone Rewards product.

DIVIDENDS

The Board has declared a dividend per ordinary share of 132 cents (2024: 125.00 cents) per share, an increase of 5.6% from the prior year.

OUTLOOK

As we look to the future, the Group is well-positioned for robust growth, both organically and capitalizing on the strategic acquisitions of 1Life and Emerald. Our forward-looking approach and commitment to Treating our Clients Well have laid a solid foundation that will enable us to expand our market presence and enhance our service offerings. We are actively exploring and pursuing opportunities that align with our vision, allowing us to capitalise on emerging trends and unlock new avenues for development.

Group Managing Director's Report *continued*

In the midst of a challenging economic and social environment, we remain resolute and adaptable. The current South African landscape demands resilience and innovation, and we are embracing these demands with a proactive and strategic approach. Our focus on navigating these complexities with agility allows us to identify and capitalise on opportunities that arise, transforming potential challenges into avenues for growth and improvement.

Our commitment to fostering sustainable growth extends to our dedication to serving our customers, supporting our employees, and delivering value to all stakeholders. By continuously enhancing our customer service offering and investing in our workforce, we are building a resilient and agile organisation poised for long-term success.

Our strategic focus on sustainability and innovation ensures that we not only meet the immediate challenges but also create enduring value for everyone involved in our journey.

APPRECIATION AND BOARD COMPOSITION

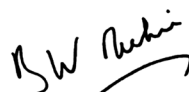
At the beginning of the year, we welcomed a number of new appointments to the Board as a consequence of a new shareholder (TIH) following the issue of shares as a purchase consideration for 1Life. I extended a welcome to them in my previous report, and would like to add to that by thanking them for the immense value which they have already provided during the year. I look forward to their participation and value add to the Clientèle Group, as we enter another exciting period in our growth path.

The Group is also proud to welcome Mr. Ian Kirk (Non-Independent Non-executive Director) who was appointed with effect from 1 July 2025 and I am very excited about the wealth of expertise and experience that he will bring to the Board and the Group into the future.

I would also like to say a special thank you to the entire 1Life and Clientèle management teams who were all instrumental in the successful merger of the two businesses. Both team's real willingness to welcome the change and look to find the best of both worlds, has led to what I believe, is going to be one of the most successful mergers in recent history.

It has been a privilege and a pleasure to interact with the Emerald team as we completed the acquisition and have now commenced a new journey together. Thank you for your openness. I look forward to our combined businesses thriving in the years ahead.

Finally, I would like to extend my heartfelt gratitude to the Chairman of the Board, all the Directors, and our entire senior management team for their exceptional dedication and hard work throughout the financial year. Your unwavering commitment and tireless efforts have been instrumental in not only helping the Group navigate the complexities of a challenging economic and social environment but also in ensuring our continued resilience and success as we have traversed the challenge of mergers and acquisitions. The achievements that the Group has made this year would not have been possible without your leadership, strategic vision, and relentless pursuit of excellence. It is your collective expertise and perseverance that have positioned us to thrive and drive our company forward, and for this, I am profoundly thankful.



Mr. BW Reekie
22 September 2025

Corporate Governance

1. INTRODUCTION

The King Code on Corporate Governance underpins the Group's corporate governance framework. The Group supports the voluntary principles and leading practices of King IV and applies its recommendations. There is continuous focus to integrate King IV into the Group's internal controls and policies, as well as the Board's corporate governance Terms of Reference.

The Board confirms that the Group complied with the King Code on Corporate Governance as set out in King IV for the 2025 financial year, unless otherwise stated. The Board is confident that the application of these principles will not only ensure that all statutory governance requirements are met but will also ensure a special focus towards the achievement of the following governance outcomes:

- Ethical culture;
- Good performance;
- Effective control; and,
- Legitimacy.

The Board recognises its responsibility to create value in a sustainable manner and conducts its affairs ethically with prudence, transparency, accountability, fairness and being socially responsible, thereby safeguarding the interests of all stakeholders including Government, Regulators, shareholders, policyholders, clients, IFAs, agents, brokers, banks, affiliated partners, employees, suppliers and industry associates.

The following report serves to provide information on the extent of compliance with the principles of sound governance, as provided by King IV, during the 2025 financial year:

Principle	Application
<p>1 The Board should lead ethically and effectively.</p>	<p>The Board is obligated to act in accordance with the Companies Act (as per the company MOI) and section 76(3) which states that a Director of a company must exercise the powers and perform the functions of a Director in good faith, for a proper purpose, in the best interests of the Group and with a degree of care, skill and diligence.</p> <p>The Board's annual assessment of the performance of its Committees, Directors and Executives, incorporates a focus on ethical outcomes. The Board's Terms of Reference also outlines the policies and practices of the Board on matters such as Directors' dealings in the securities of the Company and declarations of conflicts of interest.</p> <p>The Directors have the necessary competence to discharge their responsibilities and provide strategic direction and control of the Group. Furthermore, the Directors are devoted to ensuring the sustainable success of the Group and therefore attend meetings as required and dedicate sufficient time and effort in preparation for such meetings.</p>
<p>2 The Board should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.</p>	<p>The Board is mandated with the responsibility to review and approve the Group's policies on values and code of ethics. The Group Social and Ethics Committee assists and guides, as the conscience of the Group, on social and ethical matters and to ensure oversight over the implementation, reporting, training and awareness of the Group's code of ethics.</p> <p>In order to ensure that the Group's purpose is achieved it therefore becomes imperative that the Group's values and code of ethics form an integral part of the Group's strategy and the implementation thereof. Further details are available in the Group Social and Ethics Report, pages 59 to 63.</p>

Corporate Governance *continued*

Principle	Application
<p>3 The Board should ensure that the organisation is and is seen to be a responsible corporate citizen.</p>	<p>The Board oversees and monitors the consequences of the Group's activities and outputs and its status as a responsible citizen. Clientèle is diligent with regard to ensuring that compliance with legislation, regulations, standards and adherence to its own policies is monitored on an ongoing basis through various Board Committees.</p> <p>The Group Social and Ethics Committee has the responsibility to monitor the overall responsible corporate citizen performance of the Group and delivery of an ethical culture. The responsibilities of this Committee include the review of the workplace, workforce and the impact of Clientèle on the economy, society and the environment.</p>
<p>4 The Board should appreciate that the Group's core purpose, its risks, opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.</p>	<p>The Group has a clearly defined strategy that gives due consideration to relevant risks. At the biannual strategy sessions, the Board challenges management on how executing the proposed strategy will create value, what dependencies the strategy has on available resources and relationships and what impacts the execution of the strategy will have on its stakeholders.</p> <p>A report back on execution against strategy is part of the Excom agenda, with regular reports to the Board and appropriate Board Committees. Through these regular reports the Board ensures that the Group responds to any consequences of its activities and outputs.</p> <p>The Group Audit and Group Risk Committees assist with the governance of risks. They monitor the effects of the identified risks and the mitigating controls.</p> <p>The responsibility for risk management is detailed in the Group Audit and Group Risk Committees' Terms of Reference.</p> <p>The Group is aware of the general viability, reliance and effect of its activities on its solvency and liquidity and its going concern status.</p>
<p>5 The Board should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the Group's performance, and its short, medium and long-term prospects.</p>	<p>The Board oversees the preparation of all reports that are publicly available, ensuring that they present material information in an integrated manner, providing users with a holistic, clear, concise and understandable view of the Group's performance in terms of sustainable value creation in the economic, social and environmental context within which it operates. Management has been delegated responsibility for the Group's reporting, following the direction set by the Board. Clientèle produces an Integrated Annual Report as well as supplementary information which, together, contain all the legitimate and reasonable information needs of material stakeholders. The preparation of the Integrated Annual Report and the Condensed Report are overseen by the Group Audit Committee. The Integrated Annual Report and supporting documentation are published on Clientèle's website.</p>

Corporate Governance *continued*

Principle	Application
<p>6 The Board should serve as the focal point and custodian of corporate governance in the Group.</p>	<p>The Board has an approved Terms of Reference which it reviews annually. The Board's role and responsibilities are articulated in the Terms of Reference. The Board is the focal point and custodian of corporate governance, both in terms of how its role and responsibilities are documented and the way it executes its duties and responsibilities. The Board is supported by various Board Committees, which have delegated responsibility to assist it to fulfil certain specific functions, as well as by the Group Company Secretarial function.</p>
<p>7 The Board should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities, objectively and effectively.</p>	<p>The Board is assisted by the Group Nominations Committee, who considers, annually or after any existing Director exits and before any new Director appointments, the composition, balance of skills, experience, independence, diversity and knowledge of the Board and whether this enables it to effectively discharge its role and responsibilities. The Group Managing Director is a member of this Committee.</p>
<p>8 The Board should ensure that its arrangements for delegation within its own structures promote independent judgment, and assist with balance of power and the effective discharge of its duties.</p>	<p>The Board currently has various standing Committees that assist it in discharging its duties and responsibilities. The Committees include: Group Audit Committee, Group Risk Committee, Group Investment Committee, Group Remuneration Committee, Group Nominations Committee, Group Actuarial Committee and Group Social and Ethics Committee. 1Life and Emerald Life have separate Audit Committees.</p> <p>These Committees operate in accordance with written Terms of Reference approved by the Board, which are reviewed at least annually. The Committees are appropriately constituted and members are appointed by the Board, with the exception of the Group Audit Committee, whose members are nominated by the Board and elected by shareholders of the Group. The Group Nominations Committee reviews the composition of Board Committees and makes recommendations to the Board with regard to their composition, taking into account factors such as diversity, skills and the need to create a balanced distribution of power.</p> <p>External advisors, non-member Executive Directors and members of Excom and Senior Management attend Committee meetings by invitation. The Committees play an important role in enhancing the high standards of governance and achieving increased effectiveness within the Group.</p> <p>The Board considers the allocation of roles and associated responsibilities and the composition of membership across Committees holistically.</p> <p>A delegation by the Board of its responsibilities to a Committee will not, by or of itself, constitute a discharge of the Board's accountability.</p> <p>The Board applies its collective mind to the information, opinions, recommendations, reports and statements presented by the Chairperson of a Committee in formal report backs at Board meetings.</p>

Corporate Governance *continued*

Principle	Application
<p>9 The Board should ensure that the evaluation of its own performance and that of its Committees, its Chair and its individual members, support continued improvement in its performance and effectiveness.</p>	<p>An assessment of the performance of the Chairman, Board, Board Committees and Directors is conducted annually. Having regard to the results of the most recent performance evaluations, no significant issues were raised and the contribution, value and participation of the Board and Board sub-committees was considered satisfactory and positive.</p>
<p>10 The Board should ensure that the appointment of, and delegation to management contributes to role clarity and the effective exercise of authority and responsibilities.</p>	<p>The Board formally confirms the appointment of the Managing Director on an annual basis and ensures that the role of the Managing Director is formalised and his performance evaluated against specified criteria. The Board has established Committees to which certain responsibilities and authorities are delegated.</p>
<p>11 The Board should govern risk in a way that supports the organisation in setting and achieving strategic objectives.</p>	<p>The Board understands and takes accountability for all risks that potentially affect the achievement of its strategic objectives and has delegated the responsibility for overseeing the adequacy and effectiveness of the risk management process to the Group Audit and Group Risk Committees.</p> <p>The Group Audit and Group Risk Committees delegate to management the responsibility to continuously identify, assess, mitigate and manage risks within the existing operating environment. Mitigating controls are in place to address these risks, which are monitored on a continuous basis.</p> <p>Four Independent Non-executive Directors are members of both the Group Audit and Group Risk Committees, thus ensuring that there is coordination in respect of the evaluation and reporting of risks.</p>
<p>12 The Board should govern technology and information in a way that supports the organisation in setting and achieving its strategic objectives.</p>	<p>Excom has established a Group IT Steering Committee to assist in its IT Governance responsibilities. The IT governance framework and IT Policy framework support effective and efficient management and decision-making around the utilisation of IT resources to facilitate the achievement of the Group's objectives and the management of IT-related risk. The Group IT Steering Committee has a Terms of Reference, policies, decision-making structures, an accountability framework, IT reporting and an IT risk and controls framework, to guide their activities.</p>

Corporate Governance *continued*

Principle	Application
<p>13 The Board should govern compliance with applicable laws and adopt non-binding rules, codes and standards in a way that supports the Group being ethical and a good corporate citizen.</p>	<p>The Board and its Committees and sub-committees ensure the adherence and monitoring of compliance with applicable laws, regulations, codes and standards. The Board makes use of external attorneys and external experts and advisors to review complex regulatory matters.</p> <p>A Group Compliance function is established within the Group and forms an integral part of the Group's regulatory and operational risk management process. The Group Audit Committee and the Board receive reports on compliance with applicable laws, rules, codes and standards at quarterly meetings.</p> <p>A suitably qualified Group Compliance Officer is appointed as well as the establishment of a Group Compliance Department. Compliance is achieved through integration with business/organisational processes, ethics and culture.</p>
<p>14 The Board should ensure that the Group remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long-term.</p>	<p>The Board has established a Group Remuneration Committee, consisting of Non-executive Directors, the majority of whom are Independent, who assist the Board in setting and administering a fair, equitable and responsible remuneration policy.</p> <p>The Group Remuneration Committee has an independent role, operating as an overseer, maker of decisions on remuneration and maker of recommendations to the shareholders for their consideration and final approval. The Group Remuneration Committee works according to a Terms of Reference.</p> <p>The Group Remuneration Committee does not assume the functions of management, which remain the responsibility of the Executive Directors, officers and other members of senior management.</p> <p>The role of the Group Remuneration Committee is to assist the Board in ensuring that:</p> <ul style="list-style-type: none"> • The Group remunerates Directors, officers, members of senior management and staff fairly and responsibly; and, • The disclosure of remuneration is accurate, complete and transparent. <p>The detailed Group Remuneration Report setting out the Policy and implementation thereof, is set out on pages 42 to 58.</p>

Corporate Governance *continued*

Principle	Application
<p>15 The Board should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.</p>	<p>Combined assurance</p> <p>The Board has delegated to the Group Audit Committee oversight of, amongst others, the effectiveness of the Company's assurance services, with particular focus on combined assurance, including External Audit, Internal Audit and the Finance Function as well as the integrity of the Integrated Annual Report and the Annual Financial Statements and, to the extent delegated by the Board, other external reports issued by the Group. The Group Audit Committee also considers annually, and satisfies itself of, the appropriateness of the expertise and experience of the Financial Director and the Finance Function. 1Life and Emerald Life have separate Audit Committees.</p> <p>Assurance of external reports</p> <p>With the assistance of independent assurers, such as the External Auditor, GIA, the Head of the Actuarial Function and the External Actuaries, the Group Audit Committee reviews and evaluates the Integrated Annual Report and the Annual Financial Statements, prior to recommendation to the Board for approval. The Integrated Annual Report and complementary reports provide a consolidated review of the sustainability of the Group including the Group's financial, economic, social and environmental performance on matters material to the Group's strategy and the key stakeholders.</p> <p>Internal audit</p> <p>The Group Audit Committee has been delegated the responsibility for overseeing that assurance services are performed in terms of the GIA Terms of Reference. The Group has a GIA function and its role and responsibilities are set out in an Internal Audit Terms of Reference which requires, <i>inter alia</i>, the performance of risk-based internal audits in terms of an internal audit plan approved by the Group Audit Committee.</p> <p>GIA submits formal reports to the Group Audit Committee quarterly. The Integrated Annual Report includes the Group Audit Committees' confirmation of having received GIA's written assessment of the effectiveness of the Group's governance, risk management and control processes, including the effectiveness of the Group's systems of internal financial controls.</p>
<p>16 In the execution of its governance role and responsibilities, the Board should adopt a Stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.</p>	<p>The Board appreciates that close relationships with stakeholders should be maintained and that Stakeholder perceptions affect the Group's reputation. The Board has identified relevant stakeholders and has formalised the Stakeholder relationships processes with management.</p> <p>The Board takes account of the legitimate interests and expectations of all of its Stakeholders in decision-making, in the best interests of the Group.</p>

Corporate Governance *continued*

1.1 Corporate Governance Framework

The Board applies corporate governance practices as prescribed by, amongst others, the Companies Act, Regulators (including GOI and GOM standards), Listings Requirements as well as those contained in the Clientèle MOI.

Corporate governance is standardised across the Group to ensure that Clientèle's standards for corporate governance are implemented and monitored consistently across the Group's operations.

As a responsible corporate citizen, a holistic approach to the application of the governance principles contained in King IV has been adopted.

Clientèle's Independent Non-executive Directors acknowledge the need for their independence, while recognising the importance of good communication and close co-operation with Excom.

1.2 Stakeholder Communication

The Group has defined its stakeholders as entities and individuals that are significantly affected by its activities and those which have the ability to significantly impact the Group's ability to implement strategies and achieve objectives. The Group has identified its stakeholders as Government and Regulators, shareholders, clients (including insurance policyholders, CBC Rewards and Clientèle Mobile clients), IFAs, brokers, banks, agents, affiliated partners, employees, suppliers and industry associates.

The Group interacts with some of the significant stakeholders as follows:

1.2.1 Government and Regulators

Clientèle and the insurance subsidiaries within the Group are subject to the oversight of the FSCA and the PA. Clientèle is licensed as a controlling company of an insurance Group in terms of section 23 of the Insurance Act.

Compliance with the relevant regulations regarding financial services is regarded as being of the utmost importance. The Group works closely with the Regulators to protect its stakeholders' interests, avoid reputational damage and prevent and mitigate the potential negative impact of either new or changes to existing regulations.

1.2.2 Shareholders

Clientèle distributes information to shareholders and investment analysts through SENS and the print media, as well as disclosures on its website. Disclosures are based on the principles of transparency and substance over form.

Shareholders are notified timeously of the AGM and its agenda where voting takes place by way of a ballot. Results of the voting are published after the meeting through a SENS announcement.

1.2.3 Clients (including Policyholders)

Clientèle interacts with clients in various ways, always ensuring compliance with POPIA:

- A policy document and welcome letter is sent to every insurance policyholder who takes up a policy;
- CBC Rewards and Clientèle Mobile clients receive a welcome SMS and/or e-mail containing a link to their relevant terms and conditions;
- A well-established and well-trained call centre deals with client queries;
- Clients are also able to access important information and update certain details via the self-service portal and the Clientèle App;
- SMS, e-mail and in-App communication is widely used to keep clients up to date on their particular interactions with the Group;
- Walk-in centres assist clients who prefer face-to-face contact in dealing with their queries. Funeral Parlour intermediated clients are also able to visit the relevant Funeral Parlour branches, to attend to their queries; and,
- Agency kiosks are located in various shopping centres across South Africa where a prospective client can take out a policy or contract.

Corporate Governance *continued*

The Group subscribes to the principles of TCF to ensure that:

- Clients can be confident that they are dealing with a Group where the fair treatment of clients is central to the corporate culture;
- Products marketed and sold are designed to meet the needs of identified consumer groups and are targeted accordingly;
- Products are easy to understand. The wording of policies and contracts are continuously reviewed to ensure the wording is simple, clear and easy to follow;
- There is a focus on client-centricity to ensure that clients get the after-sales service that they expect;
- The Group always deals with clients with compassion; and,
- There is a continuous focus on the claims process and complaints management to ensure that clients receive empathetic professional and timely claims service.

The TCW initiative, which goes beyond TCF, combined with the Group's values, are integral in achieving the Clientèle purpose of "Safeguarding your world with compassion."

Also refer to the Group Social and Ethics Report on pages 59 to 63.

2. BOARD OF DIRECTORS

Clientèle's Board is the focal point of the Group's corporate governance structure and has the ultimate responsibility of overseeing the performance of the Group.

2.1 Role

The Directors have a fiduciary duty to act in good faith, with due diligence and care, and in the best interests of the Group and its stakeholders. They are the guardians of the values and ethics of the Group.

In exercising control of the Group, the Directors are empowered to delegate responsibilities. This is in line with the Group's decentralised management philosophy and is done through the Boards of the subsidiaries and their respective Managing Directors, various Board Committees and Excom.

Directors have full and unrestricted access to management, Group information and property. They are entitled to seek independent professional advice in support of their duties at the Group's expense. Non-executive Directors may meet separately with management without the attendance of Executive Directors.

2.2 Function of the Board

The Board is committed to business integrity, transparency and professionalism in all its activities to ensure that all the entities within the Group are managed ethically and responsibly to enhance the value and sustainability of its businesses for the benefit of all stakeholders.

In order to enhance Board leadership and ensure a balance of power and authority, the Board adopts a strong oversight role that provides the necessary checks and balances between the Board and management.

The Board is responsible for ensuring that there is clear strategic direction and that appropriate management structures are in place. These structures, some of which are described in this corporate governance section, are designed to provide a reasonable level of assurance as to the proper control and conduct of the Group's affairs.

The Board meets at least four times a year under the Chairmanship of Mr. Routledge. Additional meetings are arranged when necessary.

2.3 Composition of the Board

The Board of Clientèle, with input from the Group Nominations Committee, continuously spends time reviewing the size and composition of the various Boards within the Group and is of the opinion that the value of executive knowledge and experience within the Boards is well balanced alongside the value of Non-executive Director knowledge and experience. The Group will continue to review the composition and effectiveness of the Boards to ensure that they remain effective and relevant to the Group. The Board of Clientèle consists of a majority of Non-executive Directors, of which the majority of Non-executive Directors are Independent.

The Board ensures that there is an appropriate balance of power and authority on the Board, so that no one individual or block of individuals can dominate the Board's decision-making.

The Board members have been assessed and found to be fit and proper as required by the PA Prudential Standard GOI4.

In terms of the MOI of the Company, the Directors shall have the power to appoint any person as a Director, either to fill a vacancy or as an addition to the Board. Any such appointment will require ratification at the next AGM.

Each year, at least one-third of Clientèle's Directors retire and may be re-appointed by the shareholders at the AGM. Subject to the provisions of the MOI, a majority of Directors may remove a Director at a Directors' meeting before the expiration of his period of office.

Service contracts are in place with all Executive and Non-executive Directors, setting out their responsibilities. These contracts are open-ended with no set expiry date.

The standard retirement age set for the Non-executive Directors is 75, unless otherwise resolved by the Group Nominations Committee and ratified by the Board.

Clientèle supports the principles and aims of race and gender diversity at Board level. The race and gender targets for the Board have been reviewed to ensure that future appointments are aligned with the Group's policy on gender and race diversity and the B-BBEE codes.

The Group believes in the strength of a diverse Board of Directors. The Board, through the Group Nominations Committee, is committed to harnessing the broad wealth of experience, knowledge and skill of the members. The Group Nominations Committee reviews and assesses the Board composition on behalf of the Board and recommends the appointment of new Directors.

The appointment of new Directors and overall Board composition takes into consideration aspects such as business and industry knowledge, gender, age, race and cultural background, among other things. The Group Nominations Committee also oversees the achievement of the long-term voluntary targets that have been set.

For the 30 June 2025 year, the Board had the following representation:

- 23.00% female representation. The female Directors also serve as Board members of the Subsidiaries of the Group.
- 31.00% black representation. The black Directors also serve as Board members of the Subsidiaries of the Group.

The Group Nominations Committee will review Board composition on an annual basis and make recommendations on the appointment of new Directors as and when required.

2.4 Subsidiary Boards

Clientèle has wholly-owned operating subsidiaries and holds a majority stake in Direct Rewards (refer to the Group Structure on page 2).

The Boards of Clientèle Life, 1Life, Emerald Life and Clientèle General are subject to the oversight of the FSCA and the PA.

Corporate Governance *continued*

2.5 Responsibilities Include:

- Establishing the strategy of the Group;
- Ensuring that strategy, risk, performance and sustainability are inseparable and to give effect to this by:
 - Satisfying itself that the strategy does not give rise to risks that have not been thoroughly assessed by management;
 - Assisting in identifying key performance and risk areas;
 - Ensuring that the strategy will result in sustainable outcomes; and,
 - Considering sustainability as a business opportunity that guides strategy formulation.
- Guiding and supporting Excom in the execution of the strategy;
- Acting as the focal point for, and custodian of, corporate governance by managing its relationships with management, the shareholders and other stakeholders of the Group along sound corporate governance principles;
- Overseeing the group ORSA process;
- Providing effective leadership on an ethical foundation;
- Ensuring that ethical behaviour is conducted throughout the Group;
- Ensuring that the Group is, and is seen to be, a responsible corporate citizen by having regard to not only the financial aspects of the business of the Group but also the impact that business operations have on the environment and the society within which it operates;
- Ensuring that the Group has an effective and independent Audit Committee;
- Being responsible for the governance of risk;
- Being responsible for IT governance;
- Being responsible for environmental impact assessments and measures;
- Ensuring that the Group complies with applicable laws and considers adherence to non-binding rules and standards;
- Ensuring that there is an effective risk-based GIA function;
- Appreciating that stakeholders' perceptions affect the Group's reputation;
- Ensuring the integrity of the Group's Integrated Annual Report;
- Acting in the best interests of the Group by ensuring that individual Directors:
 - Adhere to legal standards of conduct;
 - Are permitted to take independent advice in connection with their duties following an agreed procedure;
 - Disclose real or perceived conflicts to the Board and deal with them accordingly; and,
 - Deal in securities only in accordance with legislation and the policy adopted by the Board.
- Commencing business rescue proceedings as soon as the Group is financially distressed;
- Electing a Chairman of the Board on an annual basis who is an Independent Non-executive Director;
- Appointing and evaluating, on an annual basis, the performance of the Group Financial Director; and,
- Appointing and evaluating (via the Group Remuneration Committee) the performance of the Group Managing Director on an annual basis.

The Board is mandated to discharge its duties by ensuring that they have fulfilled their responsibilities as set out above.

2.6 Independence of the Board

By adhering to a number of key principles, the Board's independence from Excom is ensured:

- At 30 June 2025 the Board had thirteen Directors, nine of whom were Non-executive Directors of which five were Independent Non-executive Directors;
- The Board has considered the independence of the Non-executive Directors and has held discussions with them and is of the opinion that they are Independent in their actions, judgment and conduct: They have also been found Independent in fact and in perception by the Board;
- Clientèle has an Independent Non-executive Chairman;
- The roles of Chairman and Managing Director are separate; and,
- Independent Non-executive Directors' remuneration is not tied to the Group's financial performance.

The details of the Directors are provided on pages 82 to 86.

2.7 Criteria for Independence

A Non-executive Director is classified as Independent if the following criteria are met. The Director:

- Is NOT a significant provider of financial capital, or ongoing funding to the Company; nor is he/she an officer, employee or a representative of such provider of financial capital or funding;
- Does NOT participate in a share-based incentive scheme offered by the Company;
- Does NOT own securities in the Company, the value of which is material to the personal wealth of the Director;
- Has NOT been in the employ of the Company as an Executive Manager during the preceding three financial years, nor is he/she a related party to such Executive Manager;
- Has NOT been the designated External Auditor responsible for performing the statutory audit for the Company, or a key member of the audit team of the External Audit firm, during the preceding three financial years;
- Is NOT a significant or ongoing professional advisor to the Company, other than as a member of the Board;
- Is NOT a member of the Board or Excom of a significant customer of, or supplier to, the Company;
- Is NOT a member of the Board or Excom of another organisation which is a related party to the Company; and,
- Is NOT entitled to remuneration contingent on the performance of the Company.

An Independent Non-executive Director should be Independent in fact and in the perception of a reasonably informed outsider.

Corporate Governance *continued*

2.8 Group Chairman

Mr. Gavin Quentin Routledge is the Chairman of the Boards of 1Life, Clientèle Limited, Clientèle Life, Clientèle General and Emerald Life (Pty) Limited.

Mr. Routledge has declared himself to be Independent and has also been found to be Independent by the Board when applying the criteria specified in 2.7. Clientèle believes that an Independent Chairman fosters the activities of a thoughtful and dynamic Board and, in turn, leads to a more proactive and effective Board of Directors.

The roles and responsibilities of the Chairman are, *inter alia*, as follows:

- Providing leadership and governance of the Board so as to create the conditions for the Board's and individual Director's effectiveness, and ensuring that all key and appropriate issues are discussed by the Board in a timely manner;
- Promoting effective relationships and open communication, and creating an environment that allows constructive debates and challenges, both inside and outside the boardroom, between Non-executive Directors and management;
- Ensuring that the Board, as a whole, plays a full and constructive part in the development and determination of the Group's strategies and policies, and that Board decisions taken are in the Group's best interests and fairly reflect the Board's consensus;
- Ensuring that the strategies and policies agreed by the Board are effectively implemented by management;
- Setting, in consultation with the Group Managing Director and Group Company Secretary, the Board meeting schedule and agenda to take full account of the important issues facing the Group and the concerns of all Directors, and ensuring that adequate time is available for thorough discussion of critical and strategic issues;
- Ensuring that the Board is properly briefed on issues arising at Board meetings and receives, in a timely manner, adequate information which must be accurate, clear, complete and reliable, to fulfil its duties, such as reports on the Group's performance, the issues, challenges and opportunities facing the Group, and matters reserved for it to make decisions on;
- Ensuring that there is effective communication with shareholders and other stakeholders, and that each Director develops and maintains an understanding of the stakeholders' views; and,
- Establishing good corporate governance practices and procedures and promoting the highest standards of integrity and corporate governance throughout the Group and, particularly, at Board level.

Mr. Routledge is a member of the Group Audit Committee and is also a member of the Group Risk, Group Investment, Group Remuneration, Group Nominations, 1Life Audit, Emerald Life Audit, 1Life Remuneration and 1Life Risk Committees. The Board is of the opinion that Mr. Routledge's contribution to the Group Audit Committee is invaluable to the Group.

Mr. Routledge was appointed as Chairman of the Board of Clientèle on 31 January 2008. Mr. Routledge's notice period is six months.

Mr. Routledge is allowed to hold outside professional positions and commitments and discloses these positions to the Group Nominations Committee on an annual basis and whenever there have been significant changes in outside appointments and commitments.

The Board is of the opinion that there is no need for a Lead Independent Director due to the size of the Company and the Group, as well as the size and structure of the Board Committees.

2.9 Group Managing Director

Mr. Basil William Reekie is the Managing Director of Clientèle. Mr. Reekie's notice period is six months.

Mr. Reekie has no other professional commitments other than in respect of entities within the Group. A succession plan is in place for the position of Group Managing Director.

2.10 Executive Directors

There were no payments made by the Company relating to sign-on or termination of employment to any Executive Directors. However, deferred bonuses payable from the various incentive schemes continue to be paid in certain circumstances.

2.11 Group Company Secretary

Mr. Thelani Luthuli was appointed as interim Group Company Secretary following the resignation of Ms. Fatima Roberts in September 2025. He will be replaced by the newly appointed Company Secretary who is suitably qualified, competent and experienced and joins the Group on 1 October 2025. The Group Company Secretary provides support and guidance to the Board on matters relating to governance across the Group. The function assists the Board as a whole, and Directors individually, with detailed guidance as to how their responsibilities should be properly discharged in the best interests of the Group. The Company Secretary facilitates, where necessary, induction and training for Directors and assists the Group Managing Director in determining the annual meeting timetable.

The Board, on an annual basis, assesses the competence, qualifications and experience of the Group Company Secretary (via the Group Remuneration Committee), as required in terms of the Listings Requirements and has agreed that Ms. Roberts was sufficiently qualified, competent and experienced to hold her position as Group Company Secretary.

The Group Company Secretary is not a Director and the Board is therefore satisfied that the Group Company Secretary maintains an arm's length relationship with the Board and individual Directors in terms of the Listings Requirements.

The Group Company Secretary is also the secretary to the majority of the Board Committees.

2.12 Changes to the Board

The following changes were effected by the Board during the financial year ending 30 June 2025:

- Mr. M Raisbeck resigned as Non-executive Director in June 2025. Mr. Raisbeck will serve as an Alternate Director to Mr. T Creamer with effect from 1 July 2025; and
- Mr. IM Kirk was appointed as Non-executive Director in July 2025.

2.13 Directors' Interests

The shareholding of Directors appear on page 58 in the Group Remuneration Report.

2.14 Share Dealing by Directors and Senior Personnel

Clientèle has implemented a code relating to share dealing by Directors and all personnel who, by virtue of the key positions they hold, have comprehensive knowledge of the Group's affairs. The code imposes closed periods to prohibit dealing in Clientèle securities before the announcement of mid-year and year-end financial results or in any other period considered price sensitive, in compliance with the requirements of the Financial Markets Act, 2012, and the Listings Requirements in respect of dealings by Directors. The Group Company Secretary undertakes the administration required to ensure compliance with this code under the direction of the Chairman.

A pre-approval policy and process for all dealings in Clientèle shares by Directors and selected key employees is followed. This policy is reviewed annually.

2.15 Political Party Support

The Group does not support, financially or otherwise, any individual political party.

3. SHAREHOLDER AND BOARD COMMITTEES

The Board and Non-Board Committees (referred to in the Corporate Governance Report on pages 16 to 39):

- Have an independent role, operating as an overseer and maker of recommendations to the Board, Group Excom and Shareholders for consideration and approval;
- Have members who are deemed to have sufficient qualifications and experience to fulfil the duties required in terms of the responsibilities of the Committees;
- Act in terms of the delegated authority of the Board, Group Excom and Shareholders as recorded in their respective Terms of Reference;
- May call upon the Chairpersons of other Board Committees, Excom Committees, any of the Executive Directors or applicable officers or the Group Company Secretary to provide information to them;
- Have reasonable access to the Group's records, facilities and any other resources necessary to discharge their duties and responsibilities;
- Have the right to obtain independent outside professional advice to assist with the execution of its duties, at the Group's cost, subject to a Board approved process; and,
- Take responsibility for risk management. The Chairperson of each Committee is responsible to ensure that risk management is conducted in line with the scope and objectives of the Committee and ensure that a risk register is maintained, that internal controls are implemented, actions are taken to mitigate risks and that the register is kept and updated on a regular basis. In addition, all risk incidents are reported to the Group Risk Function in a timeous matter.

3.1 Group Audit Committee

Refer to the Group Audit Committee Report on pages 74 to 78.

Corporate Governance *continued*

3.2 Group Actuarial Committee

Members	Number of meetings held	Number attended
BW Reekie (Chairperson)	5	5
AC Pillay		5
RD Williams		5
B Frodsham		5
JL Potgieter		5
H Louw		5
GK Kopeka		4
L Hillman		5
HP Mayers		5
Appointed by: <ul style="list-style-type: none"> Group Audit Committee and the Board Authority: <ul style="list-style-type: none"> Group Audit Committee and the Board Other: <ul style="list-style-type: none"> External Auditors and the Chairman of the Group Audit Committee attend the interim and year-end Group Actuarial Committee meetings External Independent Actuaries have a standing invitation to attend all meetings 		Assessment: <ul style="list-style-type: none"> Annually Satisfactory rating in November 2024 Conclusion: <p>Satisfied that the Committee has fulfilled its responsibilities in accordance with the Terms of Reference for the reporting period.</p>
<p>2025 KEY FOCUS AREAS</p> <p>During the year, various issues were addressed, including:</p> <ul style="list-style-type: none"> Highlighting any policyholder reasonable benefit expectation issues, having specific regard to TCF and TCW; Reviewing and amending the format and content of actuarial reports; Reviewing the ALM position, cash flow management and capital requirements of the Group; Liaising with the External Actuaries and the External Auditor; Reviewing and approving the quarterly actuarial liability calculation; Considering and recommending to the Group Audit Committee and the Board the approval of bi-annual formal Actuarial Valuation and EV reports of the Head of the Actuarial Function; Annually reviewing the independence of the Head of the Actuarial Function; Reviewing and approving the monthly unit price calculation; Reviewing and discussing, annually, potential threats to External Actuaries' independence; Reviewing the appropriateness of the experience, expertise and adequacy of the resources of the Actuarial Department and the Actuarial function; Reviewing the impacts of regulatory and industry changes on the Actuarial Valuation and EV; Reviewing findings relating to data accuracy and data integrity; Advising as to the viability of any proposed client underwriting; and, Reviewing and monitoring relevant items from an internal capital management and planning process. <p>Significant additional focus was placed on the impact of the merger and acquisition activity (1Life and Emerald Life) and the challenging economic environment and the resultant effects on our clients and the economic, investment and business environment, as well as the appropriate actuarial assumptions.</p> <p>The Committee is expected to make use of appointed experts, who specifically include the External Actuaries, to assist it in carrying out its responsibilities.</p> <p>Refer to the Statement of Group EV on pages 64 to 71.</p>		

3.3 Group Risk Committee

Members	Number of meetings held	Number attended
BA Stott (Chairperson)	4	4
BW Reekie		3
TE Mashilwane		2
GQ Routledge		3
RD Williams		3
AC Pillay		4
<p>Appointed by:</p> <ul style="list-style-type: none"> The Board <p>Authority:</p> <ul style="list-style-type: none"> The Board <p>Other:</p> <ul style="list-style-type: none"> The Group Chief Risk Officer, Mr. JL Potgieter, the External Auditors and the CAE attend all meetings as invitees The composition and responsibilities of this Committee are aligned to the Prudential Standard GOI 2 – Governance of Insurers 1Life has a separate Risk Committee. Feedback from this Committee is provided to, and considered by, the Group Risk Committee Mr. Stott stepped down as Chairperson of the Group Risk Committee and will be replaced by Mr. Williams 	<p>Assessment:</p> <ul style="list-style-type: none"> Annually Satisfactory rating in November 2024 <p>Conclusion:</p> <p>Satisfied that the Committee has fulfilled its responsibilities in accordance with the Terms of Reference for the reporting period.</p>	
<p>2025 KEY FOCUS AREAS</p> <p>During the year, various issues were addressed, including:</p> <ul style="list-style-type: none"> Assisting the Board in ensuring that there are processes in place enabling: <ul style="list-style-type: none"> complete; timely; relevant; accurate; and, accessible disclosure on risks to stakeholders. Disclosure of risks to stakeholders; Providing assurance relating to the effectiveness of the risk management process; Designing, implementing and monitoring the risk management plan; Performing continuous risk assessments, including consideration of new and emerging risks; Ensuring frameworks and methodologies are implemented to increase the probability of anticipating emerging risks; Ensuring that management considers and implements appropriate risk responses; Ensuring continuous risk monitoring by management; The annual review and approval of the Business Continuity Management Framework; Approving updated risk appetite and risk tolerance statements and risk rating scales; Receiving and considering feedback on compliance with SAM; Approving the “shock” scenarios for ORSA; Reviewing and approving the ORSA; Ensuring that all Operational Risk Incidents are reported and working with business on finding ways to mitigate the impact and reduce the probability of the recurrence of these incidents; Reviewing and approving of Capital Management Policies; Reviewing and approving of Risk Management Strategy Policy; and, Reviewing and discussing presentations on global and local economic conditions. <p>Significant focus was placed on management actions in order to ensure the welfare of the staff, compliance with new regulations and mitigation of the effects of the challenging economic environment. During the year we implemented new risk rating scales and additional focus was placed on the risks and opportunities related to the merger of 1Life and the acquisition of Emerald Life, both of which were concluded successfully during the year.</p> <p>1Life integration</p> <p>1Life adopted the Group Risk Policies during March 2025 and the integration of 1Life into the Clientèle Group Risk Methodology has been completed. Refer to the Risk Management section on pages 94 to 103 for more detail.</p>		

Corporate Governance *continued*

3.4 Group Investment Committee

Members	Number of meetings held	Number attended
AC Pillay (Chairperson)	4	4
BW Reekie		4
GQ Routledge		3
BA Stott		4
H Louw		4
JL Potgieter		4
<p>Appointed by:</p> <ul style="list-style-type: none"> The Board <p>Authority:</p> <ul style="list-style-type: none"> The Board The Group Audit Committee <p>Other:</p> <ul style="list-style-type: none"> The Group Investment Committee reports to the Group Audit Committee 	<p>Assessment:</p> <ul style="list-style-type: none"> Annually Satisfactory rating in November 2024 <p>Conclusion:</p> <p>Satisfied that the Committee has fulfilled its responsibilities in accordance with the Terms of Reference for the reporting period.</p>	
<p>2025 KEY FOCUS AREAS</p> <p>During the year, various issues were addressed, including:</p> <ul style="list-style-type: none"> ALM, in conjunction with the investment manager and the Group Actuarial Committee; Overseeing that investment decisions are made in the best interests of policyholders (with regard to policyholder reasonable expectations); Overseeing the appropriate mix of shareholder investments on behalf of the Board; Ensuring that there are processes in place to: <ul style="list-style-type: none"> continuously monitor and review the performance of existing investments; and, report on the performance of existing investments, as and when necessary; Ensuring that there are processes in place to monitor the Group's tax matters by: <ul style="list-style-type: none"> Ensuring tax implications of new and existing insurance and investment products are identified and understood; Reviewing processes implemented to ensure the Group follows the most effective tax route; Ensuring that all tax returns are submitted timeously; Ensuring that all SARS queries have been dealt with by persons with appropriate responsibility and expertise; Ensuring that management keeps current with tax legislation; and, Reporting to the Group Audit Committee and the Board on any significant tax matters. Monitoring the performance of the investment manager; and, Reviewing credit risk related to the Group's investment assets to ensure an optimum mix of risk and return. 		

3.5 Group Remuneration Committee

Members	Number of meetings held	Number attended
BA Stott (Chairperson)	3	3
GQ Routledge		3
GK Chadwick		3
<p>Appointed by:</p> <ul style="list-style-type: none"> The Board <p>Authority:</p> <ul style="list-style-type: none"> The Board Shareholders by a non-binding advisory endorsement of the remuneration policy <p>Other:</p> <ul style="list-style-type: none"> The Group Managing Director attends all meetings by invitation The composition and responsibilities of this Committee are aligned to the Prudential Standard GOI 2 – Governance of Insurers 1Life has a separate Remuneration Committee. Feedback from this Committee is provided to, and considered by, the Group Remuneration Committee 		<p>Assessment:</p> <ul style="list-style-type: none"> Annually Satisfactory rating in November 2024 <p>Conclusion:</p> <p>Satisfied that the Committee has fulfilled its responsibilities in accordance with the Terms of Reference for the reporting period.</p>
<p>2025 KEY FOCUS AREAS</p> <ul style="list-style-type: none"> The Group Remuneration Committee assists the Board in ensuring that: <ul style="list-style-type: none"> The Group remunerates Directors and Executives fairly and responsibly; The levels of increases given to staff and management are appropriately reviewed; and, The disclosure of remuneration is accurate, complete and transparent. Overseeing the remuneration policy and ensuring that it promotes the achievement of strategic objectives and Group targets; Reviewing the outcomes of implementation of the remuneration policy in terms of achievement of set objectives; Benchmarking Executive remuneration; Ensuring the mix of fixed and variable pay meets the Group's strategic objectives and needs; Satisfying itself as to the accuracy of performance measures that govern vesting and payment of incentives and bonuses; Ensuring that all benefits are justified and correctly valued; Considering and evaluating the performance of the Group Managing Director, other Executive Directors, Heads of Control Functions and Executives when determining remuneration; Regularly reviewing Incentive Schemes to ensure continued contribution to shareholder value in addition to ensuring that these are administered in terms of the rules; Considering the appropriateness of early vesting of BRs at the end of employment and effecting relevant changes, at their discretion, in line with legislation, standards and regulatory requirements; Reviewing the performance of Non-executive Directors; Reviewing the performance of Executives; Advising on the remuneration of Non-executive Directors; and, Reviewing the Group's remuneration report for Executives in the Integrated Annual Report and providing recommendations to the Board. <p>Refer to the Group Remuneration Report on pages 42 to 58.</p>		

Corporate Governance *continued*

3.6 Group Social and Ethics Committee

Members	Number of meetings held	Number attended
TE Mashilwane (Chairperson)	4	4
BW Reekie		4
RDT Zwane		4
RD Williams		4
Appointed by: <ul style="list-style-type: none"> The Board Authority: <ul style="list-style-type: none"> The Board Report to shareholders through the Integrated Annual Report Other: <ul style="list-style-type: none"> Mr. Reekie stepped down from the Committee effective August 2025 		Assessment: <ul style="list-style-type: none"> Annually Satisfactory rating in November 2024 Conclusion: <p>Satisfied that the Committee has fulfilled its responsibilities in accordance with the Terms of Reference for the reporting period.</p>
<p>2025 KEY FOCUS AREAS</p> <ul style="list-style-type: none"> Social and economic development, including the Group's standing in terms of goals and purpose relating to: <ul style="list-style-type: none"> The ten United Nations Global Compact Principles; The OECD recommendations regarding corruption; The B-BBEE Act; and, The Employment Equity Act. Good corporate citizenship, including the Group's: <ul style="list-style-type: none"> Promotion of equality, prevention of unfair discrimination and reduction of corruption; Contribution to development of the communities in which its activities are predominantly conducted or within which its products/services are predominantly marketed; Record of sponsorship, donations and charitable givings; and, Impact on the environment, health and public safety, including the impact of the Group's activities and its products/services. Consumer relationships, including the Group's advertising, public relations and compliance with consumer protection laws; Labour and employment, including: <ul style="list-style-type: none"> The Group's standing in terms of the International Labour Organisation Protocol on decent work and working conditions; and, The Group's employment relationships, and its contribution towards the educational development of its employees. Monitoring that the Group conducts its activities in an ethical manner, including addressing matters submitted through the whistleblowing platform; Drawing matters within its mandate to the attention of the Board, as the occasion requires; and, Attending the AGM to report, through a member, to the shareholders on the matters within its mandate, if required. <p>Throughout the year, against the backdrop of the challenging economic environment, guiding Clientèle's continued adherence to the Group's Purpose and Values by Treating Clients Well and Treating Employees Well.</p> <p>Mr. Reekie stepped down from the Social and Ethics Committee in order to ensure that the Committee comprised a majority Non-Executive Directors. As Group Managing Director, Mr. Reekie continues to be invited to all committee meetings.</p> <p>Refer to the Group Social and Ethics Report on pages 59 to 63.</p>		

3.7 Group Nominations Committee

Members	Number of meetings held	Number attended
BA Stott (Chairperson)	2	2
GQ Routledge		2
BW Reekie		2
GK Chadwick		2
Appointed by: <ul style="list-style-type: none"> The Board Authority: <ul style="list-style-type: none"> The Board Report to shareholders through the Integrated Annual Report Refer to pages 82 to 83 for members' qualifications and experience 		Assessment: <ul style="list-style-type: none"> Annually Satisfactory rating in November 2023 Conclusion: <p>Satisfied that the Committee has fulfilled its responsibilities in accordance with the Terms of Reference for the reporting period.</p>
<p>2025 KEY FOCUS AREAS</p> <ul style="list-style-type: none"> Ensuring that the process of nomination, election and appointment of members of the Board is formal, appropriate and transparent; Ensuring that any candidate for election as a Non-executive Director has sufficient time available to fulfill the responsibilities as a member of the Board by requesting details of professional commitments and a statement to the effect that the candidate has sufficient time available to fulfill such responsibilities; Ensuring that a process is in place for receipt of a declaration in respect of all relevant financial, economic and other interests held by each Director and any related parties on an annual basis; Ensuring that formal succession plans for the Board, Group Managing Director, Excom and Board Committees are developed and implemented; Recommending to the Board the continuation (or not) in service of any Director who has reached the age of 75; Considering, annually, the eligibility for re-election of those Directors who retire by rotation and recommending or advising otherwise such retiring Directors' re-appointments by shareholders at the AGM taking into account the results of their performance evaluation; Considering, annually, as part of the Board evaluation process, the independence of the Non-executive Directors. A separate annual review is undertaken for Independent Directors serving for longer than nine years, to ensure: <ul style="list-style-type: none"> the member exercises objective judgment; and, there is no interest, position, association or relationship which, when judged from the perspective of a reasonable and informed third party, is likely to influence unduly or cause bias in decision-making. Overseeing the formal induction programme for new Directors including the development and implementation of continuing professional development programmes for Directors and mentorship of Directors where required; Ensuring that Directors receive regular briefings on changes in risks, laws and the environment in which the Company operates; Co-ordinating the annual performance evaluation of the Board and Committees, independence assessment of Directors, peer reviews and assessment of the qualifications and competence of the Group Company Secretary; Ensuring the implementation of action plans emanating from the annual evaluations where required; Considering and recommending to the Board, for approval, policies relating to the Committee's mandate as set out in the Terms of Reference; Agreeing with the Group Managing Director (who is a member of this Committee) whether any additional professional positions may be taken up by the Group Managing Director; On an annual basis, discussing the need for a Lead Independent Director; Ensuring that there are adequate policies and procedures in place relating to the appointment, dismissal and succession of senior management and Heads of Control Functions; and, Recommending the appointment of the Chairman of the Board and Managing Director to the Board. 		

Corporate Governance *continued*

4. NON-BOARD COMMITTEES

The following, *inter alia*, are non-board Committees in place as at 30 June 2025:

- Group Excom;
- Group IT Steering Committee;
- Group Product Committee;
- Group Internal Controls Committee;
- Group Internal Financial Controls Committee;
- Group Negative Production Committee;
- Group Client Services Committee;
- Group Marketing Committee;
- Group Provident Fund Committee;
- Group Digital Committee;
- Group Communication Committee;
- Group Data Governance Committee;
- Group Internal Arbitration Committee;
- Group Script Committee; and,
- Group Health and Safety Committee.

Board and Non-Board Committees have formal Terms of Reference, which are reviewed on an annual basis.

The Terms of Reference of the Committees are available on request from the Group Company Secretary on 011 320 3000 or groupcompanysecretary@clientele.co.za

5. ATTENDANCE AND MEMBERSHIP OF SHAREHOLDER, BOARD AND BOARD COMMITTEE MEETINGS

5.1 Members of Clientèle Board and Committees as at 30 June 2025

Directors and members	Description	Note	Clientèle Board	Group Audit	Group Actuarial	Group Remuneration	Group Social & Ethics	Group Risk	Group Investment	Group Nominations
DIRECTORS										
GQ Routledge	Chairperson, Independent Non-executive Director		✓	✓		✓		✓	✓	✓
BW Reekie	Group Managing Director	1	✓		✓		✓	✓	✓	✓
AC Pillay	Group Financial Director	2	✓		✓			✓	✓	
BA Stott	Independent Non-executive Director	3	✓	✓	✓	✓		✓	✓	✓
RD Williams	Independent Non-executive Director		✓	✓	✓		✓	✓		
PG Nkadameng	Non-independent		✓							
TE Mashilwane	Independent Non-executive Director	9	✓	✓			✓	✓		
GK Chadwick	Non-independent		✓			✓				✓
H Louw	Executive Director		✓		✓				✓	
RDT Zwane	Executive Director		✓				✓			
TJ Creamer	Non-independent Non-executive Director	4	✓							
MA Raisbeck	Non-independent Non-executive Director	5	✓							
HP Mayers	Independent Non-executive Director		✓		✓					
GROUP EXCOM										
JL Potgieter	Head of the Actuarial Function and Chief Risk Officer				✓				✓	
B Frodsham	Group Strategic Operations Executive				✓					
LA Botha	Group Marketing and Advertising Executive									
JWF Pretorius	Group Telesales Executive	8								
GK Kopeka	Group Executive	6			✓					
DT Habana	Group IT Executive									
TA Boesch	Group Chief Operating Officer									
M Thamanna	Group Strategy Executive									
L Hillman	1Life Managing Director	7								

(✓ = member, | = invitee)

1. Chairperson of Group Actuarial Committee.
2. Chairperson of Group Investment Committee.
3. Chairperson of Group Audit, Group Risk, Group Remuneration and Group Nominations Committees.
4. Appointed as Non-independent Non-Executive Director in July 2024.
5. Appointed as Non-independent Non-Executive Director in July 2024, with effect from 1 July 2025, an Alternate to Mr. Creamer.
6. Appointed as Group Executive in September 2024 and Clientèle General Managing Director with effect from 1 July 2025.
7. 1Life Managing Director.
8. Resigned as Group Telesales Executive in June 2025.
9. Chairperson of Group Social and Ethics Committee.

Corporate Governance *continued*

5.2 Attendance at Clientèle Board and Committee Meetings

Directors and members	Clientèle Board	Group Audit	Group Actuarial	Group Remuneration	Group Social & Ethics	Group Risk	Group Investment	Group Nominations
Meetings held	5	6	5	3	4	4	4	2
DIRECTORS								
GQ Routledge	5	6		3		3	3	2
BW Reekie	5	6	5	3	4	3	4	2
AC Pillay	5	6	5			4	4	
BA Stott	5	6	2	3			4	2
RD Williams	5	6	5		4	4		
PG Nkadimeng	3							
TE Mashilwane	4	6			4	2		
GK Chadwick	5			3				2
H Louw	5	6	5		4	4	4	
RDT Zwane	5	3			4	3		
HP Mayers	5		5					
TJ Creamer ¹	4		-					-
MA Raisbeck ²	5							
GROUP EXCOM								
JL Potgieter	4	6	5		4	4	4	
B Frodsham	4	5	5		3	4		
DT Habana	4	5	5			4		
LA Botha	3				4			
JWF Pretorius ³	3	5	4		4	4		
TA Boesch	3	4	5			4	1	
M Thamanna	4		4			3		
L Hillman ⁴	5	6	5		4	4	3	
GK Kopeka ⁵	5	6	4			3	2	

1. Appointed as Non-independent Non-executive Director in July 2024.

2. Appointed as Non-independent Non-executive Director in July 2024, with effect from 1 July 2025 an Alternate to Mr. Creamer.

3. Resigned as Group Excom Member in June 2025.

4. Appointed as Group Excom Member in July 2024.

5. Appointed as Group Excom Member in September 2024.

6. INTERNAL FINANCIAL AND OPERATING CONTROLS

The Board acknowledges its responsibility for ensuring that the Group implements and monitors the effectiveness of systems of internal financial and operating controls. These systems are designed to guard against material misstatement and loss.

The identification of risks and the detailed design, implementation and monitoring of adequate systems of internal, financial and operating controls are delegated to Group Excom by the Board. The Group Audit Committee reviews these matters.

The Group ICC and Group IFCC assist the Board, the Group Audit Committee, Excom and management in this regard. The Group ICC and IFCC also work closely with the Group Managing Director and the Group Financial Director on attesting to an adequate internal financial control environment in compliance with section 3.84(k) of the Listings Requirements. Even effective systems of internal, financial and operating controls, no matter how well designed, have inherent limitations, including the possibility of circumventing or overriding such controls. Such systems can therefore not be expected to provide absolute assurance. Effective systems of internal, financial and operating controls, therefore, aim to provide reasonable assurance as to the reliability of financial information and, in particular, of the Annual Financial Statements.

Moreover, changes in the business and operating environment could have an impact on the effectiveness of such controls which, accordingly, are reviewed and reassessed regularly.

The Group maintains internal, financial and operating controls that are designed to provide reasonable assurance regarding:

- The safeguarding of assets against unauthorised use or dispossession;
- Compliance with applicable laws and regulations;
- The maintenance of proper accounting records and the integrity and reliability of financial information; and,
- Detection and minimisation of fraud, potential liability, loss and material misstatements.

GIA assists in providing the Board and Excom with monitoring mechanisms for identifying risks and assessing controls appropriate to managing such risks.

The Board has not been made aware of any issue that would constitute a material breakdown in the functioning of these controls up to the date of this report. Refer to the Group Audit Committee report on page 76 for the significant deficiencies considered by the committee during the year, and where mitigation was applied.

7. COMPLIANCE

The primary role of the Group Compliance Function is to minimise regulatory risk by assisting management to comply with statutory, regulatory and supervisory requirements. The Compliance Function facilitates the monitoring of and the management of compliance through the analysis of statutory and regulatory requirements and the implementation of the required systems, processes and procedures.

8. GROUP INTERNAL AUDIT

GIA performs reviews of the Group's operations and internal controls and operates with the full authority of the Board and has direct access to the Chairman of the Group Audit Committee. GIA is also the custodian of Combined Assurance.

GIA reports functionally to the Group Audit Committee and administratively to the Group Financial Director.

GIA assists in providing the Board and Excom with monitoring mechanisms for identifying risks and assessing controls appropriate to managing such risks.

GIA is charged with examining and evaluating the effectiveness of the Group's operational activities, the attendant business risks and the systems of internal financial and operating controls, with major weaknesses being brought to the attention of the Group Audit Committee, the External Auditors and members of senior management for their consideration and remedial action. The work of GIA is focused on the areas of greatest risk within the Group as determined by a risk assessment process. The output from the process is summarised in the Annual Audit Plan, which is approved by the Group Audit Committee.

9. ETHICAL LEADERSHIP AND CORPORATE CITIZENSHIP

The Group subscribes to the highest levels of professionalism and integrity in conducting its business and dealings with stakeholders. The Company's employees and representatives are expected to act in a manner that inspires trust and confidence from the general public.

The Group places a high value on integrity, honesty and trust. Reference and criminal checks are carried out on the majority of job applicants and their qualifications are verified before offers of employment are made. The principle of 'zero tolerance' of fraud and corruption will continue to be applied to employees, IFAs, professional presenters, brokers and agents. All employees are required to report all incidents of suspected or actual fraudulent events or other financial

Corporate Governance *continued*

irregularities for investigation. The induction training for new employees includes modules dealing with the code of ethics, compliance therewith and the Group's stance on internal fraud. Existing policies on the reporting of breaches of the code of ethics ensures confidentiality and protection to persons making reports, as required by the Protected Disclosure Act, Act 26 of 2000 and POPIA. Internal disciplinary procedures are fully compliant with the Labour Relations Act, Act 66 of 1995.

Mr. Reekie signed the BLSA Integrity Pledge on behalf of the Group in 2017. The Pledge holds the Group accountable to play a part in preventing and defeating corruption, to reaffirm honesty, respect for the rule of law, transparency and putting South Africa first. The Pledge is binding on the Group and its Directors and Officers.

10. GROUP ANNUAL FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the Annual Financial Statements of the Group, which have been prepared in accordance with IFRS. These Annual Financial Statements have been prepared from the accounting records and the use of appropriate policies supported by reasonable and prudent judgments and estimates and fairly present the state of affairs of the Group. The External Auditors are responsible for auditing and reporting on these Annual Financial Statements. The Annual Financial Statements have been audited in accordance with International Standards on Auditing. Details of the External Auditor's remuneration for audit and other services are provided in Note 32.1 on page 238 to the Group Annual Financial Statements. The Group is satisfied with the Independence of the External Auditors.

The Directors are of the opinion that the Group is financially sound and operates as a going concern. The Annual Financial Statements have, accordingly, been prepared on this basis.

11. INTERNAL AND EXTERNAL ACTUARIES

Clientèle Life, Clientèle General and 1Life

The Head of the Actuarial Function, Mr. Potgieter, is responsible for assisting the Board in actuarial matters. Mr. Potgieter attends all Clientèle Life, Clientèle General and 1Life Board meetings. Mr. Potgieter attends the Emerald Life Board meetings.

Emerald Life

The Head of the Actuarial Function is outsourced to True South Actuaries and Consultants and is responsible for assisting the Board in actuarial matters and attends the Audit Committee of Emerald Life.

Clientèle Group

The annual EV is also reviewed and certified externally by QED Actuaries and Consultants. Mr. Potgieter assists the Board in reviewing the EV of the Group.

Mr. Potgieter attends the Group Audit Committee meetings, the Group Risk Committee meetings, the Group Actuarial Committee meetings, the Group Investment Committee meetings and the Clientèle, 1Life and Emerald Life Board meetings.

QED Actuaries and Consultants have a standing invitation to attend all Group Actuarial Committee meetings.

12. THE GOVERNANCE OF INFORMATION TECHNOLOGY

The Board is satisfied that the correct processes are in place to ensure complete, timely, relevant, accurate and accessible IT reporting.

The Group IT Steering Committee oversees the functions of IT and data governance.

A Group Executive, Mr. Donnerine Terrol Habana, is responsible for the management of IT. Mr. Habana has suitable qualifications and experience and interacts regularly with the Board and Excom.

The Board and Group Audit Committee have formally accepted the overall responsibility for IT. IT governance is an item on the Board agenda.

The Board is regularly informed about the Group's IT function, objectives, projects, financial information, risks and human capital management.

The Board provides appropriate leadership and direction to ensure that IT supports the achievement of the Group's strategic objectives.

13. ENVIRONMENTAL IMPACT

The Group is aware of the impact of its business on the environment and continues to find ways of reducing the Group's carbon footprint.

Significant progress has been made in the areas of water harvesting and solar power solutions. New initiatives will continue to be embarked upon to ensure that the Group remains an ethical corporate citizen in this regard.

Also refer to the Group Social and Ethics Committee Report on pages 59 to 63.

Board Report on the Effectiveness of Internal Controls

The Board is accountable for ensuring effective controls. Management is charged with the responsibility of establishing an effective internal control environment, which is developed and maintained on an ongoing basis to provide reasonable assurance to the Board regarding the:

- Integrity and reliability of the Group's Annual Financial Statements;
- Safeguarding of assets;
- Economic and efficient use of resources;
- Compliance with applicable legislation and regulations;
- Detection and minimisation of fraud, potential liability, loss and material misstatement; and,
- Implementing and maintaining controls and security over the Clientèle website.

Internal controls are established not only over financial matters but also operational, compliance and sustainability matters. Controls are the means by which management seeks to mitigate risks to an acceptable level of exposure.

The Board has mandated an initiative to design and embed an appropriate integrated framework that systematically evaluates and continuously improves controls across the Group.

GIA reviews the internal control systems and reports findings and recommendations for improvement to management and the Group Audit Committee. GIA provides a written assessment of the effectiveness of the Group's systems of internal control and risk management.

The Group Audit Committee monitors and evaluates the duties and responsibilities of management and Internal and External Audits to ensure that all major issues reported have been satisfactorily resolved.

Based on the processes mentioned above, nothing has come to the attention of the Board that caused it to believe that the Group's overall system of internal controls and risk management is not effective and that the internal controls do not form a sound basis for the preparation of Group Annual Financial Statements that are free from material misstatement. Refer to the Group Audit Committee report on page 76 for the significant deficiencies considered by the committee during the year, and where mitigation was applied.

The Board's opinion is supported by the Group Audit Committee.



Mr. GQ Routledge
Chairman of the Board

22 September 2025

Group Audit Committee Report on the Effectiveness of Internal Financial Controls

The Group Audit Committee is pleased to present its report for the financial year ended 30 June 2025. Based on the review of the Group's system of internal financial controls and risk management, including a review of the:

- Design;
- Implementation; and,
- Effectiveness

of the controls conducted by GIA during the 2025 year, and considering:

- Information and explanations given by management;
- Discussions with the External Auditor on the results of their audit; and,
- Discussions at Group Risk Committee meetings, attended by the CAE,

nothing has come to the attention of the Group Audit Committee that caused it to believe that the Group's system of internal financial controls and risk management are not effective and that the internal financial controls do not form a sound basis for the preparation of reliable Group Annual Financial Statements. Refer to the Group Audit Committee report on page 76 for the significant deficiencies considered by the committee during the year, and where mitigation was applied.



Mr. BA Stott

Chairman of the Group Audit Committee

22 September 2025

Group Remuneration Report

The Board is pleased to present the Group's Remuneration Report for the year ended 30 June 2025. The Group Remuneration Report is a three-part report, as prescribed by King IV:

- **Part 1** is a summary of background information necessary to give perspective to parts 2 and 3;
- **Part 2** sets out the Group's remuneration policy, and,
- **Part 3** details the implementation of the policy in the 2025 financial year.

PART 1: BACKGROUND STATEMENT

The Group Remuneration Report is compiled in accordance with the recommendations on remuneration contained in King IV and complies with the requirements of the Companies Act and Prudential Standard GOI 2 – Governance of Insurers, issued by the PA.

At the AGM, shareholders are being requested to consider and approve, via non-binding advisory endorsements the Group's remuneration policy (Part 2 of this Group Remuneration Report) and the implementation of the policy in the 2025 year (Part 3 of this Group Remuneration Report).

The shareholder non-binding advisory endorsements and explanatory note are set out on page 253 in the Notice of the AGM. Shareholders are requested to offer their support by voting in favour of these non-binding advisory endorsements at the AGM.

The Group's business strategy, as set by the Board, informs the Group's Executive and employee remuneration policy. The end-goal is to achieve the Group's growth objectives by retaining skilled key talent and attracting new talent to deliver on these growth objectives.

The remuneration policy is based on the principle of both Group and Individual performance-driven remuneration, which is fair and reasonable for all staff and aligned to shareholder value creation. The remuneration policy followed by the Group is in line with the policy applicable to prior years.

The Group strives constantly to attract new talent and to retain existing talent to deliver on the Group's growth objectives. This is a difficult task in the context of regulation and competition for scarce skilled and talented people which requires a careful balance between advancement opportunities, guaranteed remuneration and incentivisation. The Group Remuneration Committee seeks to do this through industry benchmarking, stakeholder engagement, and innovative thinking.

The Group's remuneration policy strongly aligns to shareholders' interests and intends to maintain its focus on balancing the Group's long-term growth objectives with generating a sustainable, healthy return on investment for shareholders.

The Group strives to achieve outstanding results by expecting the highest performance from employees and for having reward systems in place that recognise commitment and contribution in the highest possible way. The highly motivated environment in which the Group operates is built on this principle, which lies at the core of the Group's long-term success.

Our remuneration philosophy is founded on enduring principles, which we seek to apply consistently each year. Our policy aims to promote a culture that supports innovation, enterprise and the execution of Group strategy and that aligns the interests of the majority of staff whilst attaining profitable (and sustainable) long-term growth for the benefit of all stakeholders. Inherent to this philosophy is the linkage between pay and short-term and long-term performance (both at an individual and corporate level).

The Group does not differentiate in remuneration between gender and race and all employees are remunerated equally in accordance with their position and performance.

Group Remuneration Report *continued***PART 2: REMUNERATION PHILOSOPHY AND POLICY****1. DEFINITION OF REMUNERATION**

Remuneration includes:

- a) fees paid to Directors for services rendered by them to or on behalf of the Group, including any amount paid to a person in respect of the person's accepting the office of Director; and,
- b) salary, bonuses and performance-related payments.

In addition to the above, in terms of Section 30(6) of the Companies Act, the following needs to be disclosed for Directors:

- c) expense allowances, to the extent that the Director is not required to account for the allowance;
- d) contributions paid under any pension scheme;
- e) the value of any option or right given directly or indirectly to a Director, past Director or future Director, or person related to any of them, as contemplated in section 42 of the Companies Act;
- f) financial assistance to a Director, past Director or future Director, or person related to any of them, for the subscription of options or securities, or the purchase of securities, as contemplated in section 44 of the Companies Act; and,
- g) with respect to any loan or other financial assistance by the Group to a Director, past Director or future Director, or a person related to any of them, or any loan made by a third party to any such person, as contemplated in section 45 of the Companies Act, if any company in the Group is a guarantor of that loan, the value of:
 - i) any interest deferred, waived, or forgiven; or,
 - ii) the difference in value between:
 - aa) the interest that would reasonably be charged in comparable circumstances at fair market rates in an arm's length transaction; and,
 - bb) the interest actually charged to the borrower, if less.

2. SCOPE OF THE REMUNERATION POLICY

The remuneration policy applies to all Clientèle staff, including Directors, Managing Executives, and Heads of Control Functions.

The Group Remuneration Committee ensures that:

- Excessive or inappropriate risk-taking is not induced and aligns remuneration with the long-term interests of the Group and its stakeholders;
- Where remuneration includes both fixed and variable components, the mix of fixed and variable pay meets the Group needs and strategic objectives;
- The remuneration policy is consistent with the Clientèle business and risk management strategy and performance;
- Specific consideration is given to the Remuneration of Control Function Heads to ensure that the level and split between Guaranteed Earnings and Bonus earnings is appropriate;
- The policy provides for a clear, transparent and effective management structure around remuneration; and,
- In defining an individual's performance, financial and non-financial performance is considered.

3. GOVERNANCE AND THE GROUP REMUNERATION COMMITTEE

Role and Constitution of the Group Remuneration Committee

The Group Remuneration Committee has an independent role, operating as an overseer, maker of decisions on remuneration and maker of recommendations to the shareholders for their consideration. The Group Remuneration Committee Terms of Reference, which is approved by the Board, requires that the Group Remuneration Committee comprise of a minimum of three Non-executive Directors, the majority of whom must be Independent Non-executive Directors. 1Life has a separate Remuneration Committee.

The Group Remuneration Committee does not assume the functions of management, which remain the responsibility of the Executive Directors, officers and other members of senior management.

The role of the Group Remuneration Committee is to assist the Board in ensuring that:

- The Group remunerates Directors, officers, members of senior management and staff fairly and responsibly;
- The disclosure of remuneration is accurate, complete and transparent; and,
- There is no discrimination in remuneration based on gender and race.

4. REMUNERATION MATRIX AS AT 30 JUNE 2025

The following matrix outlines the type of remuneration that employees can participate in:

Category	Number of employees	Basic Salary	Short-term Bonus Incentives	BR Scheme	EV Scheme	Goodwill Scheme
Group Excom	15	X	X		X	X
Balance of Excom	24	X	X	X	X	
Management and specialists ("management")	433	X	X	X	X	
Staff	996	X	X	X		
Total	4,468					

The above table includes 401 Emerald employees whose remuneration has not been included as Emerald only became part of the group on 24 June 2025.

5. CORE PRINCIPLES OF REMUNERATION

5.1 Monthly Remuneration (Basic Salary)

Clientèle operates on a CTC basis as a contractual condition of employment.

CTC packages are determined based on the specific job function, level of qualification and/or experience required, job responsibility, market forces, and are set within departmental parameters. Provident Fund and Medical Aid contributions (where relevant) are deducted from this CTC.

All Clientèle Life, Clientèle Legal and CBC employees become members of the Provident Fund within 3 months of joining the company and are then covered by the Company's Group Life and Capital Disability policy. Employees have the option of joining the Company's medical aid.

All 1Life employees become members of the Provident Fund within the first month of joining the company and are then covered by the Company's Group Life, Capital Disability, Severe Illness, Income Disability and Funeral policy. 1Life employees are required to join the Company's medical aid.

Annual benchmarks of Clientèle's packages, against industry standards, are undertaken and every effort is made to ensure that market-related packages are offered to employees.

Clientèle does not make use of an external job-grading system, however job grading based on the Group's requirements and structure takes place based on an internally developed system. Clientèle's grading system is simple and relatively easily comparable to formal systems.

The grading system is based on the job level and job family classification method. The Group's employees are categorised according to employment levels from staff level up to senior manager level. Each employment level has a set of job requirements according to the defined job area (eg. sales, finance, administration, legal), skill, knowledge and, in certain cases, qualifications, which all determine where employees are placed on the salary band.

Clientèle's salary system provides base income and the opportunity to earn additional remuneration through incentives (see 5.2).

Promotions are based on individual performance relative to the job requirements and expectations.

Emerald Life CTC packages will be aligned to the Clientèle grading system.

Group Remuneration Report *continued*

5.2 Short-term Bonus Incentives

Incentives are given, based on employee performance compared against pre-determined, and agreed-upon, key measurement factors. Incentives are determined based on the specific function and requirements of each department.

Clientèle's incentive system is based on the key assumption that employees expect that incentives earned from Clientèle will correlate with their relative level of performance. This means that expectations are set in terms of reward and compensation if certain levels of performance are achieved. These expectations will determine goals and expected levels of performance for the future.

Staff rewards include merit increases (monthly CTC and incentive/bonus earnings), promotions and intrinsic rewards (including recognition amongst peers, awards and praise).

Due to Clientèle's incentive structure, most employees do not receive a 13th cheque. The rationale behind this is that a 13th cheque rewards all employees equally (performers and non-performers) whilst incentive payments reward employees for their individual output and contribution. Emerald employees are an exception and do receive a 13th cheque.

5.3 Application of core principles (Basic Salary and Short-term Bonus Incentives)

5.3.1 Staff

The main purpose of staff incentivisation is to relate a portion of employees' pay to performance. Performance incentive payments increase directly in line with performance. The main principles include:

- The core principles underlying Clientèle's approach to staff incentivisation are based on the assumption that behaviour that is rewarded is more likely to be repeated and behaviour that is not rewarded is less likely to be repeated. Employees are likely to be more highly motivated if they perceive that there is a direct relationship between their level of performance and the financial reward received;
- Incentives link the Group objectives with employee output;
- Incentives are department specific and amounts are determined by pay-level, responsibility, work environment, job pressure, market trends, level of sophistication, Group targets and objectives and motivational impact;
- The minimum salary payable to staff is set at R4,781 per month;
- Incentives are not guaranteed;
- Incentives are awarded based on proper and consistent evaluation and measurements that are equitable and measurable; and,
- Incentives are intended to reward above-average performance and work-related achievements.

5.3.2 Management

- Annual (or semi-annual) performance bonuses for management (junior to senior) and technically or academically qualified staff are awarded.
- The core principle of Clientèle's policy on management remuneration is ensuring that Clientèle's key staff are rewarded in the top quartile for equivalent manager positions. Bonuses paid to management staff are highly attractive and lucrative. These are largely based on individual key performance criteria with a portion based on the achievement of Group Profit and REVE targets; and,
- Care is taken to ensure that added benefits are linked to the overall remuneration packages of management, these include participation in the BR Scheme, access to company vacation houses and generous leave allocations.

Group Remuneration Report *continued*

The main principles for management incentivisation include:

- These should motivate, attract, reward, and retain key staff;
- Incentives link Group objectives with managerial output;
- Incentives provide the opportunity for key management to earn bonus pay-outs based on outputs within their control;
- Position-specific amounts are determined by pay level, responsibility, work environment, job pressure, market trends, level of sophistication, Group targets, Group objectives and motivational impact;
- 'Paying for the person' and not necessarily for the position plays a role, especially where specific skills and experience are required;
- Blanket rules are not applied when setting bonus criteria but are rather determined based on critical Group needs, skill sets required, market trends and job level. Clear guidelines are provided in this regard;
- Performance is assessed on both financial and non-financial criteria;
- Incentives are intended to reward above average performance and work-related achievements. It is not intended for merely 'doing the job' or mediocrity; and,
- Individual members of management may participate in the EV Scheme Incentive pool, from time to time, based on outstanding performance.

5.4 BR Scheme

The BR Scheme exists for the purpose of retaining, motivating and rewarding all Clientèle Life, Clientèle Legal and CBC employees (excluding Group Excom, who participate in the Goodwill Scheme) who are able to influence the performance of Clientèle on a basis which aligns the interest of the participants with those of Clientèle and its shareholders (For additional detail on the Scheme refer to note 16 on pages 218 to 220).

As at 30 June 2025, a total of 71,749,264 BRs have been issued to 7,775 participants. Up to date, 15,364,690 BRs have been exercised, resulting in the issue of 4,434,047 Clientèle shares to participants. As at 30 June 2025, a total of 45,203,201 BRs have been cancelled.

Salient features:

- The aggregate number of ordinary shares that may be allotted and issued to Bonus Participants under the BR Scheme will not exceed 32,350,000 ordinary shares less that number of ordinary shares issued to participants under the previous SAR Scheme. The allocation may be increased by ordinary resolution of the members of Clientèle;
- The maximum aggregate number of BRs which may be allocated to any one participant under the BR Scheme will be 647,000, namely 2% of the total number of BRs available under the BR Scheme and the SARs available under the SAR Scheme:
 - Notwithstanding that a Bonus Participant has been invited to participate in the BR Scheme, no rights will vest in the Bonus Participant until such time as BRs are exercised;
 - No amount will be payable by a Bonus Participant in order to participate in the BR Scheme.
- At any time after:
 - 3 years from the Invitation Date, up to 20% of the BRs may be exercised by a Bonus Participant;
 - 4 years from the Invitation Date, up to 50% of the BRs may be exercised by a Bonus Participant; and,
 - 5 years from the Invitation Date, up to 100% of the BRs may be exercised by a Bonus Participant, or on such earlier date or dates as may be agreed to or determined by the Directors in their discretion, provided that BRs may not be exercised during a closed period or any other period during which dealings in securities of the Company are prohibited;
- BRs not exercised within 7 years from the Invitation Date will be forfeited, except for any BRs allocated during the period 1 November 2013 to 31 December 2015, where the period was extended to 10 years from the Invitation Date;
- A BR Participant will be entitled to sell shares which he/she has acquired pursuant to the Exercise of a BR only after the vesting date, which is after the implementation in full of the transaction arising from the Exercise of the BR. The Bonus Participant will first be obliged to offer his/her shares in terms of the pre-emptive rights provisions of the BR Scheme and failing acceptance thereof, will be entitled to sell the relevant shares to a third party;

Group Remuneration Report *continued*

- The Board may amend the BRs Scheme, provided that no amendments affecting any of the following matters shall operate unless sanctioned by the shareholders in a general meeting:
 - the eligibility of Bonus Participants under the BR Scheme;
 - the maximum number of BRs which may be acquired by a single participant under the BR Scheme;
 - the total number of BRs which may be granted in terms of the BR Scheme;
 - the total number of shares which may be allotted and issued by the Company in terms of the BR Scheme;
 - the basis for determining the Initial Price;
 - the basis for determining the Terminal Price; and,
 - any other matter as may be prescribed by the Listings Requirements;
- The Company ensures compliance with all applicable laws including, but without limitation, the Listings Requirements;
- When BRs are due to be settled, the value of each BR is the difference between the volume weighted average price that the ordinary shares in Clientèle traded on the JSE during the thirty trading days immediately preceding the invitation date and the volume weighted average price that the ordinary shares in Clientèle traded on the JSE during the thirty trading days immediately preceding the exercise date less one and a half cents (“the Terminal Price”), as determined by the rules of the Scheme;
- The Board, in its discretion, may settle BRs either:
 - By means of the allotment and issue of new shares to the participant;
 - By way of a cash payment; or,
 - By way of a combination of the foregoing methods;
- It is not the intention that cash payments will be made. Only in exceptional circumstances, as considered by the Board in its discretion, will a cash payment be made to a BR participant; and,
- In determining the allocation of BRs, the following performance measures are used:

– Underperformers	= No allocation
– Low performers	= No allocation
– Average performers	= A minimal allocation per category
– Good performers	= An average allocation per category
– Excellent performers	= The maximum allocation per category

The Board is of the view that the movement in Embedded Value is a more appropriate reflection of the value created over a period of time than the movement in the share price. As a consequence, the Board has resolved to take all necessary steps to terminate the existing scheme and replace it with a new cash settled Bonus Rights plan where the value of a Bonus Right is linked to the movement in the Embedded Value rather than the movement in the share price. The closure of the Bonus Rights Scheme and the implementation of the new Bonus Rights Plan is effective 1 October 2025.

5.5 EV and Goodwill Schemes

The remuneration packages for Group Excom and Excom members comprise both a guaranteed portion in the form of salary (unconditional entitlement) and a non-guaranteed portion in the form of bonuses and incentives (conditional entitlement).

At the core of Clientèle’s policy for Group Excom remuneration is that the major portion of an individual’s potential package (non-guaranteed portion) is based on individual performance linked to, and dependent upon growth in Clientèle’s EV and the creation of Scheme Goodwill over time. These are referred to as the EV Scheme and the Goodwill Scheme respectively. This is structured on a basis that aligns Group Excom’s interests to that of shareholders. It is the intention that, should Group Excom and Excom perform in line with, or better than, expectation, the total remuneration paid to them will be in the top quartile.

This Incentive Scheme is a formally documented Scheme. The Incentive Scheme was adopted as it was felt that a typical share or option scheme may not achieve the desired result given the tightly held nature of Clientèle’s shareholding and also given the Board’s conviction that the most important indicators of financial success of Clientèle in the long-term is growth in EV and VNB. The Goodwill Scheme is for members of Group Excom whereas the EV Scheme also includes members of Life and General Excom and is based on individual performance linked to, and dependent upon growth in Clientèle’s EV and the creation of Scheme Goodwill over time.

The Incentive Schemes are formulated and managed to encourage behaviour that fosters long-term sustainable growth for Clientèle and to discourage short-term behaviour and unnecessary risk-taking. Inappropriate risk taking results in the Executive involved receiving a reduced (or nil) incentive payment.

Group Remuneration Report *continued*

The core principles of the Incentive Schemes are to:

- Align Executives' interests with those of shareholders;
- Link remuneration directly to growth in EV, Group profitability and growth in the overall value of Clientèle;
- Provide a tool whereby remuneration is determined to encourage long-term employment with Clientèle;
- Include a "clawback" on a portion of historic incentive bonus allocations – this applies in instances where the growth in EV is negative; and,
- Includes an adjustment which is made, positive or negative, if actual experience differs by more than a pre-determined percentage compared to the assumptions used in calculating Scheme Goodwill.

In summary, Group Excom and Excom receive the following remuneration package:

- A monthly salary;
- A short-term bonus based on an individual's key measurement factors;
- A medium-term incentive (EV Scheme); and,
- A long-term incentive (Goodwill Scheme) – Group Excom only.

Excom participate in the EV Scheme as well as the BR Scheme. The BR Scheme benefits participants for the more general long-term performance of the Group and this is deemed to be more appropriate for Excom members. They do not participate in the Goodwill Scheme. Group Excom participates in the EV Scheme as well as the Goodwill Scheme but do not participate in the BR Scheme.

5.5.1 Current Components of Group Excom Remuneration

Fixed/ variable	Element	Definition
Fixed	Salary, Medical Aid, Provident Fund	CTC refers to the fixed element of remuneration and includes a basic salary, contributions to the medical aid scheme (where relevant) and contributions to the relevant pension or provident fund.
Variable	Annual short-term incentive	The short-term bonus is an annual cash payment aimed at delivering the Group's goals and strategic priorities.
Variable	Medium-term incentive (EV Scheme)	The medium-term incentive is calculated annually and paid over four years via an annual cash payment. The aim is to maximise growth in the Group's EV.
Variable	Long-term incentive (Goodwill Scheme)	The long-term incentive is calculated in five-year cycles and is paid via five annual incentive payments. This Scheme is aimed at the creation of Value of Future New Business (i.e. value in excess of EV). The rationale for this is that the Goodwill Scheme is designed to incentivise behaviour and performance over the long-term and the drivers of this performance are largely under the control of Group Excom.

Group Remuneration Report *continued*

5.5.2 Annual Short-term Incentive

Purpose	To encourage and reward delivery of the Group's strategic priorities and short-term goals.
Participants	Group Excom, Excom and members of management.
Operation	The short-term bonus potential is determined at the beginning of the year and the actual pay-out is based on Clientèle's performance in terms of profit, EV earnings and the individual key measurement factors tailored for the individual concerned which may include financial and non-financial elements. The Group Remuneration Committee looks at recommendations provided by the Managing Director and can change the payment upwards or downwards for individuals or all participants at its discretion.
Performance measures	<p>The award for all participants is determined on the basis of Clientèle's performance as well as individual performance assessments measured against key measurement factors determined at the beginning of the year. Key measurement factors considered for Group Excom include the following:</p> <ul style="list-style-type: none"> • Managing Withdrawals (lapses, cancellations and suspensions); • Production and Quality of New Business; • New product and/or sales channel opportunities; • Lead volumes; • DebiCheck success; • Building brand and other marketing activities; • Innovation; • Smooth functioning of the various departments and divisions; • Customer and stakeholder relationships; • Treating Employees Well; • Improvement of the recruitment process; • Succession planning; • Expense management; • Strategy; • Automation in finance; • System stability; • Cyber security and data and information management; • Attainment of appropriate B-BBEE certification; • 1Life integration; • First premium unmets; • Divisional/Company performance; • Employment equity; • Group recurring EV earnings; • Collections strategy success; • Commission hub success; • Maintaining appropriate service levels and standards; • Transformation; • Compliance; • Living the Company values; • Key staff retention; and, • Diversification, transformation and future proofing the business. <p>The key measurement factors are different in weight depending on the role of the participant and do not all apply to each and every participant. The key measurement factors also contribute to the final awards for the EV incentive.</p>
Key measurement scores of Group Excom for 2025	Ranged from 60% to 126%.
Maximum potential value of annual short incentive for 2025	This ranges between 4 and 11 times the monthly salary.
Changes for 2025	No changes this year.

Group Remuneration Report *continued*

5.5.3 EV Scheme – Medium-term Incentive

Purpose	The medium-term incentive is calculated annually and paid over four years via an annual cash payment. The aim is to maximise growth in the Group's EV.
Participants	Excom and Group Excom. A small portion of the pool is also allocated to members of management based on their strategic importance and performance during the year. This is done at the discretion of the Managing Director and subject to Group Remuneration Committee approval.
Operation	<p>The EV incentive element incentivises participants over the medium term for performance over and above that for which they are remunerated and incentivised for under Clientèle's standard remuneration and short-term bonus policy.</p> <p>The EV Scheme is based on growth in EV, as certified by Clientèle's External Actuaries and approved by the Group Remuneration Committee, and vests and is payable over a four-year period. The EV Scheme is split into two pools.</p> <p>Pool 1 is calculated as a percentage (5%) of adjusted REVE. Pool 2 is based on out-performance of adjusted REVE over a defined hurdle rate at a participation level of 5.6%. Each participant's share in the pool is set at an initial level at the beginning of the year and then adjusted up or down based on individual performance during the year. The Group Remuneration Committee is entitled to allocate 100% of the pool to the participants; however, this has not been done to date with such a lesser amount allocated based on circumstances. Each participant's share in the pool is determined annually, it is then paid out in four equal annual payments with the first annual payment being at the time the amount of the pool is determined. There is a "clawback" if the pre-determined assumptions are not met, which is deducted from non-vested amounts earned but not yet paid.</p>
Performance measures	Each participant's allocation within the pool is determined (on a provisional basis) at the beginning of the year. The ultimate allocation will be similar to the initial allocation; however, it may be adjusted upwards or downwards based on the individual's performance during the year. Performance is assessed both on financial and non-financial elements.
Maximum value of annual incentive for 2025	There is no specific cap, however, the quantum of the bonus pool and the amounts per individual are approved by the Group Remuneration Committee.
Changes for 2025	No changes this year.

Group Remuneration Report *continued*

5.5.4 Goodwill Scheme – Long-term Incentive

Purpose	The long-term incentive is calculated in five-year cycles and is paid via five annual incentive payments. This Scheme is aimed at the creation of Value of Future New Business (i.e. value in excess of EV).
Participants	Group Excom.
Operation	<p>The Scheme Goodwill element of the Scheme is intended to take account of long-term capital growth in Clientèle that is not dealt with under the EV element of the Scheme. The Goodwill Scheme component recognises the creation of value in excess of EV. This is measured in five-year cycles.</p> <p>Amounts are payable over a five-year period and are subject to criteria included in the Incentive Scheme.</p> <p>The cycle where payments are currently being made commenced on 1 July 2022, and will end on 30 June 2027 with the first (of five) payments made in August 2022.</p> <p>The Goodwill Scheme results in a pool being created as a consequence of the growth in the Value of Future New Business. Participants in this Scheme currently receive a percentage of this pool based on their average percentage allocation to the EV Scheme pool over the five-year cycle.</p> <p>From the cycle that commenced on 1 July 2022 the Goodwill Scheme is based on a weighted average of the VNB created during the five-year Cycle in determining the pool, which is calculated as follows:</p> $\text{Weighted average VNB} = [\text{VNB year 1} + (2 \times \text{VNB year 2}) + (3 \times \text{VNB year 3}) + (4 \times \text{VNB year 4}) + (5 \times \text{VNB year 5})] / 15$ <p>There is an adjustment made to future payments under this Scheme, positive or negative, if actual experience differs by more than 10% from the non-economic assumptions used in calculating the Scheme Goodwill value. The adjustment is made to non-vested amounts earned but not yet paid.</p> <p>The Group Remuneration Committee is entitled to allocate 100% of the pool to the participants; however, this has not been done to date with such lesser amount allocated based on circumstances.</p>
Performance measures	The Goodwill allocation vests every fifth-year, and the ultimate allocation is only calculated at the time of vesting. The allocation, per participant, is calculated as the average EV Scheme allocation over the five years (or part thereof if the participant joined the Group Excom team during the five-year period). The EV Scheme performance is assessed on financial and non- financial factors.
Maximum value of annual incentive	<p>There is no specific cap, however, the quantum of the bonus pool is approved by the Group Remuneration Committee.</p> <p>78.9% of the pool was allocated at the end of the first year of the current cycle, being 30 June 2022.</p>
Changes for 2025	No changes this year.

Group Remuneration Report *continued*

5.6 Excom Contracts of Service

All Excom members have employment contracts with notice periods ranging from 3 to 6 months.

The contracts do not provide for restraint of trade payments but this may be negotiated by the Group Remuneration Committee when necessary.

Upon resignation of an Excom member, all vested amounts relating to the EV and Goodwill Scheme incentives will be paid in accordance with the rules of the Incentive Schemes. Except where determined otherwise by the Group Remuneration Committee or in exceptional circumstances, all unvested bonus benefits will be forfeited.

6. NON-EXECUTIVE DIRECTORS

6.1 Appointment of Non-executive Directors

The appointment of Non-executive Directors for the reporting period is a matter for the Board as a whole. The Group Nominations Committee is tasked with this function, in conjunction with the Board.

Non-executive Directors are subject to election by shareholders at the first AGM following their appointment according to the Board rotation plan.

Service contracts are in place with all Non-executive Directors, setting out their responsibilities.

6.2 Non-executive Director Fees

The Group Managing Director and the Chairman of the Board recommend the Non-executive Director fees to the Group Remuneration Committee for approval subsequent to periodic input by external independent advisers regarding benchmark studies based on the same competitive group used for Executive Directors' remuneration.

The remuneration packages of the Non-executive Directors comprise a Director's fee. Non-executive Directors do not qualify to participate in any Bonus or Incentive Scheme (including the BR Scheme).

The performance of Non-executive Directors is assessed by Group Excom. The Non-executive Directors' fees are approved at the AGM.

7. NON-BINDING ADVISORY VOTE

Shareholders are requested to cast a non-binding advisory vote on part 2 of this Remuneration Report.

Group Remuneration Report *continued*

PART 3: IMPLEMENTATION OF POLICIES FOR THE FINANCIAL YEAR – IMPLEMENTATION REPORT

1. GUARANTEED SALARY ANNUAL INCREASES

As a rule, Clientèle's annual increase system is based on the principle of rewarding good performance and discouraging poor performance. As such, the determining factor for increases, relative to inflation, is based on merit and on rewarding commitment and dedication in employee performance.

The average increase across all levels of employees (excluding Excom) amounted to 4.6%.

2. BRs

The Clientèle BR Scheme was approved by Shareholders and launched in October 2012 as part of a staff reward and retention initiative.

The value through this Scheme is derived from the increase in the share price between date of allocation (strike price) and date of exercise (exercise price). The prices used are the closing 30 day volume weighted average price.

The strike price of the BRs available to exercise ranged from R769 to R19.96.

The depressed economy had a negative impact on the share price, limiting the ability of staff to exercise BRs.

BRs are allocated to staff who have been employed by the Group for at least 9 months.

BRs	2025	2024
Total issued to date	71,749,264	68,182,758
Total exercised to date	15,364,690	14,954,872
Total terminated to date	45,203,201	38,986,660
Available to exercise*	11,181,373	14,241,226
Shares issued under the BR Scheme	4,434,047	4,311,222
Value created to date (Rand)	74,427,743	72,955,323

The BRs issued for the year can be split between the various categories as follows:

Category	2025	2024
Exceptional performers	960,945	1,098,055
Good performers	1,132,002	1,893,204
Average performers	1,473,558	3,573,021
Low performers and Underperformers	–	–
Total	3,566,505	6,564,280

* Also see note 16 on pages 218 to 220 to the Annual Financial Statements.

3. EV SCHEME

The principal actuarial assumptions used for estimating the obligation that relates to the EV Scheme are based on the EV assumptions and calculations as outlined in the Statement of Group EV (refer to pages 64 to 71).

Details of the pool (2025 number confirmed by the External Actuaries (QED Actuaries and Consultants)), are as follows:

EV Scheme pool	2025	2024
Total pool (R'000)	68,770	30,940
Pool 1	63,623	30,940
Pool 2	5,147	–
Payment terms (years)	4	4
Hurdle rate (%) (only applicable to Pool 2)	14.30	14.10
Pool utilisation (%)*	95.70	96.07

* Including 4.4% (2024: 5%) allocated to select members of management.

Group Remuneration Report *continued*

4. GOODWILL SCHEME

(Refer to Note 23 on page 224).

The principal details relating to the Goodwill Scheme cycle 5 are as follows:

Cycle 4 ended 30 June 2022	2025	2024
Experience adjustment to in-force business (%)*	(5)	1
VNB at end of the cycle (R'000)	290,575	290,575
Total pool (R'000)	33,256	33,256
Pool utilisation %	85.40	78.90
VNB multiple	5	5
Payment term (years)	5	5

* Based on current demographic assumptions with economic assumptions as at 30 June 2022.

The principal parameters and estimates relating to the Goodwill Scheme cycle 5 are as follows:

Cycle 5 ending 30 June 2027	2025	2024
Weighted average VNB for the cycle (R'm)	494	343
Total pool (R'm)	134	39
Pool utilisation (%)	100.00	90.00
VNB multiple	5	5
Payment term (years)	5	5

The variables used in calculating and estimating the liability in respect of the Goodwill Scheme are subject to approval by the Group Remuneration Committee. Those variables, which are subjective in nature, have been set at levels which the Group Remuneration Committee deem to be fair and equitable to both shareholders and the participants. The variables used for Cycle 5 are changed over time as circumstances, Group performance and the economic environment change.

5. REMUNERATION OF EXECUTIVE DIRECTORS, GROUP EXCOM AND EXCOM

The table below summarises the remuneration packages of Executives applicable for the 2025 financial year.

Earned 2025

"Earned" amounts for the EV Scheme and the Goodwill Scheme will only be payable assuming the Group achieves certain performance metrics and are contingent on future service of the relevant executives. Thus, this will only be fully earned over their respective vesting periods (4 years for the EV Scheme and 5 years for the Goodwill Scheme), which commenced as at 1 July 2024 and 1 July 2022 respectively.

(R'000) Category	Number of individuals	Base salary ²	Short-term Incentive	EV Scheme	Goodwill Scheme ³	Total
Group Managing Director – BW Reekie ¹	1	9,346	5,888	8,582	–	23,816
Deputy Group Managing Director – H Louw ¹	1	5,874	2,643	5,065	–	13,583
Financial Director – AC Pillay ¹	1	4,624	2,644	3,511	–	10,780
Director – RDT Zwane ¹	1	3,360	1,554	2,514	–	7,428
Balance of Group Excom ⁴	9	32,257	15,424	25,888	–	73,569
Balance of Excom ⁵	28	50,872	18,878	20,657	–	90,408
Total	41	106,334	47,032	66,217	–	219,583

(R'000)	Base salary ²	Short-term Incentive	EV Scheme	Goodwill Scheme ³	Total
Average for the Balance of Group Excom	3,584	1,714	2,876	–	8,174
Average for the Balance of Excom	1,817	674	738	–	3,229

Group Remuneration Report *continued*

Paid 2025

(R'000) Category	Number of individuals	Base salary ²	Short-term Incentive	EV Scheme ⁴	Goodwill Scheme ³	Total
Group Managing Director – BW Reekie ¹	1	9,346	5,888	5,786	1,404	22,424
Managing Director – Clientèle Life – H Louw ¹	1	5,874	2,643	3,265	760	12,543
Financial Director – AC Pillay ¹	1	4,624	2,644	1,224	–	8,492
Director – RDT Zwane ¹	1	3,360	1,554	1,590	364	6,868
Balance of Group Excom ⁴	9	32,257	15,424	15,372	2,171	65,225
Balance of Excom ⁵	28	50,872	17,322	9,253	–	77,447
Total	41	106,334	45,476	36,490	4,700	192,999

(R'000)	Base salary ²	Short-term Incentive	EV Scheme ⁴	Goodwill Scheme ³	Total
Average Balance of Group Excom	3,584	1,714	1,708	241	7,247
Average Balance of Excom	1,817	619	330	–	2,766

1. Months in office = 12.

2. Including retirement, medical and other benefits.

3. The Goodwill Scheme has a five-year cycle, 2023 was the first year of cycle 5.

4. 2 members joined during the year, 9 active members at year end.

5. 12 members joined during the year and 2 members left during the year, with 23 active members as at 30 June 2025.

Group Remuneration Report *continued*

Earned 2024

(R'000) Category	Number of individuals	Base salary ²	Short-term Incentive	EV Scheme ⁴	Goodwill Scheme ³	Total
Group Managing Director – BW Reekie ¹	1	8,893	6,002	5,731	–	20,626
Managing Director Clientèle Life – H Louw ¹	1	5,335	2,348	2,374	–	10,057
Director – RDT Zwane ¹⁸	1	2,797	1,273	1,226	–	5,296
Financial Director – MG Cownie ⁹	1	2,519	–	–	–	2,519
Financial Director – AC Pillay ¹	1	1,050	1,995	1,384	–	4,429
Balance of Group Excom ⁵	8	23,434	11,338	11,518	–	46,290
Balance of Excom ⁶	16	26,344	7,218	5,262	–	38,824
Total	29	71,757	29,417	28,188	–	129,362

(R'000)	Base salary ²	Short-term Incentive	EV Scheme ⁴	Goodwill Scheme ³	Total
Average for the Balance of Group Excom	2,929	1,417	1,440	–	5,786
Average for the Balance of Excom	1,733	404	371	–	2,509

Paid 2024

(R'000) Category	Number of individuals	Base salary ²	Short-term Incentive	EV Scheme ⁴	Goodwill Scheme ³	Total
Group Managing Director – BW Reekie ¹	1	8,893	6,002	5,065	1,404	21,364
Managing Director Clientèle Life – H Louw ¹	1	5,335	2,348	2,932	760	11,375
Director – RDT Zwane	1	2,797	1,273	1,393	364	5,827
Financial Director – MG Cownie	1	2,519	–	875	–	3,394
Financial Director – AC Pillay	1	1,050	1,995	346	–	3,391
Balance of Group Excom ⁵	8	23,434	11,338	10,886	2,437	48,095
Balance of Excom ⁶	16	26,344	6,461	5,737	–	39,927
Total	29	71,757	29,417	27,234	4,965	133,373

(R'000)	Base salary ²	Short-term Incentive	EV Scheme ⁴	Goodwill Scheme ³	Total
Average Balance of Group Excom	2,929	1,417	1,361	305	6,012
Average Balance of Excom	1,733	404	359	–	2,496

1. Months in office = 12.

2. Including retirement, medical and other benefits.

3. The Goodwill Scheme has a five-year cycle, 2023 was the first year of cycle 5.

4. Includes Control Function Head bonuses.

5. One member joined, one member was promoted and one member was reclassified during the year, with 7 active members as at 30 June 2024.

6. Two members joined and two members left from this category, with 14 active members as at 30 June 2024.

7. Months in office = 3.

8. Ms RDT Tabane's surname changed to Zwane during the year following her marriage.

9. Months in office = 5. Earnings and payments relate to the full year.

Group Remuneration Report *continued*

6. REMUNERATION OF NON-EXECUTIVE DIRECTORS

Earned and paid 2025 – exclusive of VAT

Name	Months in office	Directors' fees R'000	Total emoluments R'000
TE Mashilwane	12	1,699	1,699
GQ Routledge	12	4,744	4,744
BA Stott	12	2,863	2,863
RD Williams	12	1,758	1,758
PG Nkadimeng	12	–	–
GK Chadwick	12	–	–
HP Mayers	12	1,366	1,366
T Creamer	11	–	–
M Raisbeck	11	–	–
Total		12,430	12,430

Earned and paid 2024 – exclusive of VAT

Name	Months in office	Directors' fees R'000	Total emoluments R'000
PR Gwangwa	1	73	73
TE Mashilwane	7	770	770
GQ Routledge	12	3,801	3,801
BA Stott	12	2,224	2,224
RD Williams	12	1,325	1,325
PG Nkadimeng	12	–	–
ADT Enthoven	12	–	–
GK Chadwick	12	–	–
HP Mayers	12	1,094	1,094
Total		9,287	9,287

7. INCREASE IN NON-EXECUTIVE DIRECTOR FEES

Refer to Special Resolution 1 in the Notice of AGM, detailing the increase in Non-executive Directors' fees (pages 254 to 256).

8. INTERESTS OF DIRECTORS, INCLUDING THEIR FAMILIES, IN THE SHARE CAPITAL OF CLIENTÈLE 2025

Name	Beneficial direct	Indirect	Associates	Total
GQ Routledge	300,000	2,611,020	61,404	2,972,424
BA Stott	20,000	45,000	32,000	97,000
H Louw	105,049	-	-	105,049
RDT Zwane	4,994	-	-	4,994
BW Reekie [#]	1,472,958	-	-	1,472,958
Total	609,095	3,949,926	93,404	4,652,425

2024

Name	Beneficial direct	Indirect	Associates	Total
GQ Routledge	300,000	2,611,020	61,404	2,972,424
BA Stott	20,000	45,000	32,000	97,000
H Louw	105,049	-	-	105,049
RDT Zwane	4,994	-	-	4,994
BW Reekie [#]	179,052	1,293,906	-	1,472,958
MG Cownie	13,334	-	5,203	18,533
Total	622,429	3,949,926	98,607	4,670,962

[#] The portion of the Director's indirect shareholding previously held through River Lily Investments Proprietary Limited, which owned shares in Clientèle, was unbundled during the year.

9. VOTING ON REMUNERATION

In the event that either the Remuneration Policy or the Implementation Report, or both, are voted against by 25% or more of the voting rights exercised at the AGM, the Board will:

- disclose in the voting results announcement, an invitation for dissenting shareholders to engage with the Board;
- detail the manner and timing of such engagement;
- engage with dissenting voters to ascertain the reasons for the dissenting votes;
- appropriately address legitimate and reasonable objections and concerns raised;
- amend the Group Remuneration Policy and/or Implementation Report, if necessary; and,
- record in next year's Group Remuneration Report, the details and results of such engagements, and the steps taken to address legitimate and reasonable objections and concerns.



Mr. BA Stott

Chairman of the Group Remuneration Committee

22 September 2025

Group Social and Ethics Report

for the year ended 30 June 2025

1. INTRODUCTION

The Social and Ethics Committee provides oversight and guidance on social, governance and ethical matters to ensure that the Clientèle Group is an active corporate participant in bringing positive and transformative change to the societies in which it operates in. This is underpinned by the Group’s commitment to supporting the UNSDGs, particularly focusing on eradicating poverty, quality education, climate action and decent work and economic opportunities.

This report provides an overview of how Clientèle has lived its purpose of “Safeguarding Your World...with Compassion” through, amongst other things, its transformation agenda, treating various stakeholders well, creating shared value through lasting impactful initiatives and forming part of a responsible and responsive corporate South Africa.

2. TRANSFORMATION

One of the primary roles of the Committee is to assist the Board in ensuring that it discharges its fiduciary duties and obligations in respect of the South African businesses’ transformation in accordance with approved Group policy.

From a B-BBEE scorecard perspective, the Group maintained a Level Three Contributor status in the last verification that was completed in November 2024. The continuation of participation in the YES (Youth Employment Services) programme for the second year has shown our commitment to playing our part in creating job opportunities for the youth in South Africa and has also had a positive effect on our B-BBEE scorecard.

On 15 April 2025, the Minister of Employment and Labour published a notice identifying the national economic sectors and determining the finalised sectoral numerical targets. In terms of the regulations, designated employers must prepare employment equity plans that run from 1 September 2025 to 31 August 2030. Over the past few months, a comprehensive consultation process has been followed for Clientèle Life, Clientèle Legal, 1Life and Emerald Life to put together their new 5-year EE plans. The EE Committees of the entities have facilitated the consultation process with staff and management to ensure that the plans are in place effective from 1 September 2025. Progress on the implementation of the EE plans will be monitored and reviewed on a quarterly basis.

3. EMPLOYEES

Clientèle welcomed 1Life as part of the Group during the first month of the financial year, with over 600 1Lifers relocating to the Clientèle Office Park in Morningside during November 2024. As the motto to drive the change management efforts, the principle of Sisonke, which means we are together, was adopted. Spearheaded by the Managing Directors and senior members of management, the journey to integrate the two companies has been largely successful.

The table below depicts the Group headcount as of 30 June 2025.

Occupational Categories	Male				Female				Foreign National		Total
	A	C	I	W	A	C	I	W	Male	Female	
	Top Management	6	1	4	15	4	0	3	8	0	
Senior Management	30	4	13	24	19	9	13	29	2	2	145
Professionally Qualified	54	14	15	19	50	14	7	20	1	1	195
Skilled	230	25	40	29	363	40	38	20	2	0	787
Semi-Skilled	952	15	6	5	2112	65	7	25	0	0	3187
Unskilled	13	0	0	0	23	1	0	0	0	0	37
Total	1285	59	78	92	2571	129	68	102	5	4	4393
Actual (%)	29.05	1.33	1.66	2.10	59.04	2.94	1.38	2.29	0.12	0.09	100.00
Provincial EAP Targets (%)	46.60	1.20	1.70	5.80	37.40	1.20	1.10	5.00	0.00	0.00	100.00
Variance (%)	(17.55)	0.13	(0.04)	(3.70)	21.64	1.74	0.28	(2.71)	0.12	0.09	

As at the end of June 2025, the Group, inclusive of Emerald Life, employed 4,393 individuals. Gaps Identified in Occupational levels have been addressed by our new EE plans set in August 2025 for 2030.

Group Social and Ethics Report *continued*

The four entities within the Group have adopted the 5-year plans in response to the recently published EE sectoral targets. As at the beginning of 2026 financial year, the Group meets some of the sectoral targets for the occupational levels across the various entities and in some instances, there are gaps to the set targets. The adopted 5-year EE plans will look to address the areas where there is under-representation and also to close the gaps to the EAP (Economically Active Population) targets.

The Group staff survey which is conducted three times a year, is in its third year of participation. The participation rate (including 1Life employees for the first time in 2025) has remained above the 75% mark. The overall sentiment among staff is positive, and the management team have worked with their departments through deep dive focus groups to identify areas of focus to continue to enhance morale.

For the annual salary review, employees received increases that are above the reported inflation figures. In addition to the salary increases and performance-related bonuses, Clientèle's non-management employees received discretionary bonuses in December 2024, which helped staff with the festive season and back-to-school expenses. The benefits offered to employees (at the Group's cost) through the Clientèle Perks programme have continued to be popular among staff. The annual staff awards continue to be a platform for the executive team to recognise high-performing individuals and teams in front of their peers and the broader management team.

Through its employee assistance programmes, the Group has continued to offer its employees wellness support in five areas: Physical, Mental/Emotional, Social, Financial and Intellectual wellbeing.



The staff campaigns (which included awareness and training sessions) throughout the year addressed elements contained in the HR policies and required that all employees and others be treated with fairness, equality and respect to foster an open, transparent, progressive and trusting environment that is free from prejudice and discrimination.

The committee considered updates related to employee skills development, which include streamlined onboarding training for call centre staff, the Lead to Succeed programme for junior management, and the Dare to Grow development programme for junior staff who have displayed leadership potential to expand Clientèle's internal capabilities.

The committee will continue to monitor the integration of Emerald Life into the Group and how management is navigating the global talent challenges that organisations continue to experience.

4. TREATING CLIENTS WELL

The primary focus of the Committee is on ensuring that the Group lives up to its stated aim of Treating Clients Well. As such, the Committee reviewed and assessed client touchpoints, which included monitoring of the product offering, claims payments, complaints management and service levels. This also includes ensuring that there is consistent, efficient and relevant communication with clients across the delivery life cycle. Some of the key initiatives that were monitored on a quarterly basis included:

- The introduction of a 'Welcome call' to our newly acquired clients and to ensure that all relevant information is obtained;
- Customer research and segmentation – to inform product design, process design and communication strategies;
- DebiCheck and cashflow focus through the "December is on Us" campaign to assist clients with their festive period cash constraints; and
- Entrenching the Clientèle Royalty and 1Lifestyle offering, (free loyalty programmes for policyholders of which the latter was launched during the year).

The NPS measures brand perception while CSAT measures how satisfied customers are with our services and products. The Clientèle scores on both metrics have been maintained at 2024 levels and continue to be above the industry average and benchmarks.

In the first quarter of financial year, Clientèle was awarded Gold in the Life and Funeral Insurance categories in the City Press Readers' Choice Awards.

Group Social and Ethics Report *continued*

5. STAKEHOLDERS & REPUTATION MANAGEMENT

Stakeholder engagement is considered regularly by the executive team and feedback is provided to the Social and Ethics Committee on, at least, a quarterly basis. This high-level consideration ensures that each stakeholder's impact, value and influence is assessed and that relevant engagement strategies are implemented. These strategies are designed to ensure that timely, accurate, transparent and appropriate information is provided to and received from these stakeholders. They are also designed to ensure that we continually deliver on Clientèle's contractual and brand promises to its various stakeholders.

We believe that external stakeholder engagement plays a pivotal role in maintaining a conducive operating environment. We continue to engage with management on their proactive identification and response to existing and potential reputational and regulatory matters. We are pleased with the continued engagements with key stakeholders to manage risk effectively and ensure sustainable operations in what can be a complex operating environment.

6. ESG – ENVIRONMENT, SOCIAL, GOVERNANCE

The Committee has borne witness to Clientèle's ongoing commitment to shared value and contributing positively to the ESG initiatives which are also an important strategic focus for its majority shareholder.

The Committee engages with management through deep dives on key topics and regular updates on various matters to ensure meaningful oversight of the Group's ESG efforts. The Committee received regular updates on these developments and considered the actual and potential impact on our employees, customers, supply chains and society at large.

6.1. Environment

The Group believes in caring for others and the Committee reinforces this principle by monitoring the Group's activities in respect of the environment, health and safety (including employees and the public) and does so while having regard to any relevant legislation, other legal requirements or prevailing codes of best practice.

There has been steady progress with respect to carbon emissions and installation of solar panels within the Clientèle Office Park. The Committee will continue to monitor this, but is encouraged by the progress made, and is confident that Clientèle will continue to accelerate and improve its ESG practices and reporting into the future.

The comparison to how the Group has been progressing against the baseline year 2019 has been impacted by the inclusion of 1Life headcount into the Clientèle Office Park. The following are worth noting when comparing FY25 to the previous year:

- There was an 18% increase in mobile fuel consumption in comparison to the last financial year, driven by a 33% increase in FTE (full time equivalent) and a corresponding rise in transport-related activity;
- There was a 38% increase in municipal water consumption and 67% increase in rainwater harvest onsite;
- Grid electricity consumption only increased by 3% in FY2025 when compared to FY2024 which is impressive considering the increase in headcount (1Life onboarding);
- Paper consumption decreased by 80%, due to a shift towards a paperless working environment and reduced printing of training materials; and
- Total waste production decreased by 18%, indicating improvement in waste management practice.

The Group is looking to revise the targets to be in line with the office park landscape that has changed.

The health, safety and well-being of our employees and society are integral to the Group's operations. The committee was updated on the progress made in increasing the onsite water storage capacity for the Office Park. At the end of August 2025, the Office Park can store 450 000 litres of water to ensure business continuity.

6.2. Social

The Clientèle Group has focused on providing opportunities for South African youth to access job opportunities, tertiary education and through its skills development initiatives. Furthermore, the Group has continued its financial education initiative in partnership with Avo Vision (consumer education partner).

Youth Employment Services (YES)

In the second year of participating in the YES initiative, Clientèle hosted 113 learners in the Life company.

The third year of participating in the YES initiative commenced in June. The 105 learners have been hosted in the Client Services and Sales areas in Clientèle Life and 1Life for the duration of the 12 months programme.

The YES initiative resonates with Clientèle's purpose of "safeguarding your world, with compassion". This is an opportunity to give South African youth a chance to acquire work experience and for the Group to contribute towards reduction of the high levels of unemployment.

Clientèle Bursary Programme

The bursary programme is aimed at providing financial assistance to the children of the IFA business opportunity network, staff and clients on the higher tiers of Clientèle Royalty and 1Lifestyle. The scheme is targeted at children who embark on tertiary studies and provides comprehensive funding for tuition, accommodation, textbooks and other requirements such as laptops. For the 2025 financial year, three students completed their studies in the fields of Law, Education and International Studies from universities across the country.

There are currently 13 students on the programme and all are progressing well with their courses. The fields of study include, amongst others, law, engineering, commerce, actuarial, computer science and education. The mentorship programme that is in place to provide additional support and guidance to the recipients is an opportunity for a group of senior managers within the Group who work in various fields/departments to give back to the communities and contribute to the development of South African youth.

Consumer Education

For the financial year 2025, focus was placed on increasing the number of consumers from low-income households that receive the training. In partnership with Avo Vision, a recognised social partner in the consumer education field, a total of 3 362 (2024:2,721, 2023: 2,314) South African consumers received financial literacy training. These consumers were from rural and urban communities, across all nine provinces.

The programme has effectively reached low-income households, with 99% of beneficiaries falling within LSM 1-8 (earning R20,833 or less per month). This initiative supports economic inclusion and builds more financially resilient households across South Africa.

It is through these kinds of partnerships that Clientèle will continue to empower and educate the communities that we operate in to build lasting social impact.

6.3. Governance

The Companies Act Amendment no. 16 of 2024 has introduced changes to the Social and Ethics Committee. These include a requirement for the majority of Committee members being non-executive directors, the company must also report annually at the Annual General Meeting on how it has effected its mandate. The change in composition of the Committee has been implemented for the Clientèle Group Social and Ethics Committee.

The Clientèle Group strives to maintain the highest standards of ethics and governance protocols in all its operations. Our policies on ethical standards, expected conduct, prohibited activities and whistleblowing have been translated to ensure that all employees throughout the Group are able to easily access and understand what is required from them. Where required, investigations are carried out and findings reported, and appropriate sanctions are implemented. From the matters that were reported during the year under review, no critical matters were identified.

On a quarterly basis, the Committee was updated on the matters that were submitted through the whistleblowing platform. In the main, complaints related to alleged unfair treatment, and favouritism and these have been dealt with appropriately.

The Committee is satisfied that there is adequate oversight through various processes to promote a culture of good governance and ethics (including ethical leadership) and that being a socially responsible organisation is an ethos that is being embedded in the culture and operations of the Group.

Group Social and Ethics Report *continued*

7. REGULATORY COMPLIANCE

Regular engagement with the Prudential Authority and Financial Sector Conduct Authority on products, distribution channels, strategic imperatives and regulatory changes or proposals remains a priority to ensure fair customer outcomes.

The Committee is satisfied that the Group has complied with the Board approved regulatory compliance annual coverage plan and that no material non-compliance with applicable laws and regulations were noted. The Group is also in compliance with the Policyholder Protections Rules and relevant Insurance Acts to ensure fair outcomes to policyholders.

8. FOCUS AREAS 2026

The focus areas for FY2026 will include:

- Build an inclusive and integrated community for our people across the entities in the Group;
- Monitoring the implementation of the EE numerical goals that have been set by the organisation;
- Continue to drive the initiatives to reduce our carbon emissions;
- Continuous engagement with the various partners and stakeholders to foster mutually beneficial relationships; and
- Continue to monitor and evaluate how the Group lives its ethos of treating its clients well.

9. CONCLUSION

The Group Social and Ethics Committee is satisfied that, within the Clientèle Group, ethics are being managed effectively across the organisation. Delivering on shared value for all stakeholders is our forever ongoing journey that all Clientèlers' will keep growing on through our interactions.

The Committee is satisfied that it has discharged its mandate in accordance with its terms of reference.



Ms. TE Mashilwane

Chairperson of the Group Social and Ethics Committee

22 September 2025

Statement of Group Embedded Value (Not Audited)

for the year ended 30 June 2025

1. GROUP EMBEDDED VALUE

The Embedded Valuation ("EV") calculation has been reviewed by the Group's Independent Actuaries, QED Actuaries & Consultants (Pty) Ltd.

Deloitte & Touche (South Africa) has not audited the Group EV results.

The EV comprises:

- the Free Surplus; plus,
- the Required Economic Capital identified to support the in-force business; plus,
- the Present Value of In-force business ("PVIF"); less,
- the Cost of Required Capital ("CoC").

The PVIF is the present value of future after-tax profits (on the Management Accounts Basis) arising from covered business in force as at 30 June 2025.

The Management Accounts Basis is defined as the published accounts basis adjusted as follows:

- Including a prospective liability for Investment contracts accounted for under IFRS 9, to align the methodology for these contracts with that used for other savings contracts included under insurance contracts;
- Elimination of insurance contracts assets recognised in terms of IFRS 17, as the PVIF includes the release of future profits on these insurance contracts; and,
- Adjusting the required capital as a result of the above two adjustments, including the removal of the risk adjustment under IFRS 17 related to the insurance contract assets for consistency.

This is broadly equivalent to the previous published accounts basis (IFRS 4) allowing for the elimination of negatives reserves at individual policy level for all policies with the exception of a small book of intermediated business. The Management Accounts Basis was used for projecting the profits in the PVIF calculation as it is representative of the basis used to determine the dividend paying ability of the Group.

All material business written by the Group has been covered by EV Methodology as outlined in Advisory Practice Notice, APN 107 of ASSA, including:

- Life insurance policies regulated in terms of the Long-term Insurance Act, 1998 and the Insurance Act 18, 2017;
- Legal insurance business where EV Methodology has been used to determine future shareholder entitlements; and,
- Annuity income arising from non-insurance contracts (including IFA business fees, Clientèle Rewards, Clientèle Mobile, Direct Rewards contracts and fees earned for the use of digital applications).

1Life and Emerald Life became part of the Clientèle Group during July 2024 and June 2025 respectively. This publication shows a consolidated position for the 30 June 2025 results; however, the 30 June 2024 results excluded both 1Life and Emerald Life. The acquisition of these entities is dealt with explicitly in the analysis of the change in Embedded Value (AOEV).

The Risk Discount Rate ("RDR") decreased over the year to 13.2% p.a. (30 June 2024: 14.3% p.a.) for Clientèle (excluding 1Life and Emerald). 1Life's RDR as at 30 June 2025 was 13.9% p.a. Emerald Life's RDR as at 30 June 2025 was 13.2% p.a. The difference in RDR between the entities relates to differences in the DMT of the businesses.

Statement of Group Embedded Value (Not Audited) *continued*

The EV can be summarised as follows:

(R'000)	Year ended 30 June	
	2025	2024
Required Economic Capital	733,921	656,246
Free surplus excluding preference share capital (Tier 2)	891,532	675,264
Adjusted Net Worth ("ANW") of covered business, including preference share capital (Tier 2)	1,625,452	1,331,510
Preference share capital (Tier 2)	(570,697)	
Adjusted Net Worth ("ANW")	1,054,755	1,331,510
CoC	(166,351)	(145,501)
PVIF	8,276,405	4,860,017
EV of covered business	9,164,809	6,046,026
Clientèle (excluding 1Life and Emerald) RDR % p.a.	13.2	14.3
1Life RDR % p.a.	13.9	
Emerald Life RDR % p.a.	13.2	

The Emerald Life transaction was funded through a combination of free cash and the issuance of Preference Shares by Clientèle Life, the proceeds of which were used to advance a loan to Clientèle Limited in order to acquire Emerald Life. Clientèle Life issued Preference Shares to AEL Investment Holdings (Pty) Limited (a company in the Investec Group) and loaned the proceeds to Clientèle Limited. The Preference Shares worth R570 million issued to Investec are treated as Tier 2 capital for purposes of the Prudential Solvency basis. For the published financials and the ANW above, this item is treated as a loan on the balance sheet.

The Required Economic Capital (June 2025) is based on the Management Accounts Basis and has been set at one times the Economic Capital Requirement for both Clientèle Life (R476.5 million) and Clientèle General (R173.7 million), and at 1.15 times the Economic Capital Requirement for Emerald Life (R83.8 million). This was set to zero for 1Life – see below.

The ANW of covered business is defined as the value of all assets allocated to the covered business that are not required to back the liabilities of covered business. Free Surplus including preference share capital (Tier 2) is the ANW less the Required Economic Capital attributed to covered business plus the preference share capital (Tier 2).

The 1Life economic capital basis as at 30 June 2025 is calculated using the Management Accounts Basis adjusted to be before elimination of negatives. The elimination of negative reserves for EV is thus more onerous than the economic capital base, thus the CoC is already captured inside the ANW.

The CoC is the opportunity cost of having to hold the Required Economic Capital of R733.9 million as at 30 June 2025 (30 June 2024: R656.2 million).

The PVIF is the present value of future after-tax profits (on the Management Accounts Basis) arising from covered business in force as at 30 June 2025.

The Group EV increased from R6.046 billion at 30 June 2024 to R9.165 billion as at 30 June 2025. The increase is driven by the 1Life acquisition (in exchange for an issue of shares) and the Emerald Life acquisition which increased the EV by circa R2.1 billion and R127.9 million respectively at the date of acquisition. This was reduced by a dividend of R566.4 million which was paid in October 2024.

The ANW is net of the once-off project costs relating to the 1Life integration, the Emerald acquisition and other due diligence projects (R99.6 million).

EV Earnings (EVE) is the change in Embedded Value over the period after making allowance for any dividends paid. For purposes of this calculation the opening EV included 1Life's EV as at 30 June 2024. Recurring Embedded Value Earnings (REVE) uses the EVE as a base and removes the impact of the change in economic assumptions and other once-off items.

The EVE of R1.630 billion (21.6% annualised return on EV) includes a positive impact from changes in economic assumptions (mainly RDR) as well as other once-off items. The REVE of R1.269 billion, which translates into an annualised Recurring Return on EV ("RRoEV") of 16.8% gives a more accurate reflection of EV growth over the year.

Statement of Group Embedded Value (Not Audited) *continued*

2. RECONCILIATION OF TOTAL EQUITY TO ANW

(R'000)	Year ended 30 June	
	2025	2024
Total equity and reserves per the Statement of Financial Position (IFRS 17)	5,909,564	3,282,851
Elimination of insurance contracts assets recognised in terms of IFRS 17	(2,695,746)	(2,120,761)
Adjusting IFRS 9 recurring premium savings policies' liability to allow for negative rand reserves	179,939	85,261
Removal of preference share funding liability	570,697	
Other adjustments from IFRS 17 to Management Accounts Basis	387	
Total Equity on Management Accounts Basis, excluding preference share funding liability	3,964,841	1,247,351
Adjusted for deferred profits on investment business	53,970	57,591
Adjusting non-financial assets to fair value (Clientèle)	40,488	61,350
Adjusting non-financial assets to fair value (1Life)	(1,783,512)	
Adjusting non-financial assets to fair value (Emerald)	(2,154)	
Reversal of investment in Direct Rewards	(13,252)	(13,787)
Bonus Rights Scheme adjustment	(15,008)	(11,152)
Net of tax impact of adjusting Single Premium business to market value	(8,527)	(9,844)
Removal of net Goodwill on acquisitions	(611,394)	
ANW excluding preference share funding	1,625,452	1,331,510
Preference share funding	(570,697)	
ANW	1,054,755	1,331,510

The BR Scheme adjustment recognises the expected future dilution in EV, on a mark to market basis, as a result of the BR Scheme.

3. VALUE OF NEW BUSINESS ("VNB")

The VNB represents the present value of projected after-tax profits (on the Management Accounts Basis) at the point of sale on new covered business commencing during the year ended 30 June 2025, less the CoC pertaining to this business. The assumptions used in the VNB calculations were consistent with the VIF assumptions as at 30 June 2025, and the actual cash flows in the year are from projections on the Management Accounts Basis.

The New Business profit margin is the VNB expressed as a percentage of the present value of future premiums (and other annuity fee income) pertaining to the same business.

(R'000)	Present Value of New Business Premiums		
	VNB	Present Value of New Business Premiums	New Business profit margin
30 June 2025			
Single premium business	42,945	1,632,828	2.6%
Recurring premium and other business	287,204	4,373,157	6.6%
Total	330,148	6,005,985	5.5%
30 June 2024			
Single premium business	12,119	858,788	1.4%
Recurring premium and other business	208,217	1,600,509	13.0%
Total	220,336	2,459,298	9.0%

Statement of Group Embedded Value (Not Audited) *continued***4. LONG-TERM ECONOMIC ASSUMPTIONS**

The RDR has been determined using a top-down weighted average cost of capital approach, with the equity return calculated using the Capital Asset Pricing Model ("CAPM") theory. In terms of current actuarial guidance, the RDR has been set as the risk free rate plus a beta multiplied by the assumed equity risk premium. It has been assumed that the equity risk premium is 3.5% (30 June 2024: 3.5%). The beta pertaining to the Clientèle share price is normally relatively low, which is partially a consequence of the relatively small free float of shares. After careful consideration, the Board has decided to continue to use a more conservative beta of 1, as opposed to Clientèle's actual beta of 0.1755, in the calculation of the RDR. The Board draws the reader's attention to the RDR sensitivity analysis in the next table, which allows for sensitivity comparisons using various alternative RDRs.

(%)	Year ended 30 June			
	Clientèle 2025	1Life 2025	Emerald 2025	2024
Risk Discount Rate	13.2	13.9	13.2	14.3
Non-unit investment return	9.7	10.4	9.7	10.8
Unit Investment return	11.1			12.3
Expense inflation	4.6	4.8	4.6	5.9
Corporate tax	27.0	27.0	27.0	27.0
Gross of tax Equity return	12.2			13.3
Gross of tax Cash return	7.7			8.8
Gross of tax Bond return	9.7			10.8
Gross of tax Risk Free return	9.7	10.4	9.7	10.8

5. SENSITIVITIES – EV

The table below illustrates the effect of the different assumptions on the EV (net of company tax) at the RDR as at 30 June 2025 for each entity (unless otherwise specified):

(R'000)	ANW	Value of in-force Business	Cost of Capital	EV	% of Main Basis
Main Basis	1,054,755	8,276,405	(166,351)	9,164,809	
RDR less 2%	1,054,755	9,356,839	(94,998)	10,316,596	112.6
RDR less 1%	1,054,755	8,775,862	(133,258)	9,697,359	105.8
RDR plus 1%	1,054,755	7,831,917	(195,963)	8,690,710	94.8
RDR as of June 2024	1,054,755	7,807,044	(199,025)	8,662,774	94.5
RDR plus 2%	1,054,755	7,442,911	(221,919)	8,275,747	90.3
Assuming a 10% decrease in the following:					
- Future expenses	1,054,755	8,530,091	(166,630)	9,418,216	102.8
- Policy discontinuance rate	1,054,755	8,912,920	(176,431)	9,791,244	106.8
Claims (and reinsurance rates) less 5%	1,054,755	8,485,266	(169,293)	9,370,729	102.2
Investment return less 1%	1,054,755	8,236,694	(167,515)	9,123,934	99.6
Inflation plus 1%	1,054,755	8,200,112	(165,741)	9,089,127	99.2
Assuming a once-off 10% reduction in the value of equity holdings	1,016,936	8,279,175	(165,493)	9,130,619	99.6

The sensitivity analyses have assumed that the reserving basis will remain static, despite changes in experience, except in the following case (where APN107 (Version 8) requires the change in reserving basis to be considered in conjunction with the change in assumptions):

- Where we assume a once-off 10% reduction in the value of equity holdings.

Statement of Group Embedded Value (Not Audited) *continued*

6. SENSITIVITIES – VNB

The table below illustrates the effect of the different assumptions on the VNB at the RDR as at 30 June 2025 for each entity (unless otherwise specified):

(R'000)	VNB	% of Main Basis
Main Basis	330,148	
Initial expenses less 10%	454,257	137.6
Renewal expenses less 10%	366,774	111.1
Inflation plus 1%	325,290	98.5
Investment return less 1%	328,158	99.4
Claims (and reinsurance rates) less 5%	377,181	114.2
Withdrawals less 10%	544,916	165.1
RDR less 2%	453,836	137.5
RDR less 1%	387,158	117.3
RDR plus 1%	276,125	83.6
RDR as of June 2024	271,419	82.2
RDR plus 2%	229,314	69.5

7. EV PER SHARE

(Cents)	Year ended 30 June	
	2025	2024
EV per share	2,021.97	1,802.99
Diluted EV per share	2,018.36	1,800.80

Statement of Group Embedded Value (Not Audited) *continued*

8. SEGMENT INFORMATION

The table below shows the EV split between segments for the years ended 30 June 2025 and 30 June 2024:

(R'000)	ANW	PVIF	CoC	EV
30 June 2025				
Long-term insurance: Clientèle Life	884,041	3,813,408	(115,843)	4,581,606
Long-term insurance: 1Life	218,711	2,194,297	-	2,413,008
Micro-insurance: Emerald Life	102,709	648,734	(16,248)	735,194
Short-term insurance	338,759	1,395,542	(34,260)	1,700,041
CBC Rewards, Clientèle Mobile & Direct Rewards	(77,774)	224,424		146,650
Preference share funding	(570,697)			(570,697)
Other	159,006			159,006
Total	1,054,755	8,276,405	(166,351)	9,164,809
30 June 2024				
Long-term insurance	988,259	3,414,424	(110,336)	4,292,347
Short-term insurance	317,843	1,291,115	(35,165)	1,573,792
CBC Rewards, Clientèle Mobile & Direct Rewards	(75,505)	154,478		78,973
Other	100,913			100,913
Total	1,331,510	4,860,017	(145,501)	6,046,026

The VNB can be split between segments as follows:

(R'000)	Year ended 30 June	
	2025	2024
Long-term insurance: Clientèle Life	126,221	104,825
Long-term insurance: 1Life	101,022	
Long-term insurance: Emerald Life (6 days)*	1,442	
Short-term insurance	55,207	73,077
CBC Rewards, Clientèle Mobile & Direct Rewards	46,257	42,434
Total	330,148	220,336

* The annualised VNB for Emerald Life would have been R86.5 million.

Statement of Group Embedded Value (Not Audited) *continued*

9. EV EARNINGS ANALYSIS

EV Earnings (per APN 107) comprises the change in EV for the period after adjusting for capital movements and dividends paid.

(R'000)	Notes	Year ended 30 June 2025				30 June ended 2024 EV
		ANW	VIF	CoC	EV	
Closing EV		1,054,755	8,276,405	(166,352)	9,164,809	6,046,026
Opening EV		1,331,509	4,860,017	(145,501)	6,046,025	5,887,476
New shareholder capital		467,827	1,707,574	(51,122)	2,124,279	–
Net impact of 1Life transaction		(167,357)	128,350	(29,862)	(68,869)	–
Opening EV adjusted for 1Life		1,631,979	6,695,941	(226,485)	8,101,435	5,887,476
Dividends		(566,449)			(566,449)	(420,682)
Adjusted EV at the beginning of the year		1,065,530	6,695,941	(226,485)	7,534,986	5,466,794
EV earnings		(10,775)	1,580,464	60,133	1,629,822	579,232
Reversal of impact of economic assumption changes		(8,820)	(456,235)	4,934	(460,121)	40,981
Other once off impacts		99,612			99,612	34,352
Recurring EV Earnings		80,017	1,124,229	65,067	1,269,313	654,565
Annualised Recurring Return on EV					16.8%	12.0%
Annualised Return on EV					21.6%	10.6%
Components of EV earnings						
VNB		(874,535)	1,212,651	(7,968)	330,148	220,336
Expected return on covered business			906,358	9,028	915,387	639,558
Expected profit transfer		1,267,419	(1,267,419)		–	–
Expected return on ANW		101,612			101,612	76,438
Withdrawal and unpaid premium experience variance	1	(70,932)	(255,164)	(8,948)	(335,045)	(203,308)
Claims and reinsurance experience variance		83,888	7,746		91,634	3,676
Once-off 1Life integration and project costs	2	(99,612)			(99,612)	(42,423)
YTI guarantee cost in respect of B-BBEE share financing		(1,237)			(1,237)	(1,180)
Changes in non-economic assumptions and modelling	3	97,010	(111,209)	85,187	70,988	(41,950)
Bonus Rights Scheme		(1,180)			(1,180)	1,664
Goodwill and Medium-term Incentive scheme	4	(44,781)	(5,652)		(50,433)	(10,130)
Sundry experience variance		(35,074)	(10,339)	854	(44,558)	(23,654)
EV operating return		422,579	476,973	78,152	977,705	619,027
Investment return variances on ANW		61,015		3,126	64,141	1,186
Impact of economic assumption changes		8,820	456,235	(4,934)	460,121	(40,981)
Emerald Embedded Value at take-on	5	102,709	647,256	(16,212)	733,752	–
Emerald purchase price	5	(605,896)			(605,896)	–
EV earnings		(10,775)	1,580,464	60,133	1,629,822	579,232

Statement of Group Embedded Value (Not Audited) *continued***9. EV EARNINGS ANALYSIS** *continued***Notes****Note 1**

The challenges in the collections environment were exacerbated in the last quarter of the financial year following the introduction of “Registered Mandates” by the banking industry. The scale and frequency of banking service outages increased during the period. The Group also continues to operate in an extremely tough environment. Withdrawal experience for the period was still above assumption, and consequently these assumptions were worsened.

Note 2

Primarily pertaining to the reversal of once-off project expenses (e.g. costs pertaining to the 1Life integration, the Emerald acquisition and other due diligence exercises).

Note 3

The following table shows the impact of the non-economic change in basis on the Embedded Value for policies which have been in-force for at least 12 months as at 30 June 2025:

(R'000's)	2025
Withdrawal, NTU and unmet assumptions	(300,095)
Mortality assumptions	155,194
Renewal expense assumptions	60,986
Cost of Capital alignment following acquisitions	80,984
Improved modelling of acquired business	73,919
Total	70,988

Note 4

This item excludes the expected portion of the incentive pool already included in the expense assumptions.

Note 5

The Emerald Life acquisition was approved effective 24 June 2025.

10. CONCLUSION

Based on the review of the methodology and assumptions used and the calculations performed and described, we hereby confirm the above EV results.



Mr. AA Faurè, FASSA

Consulting Actuary

Fellow of the Actuarial Society of South Africa

22 September 2025

Approval of the Annual Financial Statements

In accordance with the requirements of the Companies Act, the Directors are responsible for the preparation of the Annual Financial Statements, which conform with IFRS Accounting Standards as issued by the Accounting Standards Board and fairly present the state of affairs of the Company and the Group as at the end of the financial year, and the net profit and cash flows for that period.

It is the responsibility of the External Auditor to report on the fair presentation of the Company and the Group Annual Financial Statements.

Clientèle and the Group operated in compliance with the provisions of the Companies Act, JSE Listings Requirements and their respective MOIs.

The Directors are ultimately responsible for the internal controls. Management enables the Directors to meet these responsibilities. Standards and systems of internal control are designed and implemented by management to provide reasonable assurance as to the integrity and reliability of the Annual Financial Statements in terms of IFRS Accounting Standards and to adequately safeguard, verify and maintain accountability for Group assets. Accounting policies supported by judgments, estimates, and assumptions which comply with IFRS Accounting Standards are applied on a consistent and going concern basis. Systems and controls include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties.

Systems and controls are monitored throughout the Group. More detail, including the operation of GIA, is provided in the Corporate Governance section of the Integrated Annual Report on pages 16 to 39.

Based on the information and explanations given by management and GIA, the Directors are of the opinion that the internal financial controls and the financial records may be relied upon for preparing the Annual Financial Statements in accordance with the Companies Act, IFRS Accounting Standards and maintaining accountability for the Group's assets and liabilities. Refer to the Group Audit Committee report on page 76 for the significant deficiencies considered by the committee during the year, and where mitigation was applied.

The Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Annual Financial Statements.

The Integrated Annual Report, including the Annual Financial Statements for the year ended 30 June 2025 (prepared in accordance with IFRS Accounting Standards, the JSE Listing Requirements and the Companies Act), were approved by the Board on page 16 to 38 and signed on its behalf by:



Mr. GQ Routledge
Chairman of the Board

22 September 2025



Mr. BW Reekie
Group Managing Director

22 September 2025

Certificate by the Company Secretary

I, Thelani Luthuli, being the interim Company Secretary of Clientèle, certify that the Company has, for the year under review, lodged all returns required of a Public Company with the Companies and Intellectual Property Commission and that all such returns are, to the best of my knowledge and belief, true, correct and up to date.



Mr. T Luthuli
22 September 2025

Responsibility statement and Internal Financial Controls sign-off by Managing Director and Financial Director

Each of the Directors, whose names are stated below, hereby confirm that:

1. The Annual Financial Statements, set out on pages 64 to 249, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;
2. To the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the Annual Financial Statements false or misleading;
3. Internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the Annual Financial Statements of the issuer;
4. The internal financial controls are adequate and effective and can be relied upon in compiling the Annual Financial Statements, having fulfilled our role and function as Executive Directors with primary responsibility for implementation and execution of controls. Refer to the Group Audit Committee report on page 76 for the significant deficiencies considered by the committee during the year, where mitigation was applied;
5. Where we are not satisfied, we have disclosed to the Group Audit Committee and the Auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies; and,
6. We are not aware of any fraud involving Directors.



Mr. BW Reekie
Group Managing Director
22 September 2025



Ms. AC Pillay
Group Financial Director
22 September 2025

Group Audit Committee Report

for the year ended 30 June 2025

The Group Audit Committee has pleasure in submitting this report on its activities as required by section 94(7)(f) of the Companies Act. The Group Audit Committee acts for all companies in the Group except for 1Life Insurance (RF) Limited (“1Life”) and Emerald Life (“Emerald”) which have independent Audit Committees. Application is in process to the PA for approval to include these companies under the Group Audit Committee.

The Group Audit Committee has reviewed the Audit Committee Report for 1Life and is satisfied that there are no matters of concern to the Group other than those covered below. The members of the 1Life Audit Committee are also members of the Group Audit Committee. Emerald was acquired with effect from 24 June 2025, and the Group Audit Committee is satisfied that no matters of concern were identified during the pre-acquisition due diligence processes that would be material to the Group.

The Group Audit Committee is a shareholder Committee. The members of the Group Audit Committee were appointed at the AGM held on 13 November 2024. Further duties are delegated to the Group Audit Committee by the Boards of the Companies in the Group. This report covers these sets of duties and responsibilities.

The composition and responsibilities of this Committee are aligned to Prudential Standard GOI 2 – Governance of Insurers.

For the year under review, the PA maintained its standing exemption of the need to appoint separate Audit Committees for Clientèle Life and Clientèle General.

1. GROUP AUDIT COMMITTEE TERMS OF REFERENCE

The Group Audit Committee has adopted its formal Terms of Reference that has been approved by the Board and are reviewed annually. The Group Audit Committee has conducted its affairs in compliance with its Terms of Reference and has discharged the responsibilities contained therein.

2. GROUP AUDIT COMMITTEE MEMBERS, MEETINGS AND ASSESSMENT

The Group Audit Committee is independent and currently consists of four Independent Non-executive Directors. It meets at least four times a year as required by its Terms of Reference.

The Group Managing Director, Group Financial Director, Group Chief Risk Officer, Chief Audit Executive, External Auditors and other assurance providers attend meetings by invitation only.

During the year, six meetings were held.

Members	Number of meetings held	Number attended
BA Stott (Chairperson)	6	6
RD Williams		6
GQ Routledge		6
TE Mashilwane		6
Appointed by: <ul style="list-style-type: none"> Shareholders at the AGM Appointed by the Board in the event of vacancies arising during the year, and retiring at the first subsequent AGM Authority: <ul style="list-style-type: none"> Shareholders Report to shareholders through the Integrated Annual Report and at the AGM 		Assessment: <ul style="list-style-type: none"> Annually Satisfactory rating in November 2024

The experience and qualifications of the members of the Group Audit Committee are set out on pages 82 to 83.

The Chairman of the Group Audit Committee attended the AGM held during this reporting period. The effectiveness of the Group Audit Committee and its members is assessed on an annual basis. The most recent assessment carried out did not highlight any significant matters of concern.

Group Audit Committee Report *continued*

3. ROLES, RESPONSIBILITIES AND FULFILMENT THEREOF

3.1 Statutory Duties

The Group Audit Committee's role and responsibilities include statutory duties in terms of the Companies Act, Long-term Insurance Act, Short-term Insurance Act, Insurance Act, Listings Requirements, Prudential Standards and further responsibilities assigned to it by the Board.

The Group Audit Committee executed its duties in terms of the requirements of King IV.

External Auditor

The Group Audit Committee has satisfied itself that the External Auditor is independent of the Group, as set out in section 94(8) of the Companies Act, which includes consideration of previous appointments of the External Auditor, the extent of other work undertaken by the External Auditor for the Group and compliance with criteria relating to independence or conflicts of interest as prescribed by IRBA. Requisite assurance was sought and provided by the External Auditor that internal governance processes within the audit firm support and demonstrate its claim to independence. In reaching its conclusion, the Group Audit Committee considered criteria set by the IRBA, as well as criteria for internal governance processes within audit firms.

As required by paragraph 3,84(g) of the Listings Requirements, the Group Audit Committee has received from the external audit firm, Deloitte & Touche, the latest inspection reports and accompanying correspondence on inspections performed by IRBA on Deloitte & Touche, and the individual designated auditor, Mr. John Leon Preston Kruger. The Group Audit Committee has reviewed such reports and was satisfied that there were no findings which would impair the quality of the audits.

The Group Audit Committee ensured that the appointment of the External Auditor complied with the Companies Act and any other legislation relating to the appointment of External Auditors.

The Group Audit Committee approved the Group engagement letter, the budgeted fees for the 2025 financial year and actual audit fees for the 2024 financial year.

There is a formal procedure that governs the process whereby the External Auditor is considered for non-audit services. The policy governs the approval process, nature and scope of non-audit services that the external auditors can perform for the Group. The Group has approved a policy relating to non-audit services performed by the External Auditor, which is reviewed on an annual basis.

The Group Audit Committee has nominated, for election at the next AGM, Deloitte & Touche as the External Audit firm and Mr. John Leon Preston Kruger as the designated External Auditor responsible for performing the functions of External Auditor for the 2026 financial year. In terms of section 92 of the Companies Act, the designated auditor is required to rotate every five years. The Group Audit Committee has satisfied itself as to the external auditor suitability in terms of paragraph 3,84(g)(ii) of the JSE Listings requirements.

The External Auditor has confirmed that no reportable irregularities have been reported up to the date of this report.

Group and Company Annual Financial Statements, Group Condensed Results, Trading Statement and Accounting Practices

The Group Audit Committee has reviewed the accounting policies, the condensed Group results for the six months to 31 December 2024 and the condensed Group results for the financial year 2025, Trading Statement for the year ending 30 June 2025, the Condensed Group results for the year ended 30 June 2025 and the Group Annual Financial Statements for the year ended 30 June 2025 and is satisfied that they are appropriate and comply with IFRS Accounting Standards. A formal written report by management to the Committee on estimates and judgments used in the preparation of the Group Annual Financial Statements was reviewed and approved.

The Group Audit Committee was satisfied that issues identified in the reports on proactive monitoring of Group Annual Financial Statements, issued by the JSE during the year, were complied with where relevant.

The Group Audit Committee was satisfied that appropriate financial reporting procedures exist and are working, including consideration of all entities included in the consolidated Group and company Annual Financial Statements prepared in accordance with IFRS Accounting Standards and had access to the relevant financial information of the Group.

The dividend for the year was considered by the Group Audit Committee and recommended to the Board for approval.

The Group and Company Annual Financial Statements have been recommended to the Board for approval.

The Group Audit Committee did not receive any complaints from within or outside the Group relating to accounting practices, GIA or the content or audit of the Group Annual Financial Statements, or to any related matter.

Group Audit Committee Report *continued*

Internal Controls and Internal Financial Controls

The Group Audit Committee has overseen a process by which GIA was requested to provide a written assessment of the effectiveness of the Group's system of internal control and risk management, including internal financial controls. This written assessment by GIA formed the basis for the Group Audit Committee's recommendation in this regard to the Board, for the Board to report thereon. During the year under review the committee considered control issues identified from various reports reviewed by the committee. The following significant control deficiencies were considered by the committee:

- Given its complexity, IFRS 17 remains a focus area for the Group. In particular, in the acquisition of Emerald resulted in the Group re-assessing contract boundaries for the Emerald business in order to align with Group methodology. This resulted in the remeasurement of Emerald's reinsurance contracts at Group level. In addition, the Clientèle Life Insurance Risk Business ("GMM") note disclosure in the annual financial statements was updated to correctly report the LFRC and LIC balances resulting in a restatement note being included in the annual financial statements. There was no impact to the Statement of Financial Position;
- With the integration of 1Life into the Group, additional management oversight was required on certain key reconciliations, particularly relating to the completeness of the investment reconciliations relating to the asset manager statements and the taxation computations. Specific controls have been put into place to address the control weaknesses identified; and
- The recording of unsettled trades at cut-off date could result in classification misstatements on the statement of financial position if not timeously identified. The reconciliation between the asset manager, bank and custodian statements have been improved to timeously identify unsettled trades and report these in the correct asset category.

These matters have all been appropriately addressed in the financial reporting process and the committee has evaluated the remediation plans on the control issues identified and is satisfied that any potential material impact on the group's annual financial statements has been appropriately mitigated by management. The Group Audit Committee Report on the Effectiveness of Internal Financial Controls is included on page 41. The Board Report on the Effectiveness of Internal Controls is included on page 40.

The Group Audit Committee oversees the processes implemented for the sign-off on internal financial controls by the Group Managing Director and the Group Financial Director, included on page 73.

3.2 Duties Assigned by the Board

In addition to the statutory duties of the Group Audit Committee as reported above (3.1), the Board has determined further functions for the Group Audit Committee to perform, as set out in the Group Audit Committee's Terms of Reference. These functions include the following:

Integrated Reporting

The Group Audit Committee fulfils an oversight role regarding the Group's Integrated Annual Report. The Group's Integrated Annual Report for the year ended 30 June 2025 was reviewed and approved by a sub-committee appointed by the Group Audit Committee and recommended to the Board for approval.

Going Concern Review

The Group Audit Committee has reviewed a documented assessment, including key assumptions, prepared by management on the going concern status of the companies within the Group and has made recommendations to the Board to enable the Board to report on the going concern status as set out on page 72.

Governance of Risk

The Board has assigned oversight of the Group's risk management function to the Group Risk Committee. The Group Audit Committee has received and considered Reports from the Group Risk Committee and satisfied itself that risks relating to financial reporting have been adequately considered.

The Group Audit Committee fulfils an oversight role regarding financial reporting risks, internal financial controls, fraud risk as it relates to financial reporting and IT risk as it relates to financial reporting.

Group Audit Committee Report *continued*

Governance of Compliance

The Group Audit Committee receives and considers reports by GIA on the effectiveness of the Group's compliance policies and effectiveness of the compliance function.

The Group Compliance Officer formally reports to the Group Audit Committee at each Group Audit Committee meeting on laws and regulations impacting the business of the Group, as well as the risk identification, assessment and monitoring process followed on compliance risk.

The Group Audit Committee was satisfied with the governance of compliance.

All legal matters which could impact the Group Annual Financial Statements, and the Integrated Annual Report are considered by the Group Audit Committee at each of its meetings.

The Group Audit Committee ensures compliance with the Listings Requirements relating to the timing of the issue of financial reports and related issues.

Actuarial Function

The Group Actuarial Committee has been established as a sub-committee of the Group Audit Committee and reports to the Group Audit Committee quarterly on embedded value reporting, actuarial content of the insurance results included in the financial statements (interim and annual), Economical and Regulatory Capital (including the Own Risk and Solvency Assessment), Reinsurance and ALM.

The independence of the Head of the Actuarial Function and his performance is reviewed on an annual basis.

The Group Audit Committee appoints the chairman of the actuarial committee and reviews experience, expertise and adequacy of resources annually.

GIA

The Group Audit Committee is responsible for ensuring that GIA is independent and has the necessary resources, standing and authority within the Group to enable it to discharge its duties. Furthermore, the Group Audit Committee oversees co-operation between GIA, 1Life internal audit, External Auditors and other assurance providers, and serves as a link between the Board and the various assurance providers.

The Group Audit Committee confirms that the Group has processes in place to deal appropriately with any concerns or complaints relating to internal audit function of the Group.

The Group Audit Committee considered and recommended the GIA Terms of Reference for approval by the Board. GIA's annual audit plan was approved by the Group Audit Committee. The results of the work carried out by GIA in terms of the audit plan were reviewed and the effect of any action plans to mitigate risks of any matters reported were considered and approved by the Group Audit Committee.

GIA reports centrally with responsibility for reviewing and providing assurance on the adequacy of the internal control environment across all of the Group's operations. The CAE is responsible for reporting the findings of the internal audit work, against the agreed GIA plan to the Group Audit Committee on a regular basis.

Ms. Bipath was appointed CAE in November 2022. The CAE has direct access to the Group Audit Committee, primarily through its Chairman.

The Group Audit Committee has assessed and is satisfied with the performance of the CAE and the GIA function. During the year, the Group Audit Committee met with the CAE without management being present.

External Auditor

A primary function of the Group Audit Committee is overseeing the relationship and performance of the External Auditors.

The External Audit plan was reviewed and approved and the results of the External Audit in accordance with the plan, were discussed with the External Auditor. In particular, the key audit matters as set out in the External Auditor's Report on the Group and Company Annual Financial Statements were agreed and the results of the audit on these matters were reviewed. The External Auditor's Report is set out on pages 88 to 93.

Group Audit Committee Report *continued*

The quality of the External Auditor's work was assessed by continuous engagement with the Designated Auditor throughout the year and considering the results of formal surveys completed by members of the Group Audit Committee and management on the performance of the External Auditor. As reported above, the Group Audit Committee also received and considered a written report on the quality control procedures implemented by the firm. The results of external quality reviews on the firm and the Designated Auditor were received and considered. The Group Audit Committee was satisfied with the quality of the firm and the quality of the audit for the year.

The Group Audit Committee reviewed the Group Management Representation letter and authorised the Group Financial Director to sign the letter.

The Group Audit Committee met with the External Auditor without management being present. The Chairman of the Group Audit Committee also met with the designated External Auditor informally throughout the year.

Combined Assurance

GIA is the custodian of Combined Assurance. GIA, in conjunction with management, has compiled a matrix of risks in the Group's business and mitigating actions to manage the impact of the risks on the business. The model reflects the level of assurance provided by the five lines of defense. The risks are those identified through the Group's risk management processes.

The model has been reviewed by the Group Audit Committee and the Committee is satisfied with the level of assurance provided by the five lines of defense and the overall adequacy of assurance.

Evaluation of the expertise and experience of the Group Financial Director and the finance function

The Group Audit Committee has satisfied itself that the person fulfilling the role of Group Financial Director has appropriate expertise and experience.

The Group Audit Committee has considered and has satisfied itself of the experience of the senior members of management responsible for the finance function.

The Group Audit Committee is satisfied that it complied with its legal, regulatory and other responsibilities.

IT Governance and Information

The Group Audit Committee acknowledges its responsibility for the oversight of IT Governance and Information controls as far as these impact financial reporting. The Clientèle Group Chief Technology Officer reports at each Group Audit Committee meeting on matters such as IT cyber security, disaster recovery and business continuity, and mitigation on control issues reported by GIA and External Audit.

General

During the current financial year, the Group Audit Committee re-evaluated its key focus areas for improvement in internal controls due to the maturity of the control environment in these focus areas and included new relevant key areas to take account of changes in the business environment and new strategic initiatives.

The members of the Group Audit Committee formally declare any conflicts of interest in respect of any matters to be discussed at each meeting.

The Group Audit Committee has made submissions to the Board on any matter concerning the Group's accounting policies, financial controls, records and reporting.



Mr. BA Stott

Chairman of the Group Audit Committee

22 September 2025

Report of the Directors

for the year ended 30 June 2025

The Directors have pleasure in submitting their Directors' Report, which forms part of the Integrated Annual Report for the year ended 30 June 2025.

1. NATURE OF BUSINESS

Clientèle, the holding Company of the Group, is incorporated in South Africa and is listed under the Insurance sector index on the JSE. Its life insurance subsidiaries, Clientèle Life and 1Life Insurance Limited, markets, distributes and underwrites insurance and investment products and invests funds derived therefrom and accounts for the majority of the Group's earnings and assets. The recently acquired Emerald Life, operates a micro-insurance license, and markets and distributes specialised Funeral products by and large to the South African Grantholder market. The Group also provides personal and business lines legal insurance policies underwritten by Clientèle General, its non-life insurance subsidiary.

Clientèle, through CBC Rewards and Direct Rewards, also offers rewards benefits to its clients from a number of retailers and service providers. During the current year, CBC Rewards built on the success of "Clientèle Royalty" and launched "1Lifestyle", both of which are tiered customer loyalty programmes that rewards loyal customers and gives them access to several value added products and benefits as well as the ability to win cash prizes via a "Spin and Win" feature available on the Clientèle and 1Life mobile applications.

Clientèle Mobile offers airtime and data to CBC Rewards clients at discounted rates.

Refer to page 2 for the Group Structure and the companies that form part of the Group.

2. FINANCIAL RESULTS AND DIVIDEND

The full operating results and the state of affairs of the Company and the Group are set out in the Annual Financial Statements and Notes thereto on page 130. An ordinary dividend of 132.00 cents per share (2024: 125.00 cents per share) was declared on Monday, 8 September 2025. The dividend will be paid on Monday, 29 September 2025.

To comply with the procedures of Strate Limited, the last day to trade in the shares for purposes of entitlement to the dividend is, Monday, 22 September 2025. The shares commence trading ex-dividend on, Tuesday, 23 September 2025 and the record date will be Friday, 26 September 2025.

Share certificates cannot be dematerialised or rematerialised between Tuesday, 23 September 2025 and Friday, 26 September 2025, both days inclusive.

Key statistics relating to the financial position and profit of the Group for the year are set out in the table below:

	30 June 2025	30 June 2024
Financial position		
Total assets (R'm)	20,075	11,291
Net asset value per share (cents)	1,317	979
Operating results		
Insurance Revenue (net of re-insurance contracts) (R'm)	3,286	1,907
Profit before tax (R'm)*	1,300	550
Tax (R'm)	241	216
Net profit attributable to ordinary shareholders of the Group (R'm)*	1,055	330
Total comprehensive income for the year (R'm)*	1,604	492
Diluted EPS (cents)	232.28	98.27
Diluted headline EPS (cents)	145.33	98.27
Dividend per share: Declared (cents)	132.00	125.00

* Includes a bargain purchase gain of R403 million which arose as a result of the 1Life acquisition.

Report of the Directors *continued*

Headline earnings per share

Headline earnings per share increased by 49% from 98.39 cents to 147.08 cents.

(R'000)	Group	
	2025	2024
Net profit for the period attributable to equity holders of the Group	1,054,738	329,937
Bargain purchase gain	(403,152)	–
Loss on disposal of property and equipment	8,332	–
Headline earnings for the period	659,918	329,937
Diluted weighted ordinary shares in issue		
Ordinary shares in issue ('000)	453,262	335,334
Weighted average ordinary shares in issue ('000)	448,692	335,326
Diluted weighted average ordinary shares ('000)	454,072	335,741
Diluted earnings per share (cents)	232.28	98.27
Diluted headline earnings per share (cents)	145.33	98.27

3. SHARE CAPITAL

117,927,976 shares were issued (2024: 11,851) during the year. The share capital as at 30 June 2025 was as follows:

(R'000)	Group	
	2025	2024
<i>Authorised:</i>		
750,000,000 (2024: 750,000,000) ordinary shares of 2 cents each	15,000	15,000
<i>Issued:</i>		
453,261,595 (2024: 335,333,619) ordinary shares of 2 cents each	9,065	6,707

Shareholders analysis

Ordinary shareholders analysis as at 30 June 2025

Shareholder spread	Number of shareholdings	% of total shareholdings	Number of shares	% of issued Capital
1 – 1,000	9,835	90.47%	328,034	0.07%
1,001 – 10,000	696	6.40%	2,895,926	0.64%
10,001 – 100,000	284	2.61%	8,750,197	1.93%
100,001 – 1,000,000	42	0.39%	11,740,707	2.59%
Over 1,000,000	14	0.13%	429,546,731	94.77%
Totals	10,871	100.00%	453,261,595	100.00%

Report of the Directors *continued*

Distribution of shareholders	Number of shareholdings	% of total shareholdings	Number of shares	% of issued Capital
Assurance Companies	3	0.03%	28,388,662	6.26%
Close Corporations	12	0.11%	138,844	0.03%
Collective Investment Schemes	9	0.08%	1,395,703	0.31%
Custodians	5	0.05%	304,966	0.07%
Foundations & Charitable Funds	2	0.02%	150,017	0.03%
Hedge Funds	5	0.05%	2,448,684	0.54%
Insurance Companies	2	0.02%	34,584,769	7.63%
Investment Partnerships	12	0.11%	235,284	0.05%
Managed Funds	3	0.03%	2,725,982	0.60%
Private Companies	95	0.87%	328,191,162	72.41%
Retail Shareholders	10,612	97.62%	19,059,399	4.20%
Retirement Benefit Funds	5	0.05%	75,399	0.02%
Scrip Lending	1	0.01%	1,056,564	0.23%
Stockbrokers & Nominees	8	0.07%	231,752	0.05%
Trusts	97	0.89%	34,274,408	7.56%
Total	10,871	100.00%	453,261,595	100.00%

Public/non-public shareholders as at 30 June 2025

Shareholder type	Number of shareholdings	% of total shareholdings	Number of shares	% of issued Capital
Non-Public Shareholders	19	0.17%	355,912,124	78.52%
Directors, Associates & Management	14	0.13%	4,716,396	1.04%
Strategic Holders	5	0.05%	351,195,728	77.48%
Public Shareholders	10,852	99.83%	97,349,471	21.48%
Totals	10,871	100.00%	453,261,595	100.00%

Beneficial Shareholders With A Holding Greater Than 5% Of The Issued Shares

	Number of shares	% of issued Capital
Friedshelf 1577 (Pty) Ltd	203,285,284	44.85%
Telesure Investment Holdings (Pty) Ltd	117,815,756	25.99%
Hollard Group	65,393,281	14.43%
Yellowwoods Trust Investments (Pty) Ltd	30,094,688	6.64%
Totals	416,589,009	91.91%

4. DIRECTORS

The following people acted as Directors during the year:

Name and qualification	Appointed as Director of Clientèle
Gavin Quentin Routledge – BA, LLB	31 January 2008
Angela Colleen Pillay – CA(SA), MCom	1 April 2024
Basil William Reekie – BSc(Hons)	31 January 2008
Barry Anthony Stott – CA(SA)	4 January 2010
Robert Donald Williams – BBusSc(Hons), FASSA	1 January 2013
Phethedi Gideon Nkadameng – BSc (Statistics and Economics)	1 March 2017
Thetele Emmarancia Mashilwane – CA(SA), RA, MBA	1 December 2023
Gavin Chadwick – MBA MAg	2 October 2019
Herschel Philip Mayers – BSc(Hons), FASSA	1 May 2023
Hugo Louw – BCom(Hons)	1 March 2021
Ramaesela Dorcas Tshepisho Zwane – BA, MBA, M.Phil	1 March 2021
Tom John Creamer - Hotel Management, Strategic Marketing Management, Leadership for Senior Executives	19 July 2024
Murray Alexander Raisbeck - BSc (Hons) Agricultural Economics, CA ICAEW	19 July 2024

Gavin Quentin Routledge, 69, (Independent Non-executive Chairman), BA, LLB

Mr. Gavin Routledge is based in Cape Town and is engaged in private equity for his own account and also advises companies and Executives on strategy and deal making. When required, he attends to the Group's business in his capacity as Chairman of the Board. Previously he was responsible for many of the Hollard Group's private equity investments in Southern Africa and prior to that he was Chief Executive of a niche investment banking company, A&R Corporate Finance, concentrating on international financial transactions and investment banking. Prior to that he was a partner at Webber Wentzel, specialising in commercial law and cross border transactions.

Basil William Reekie, 52, (Group Managing Director), BSc(Hons)

Mr. Basil Reekie is a qualified actuary who joined Clientèle on 1 January 2008 and was the Managing Director of Clientèle Life (the major subsidiary of Clientèle) from May 2008 until June 2020 and has been the Managing Director of Clientèle since 1 July 2013. Prior to joining Clientèle, he was the Managing Executive of QED Actuaries and Consultants where he was responsible for the day-to-day operations of QED and consulted to numerous life insurance companies in South Africa and across the African continent. As a consultant, he acted in the capacity of Statutory Actuary for many of these companies.

Barry Anthony Stott, 77, (Independent Non-executive Director), CA(SA)

Mr. Barry Stott was previously a senior partner of PricewaterhouseCoopers Inc. and was responsible for their financial services practice. His experience in the financial services industry includes consulting to various long-term and short-term insurers, asset managers and stockbrokers. Mr. Barry Stott was the Chairman of Discovery Health Medical Scheme Audit and Risk Committees and a member of their Investment Committee. He has also served on various audit committees within the MMI Group.

Robert Donald Williams, 69, (Independent Non-executive Director), BBusSc(Hons), FASSA

Mr. Robert Williams is a Fellow of the ASSA and his previous experience includes six years as the Executive Head of Aon Hewitt (Retirement Funding, Health care and Actuarial Services), prior to that, he was the Managing Director of QED Actuaries and Consultants (providing actuarial services to life insurers, short-term insurers and retirement funds). Mr. Robert Williams has over 25 years' experience acting as the appointed Head of the Actuarial Function to various life insurance companies in Southern Africa.

Gavin Knighton Chadwick, 67, (Non-executive Director), Masters in Agricultural Management, MBA

Mr. Gavin Chadwick was appointed as an alternate Non-executive Director of Clientèle with effect from 2 October 2019. Mr. Chadwick was appointed a director with effect from 2 July 2024 Director to Dr. ADT Enthoven and is currently a director of Yellowwoods Ventures Investments SA (Pty) Ltd. Mr. Chadwick has over 3 decades of experience in the financial services industry.

Phethedi Gideon Nkadameng, 53, (Non-executive Director), BSc (Statistics and Economics)

Mr. Gideon Nkadameng was appointed as a Non-executive Director of Clientèle with effect from 1 March 2017. Mr. Nkadameng is currently an Investment Executive of Yellowwoods Ventures Investments SA (Pty) Ltd and has extensive experience in the financial services industry.

Tom John Creamer, 63, (Non-Executive Director), Hotel Management, Strategic Marketing Management, Leadership for Senior Executives

Mr. Tom Creamer was appointed as a Non-Executive Director of Clientèle with effect from 19 July 2024. Mr. Creamer is a seasoned executive leader with extensive experience in the financial services industry.

Murray Alexander Raisbeck, 47, (Non-Executive Director), BSc (Hons) Agricultural Economics, CA ICAEW

Mr. Murray Raisbeck was appointed as a Non-Executive Director of Clientèle with effect from 19 July 2024. Mr. Raisbeck is currently the Chief Financial Officer of BHL UK Holdings Limited and has over 3 decades experience in the financial services industry.

Report of the Directors *continued*

Herschel Philip Mayers, 65, (*Independent Non-executive Director*), BSc(Hons), FASSA

Mr. Herschel Mayers is a Fellow of the ASSA who previously held the positions of Chief Executive Officer of Discovery Life Limited and Vitality Life Limited and has over 40 years' of experience in the life insurance industry. Mr. Mayers joined the Group as an Independent Non-executive Director in May 2023.

Hugo Louw, 52, (*Executive Director*), BCom(Hons)

Mr. Hugo Louw joined Clientèle in 2013 as Head of Operations. Mr. Louw was appointed as a Director of Clientèle Life in July 2016 and appointed as Managing Director of Clientèle Life in July 2020. Mr. Louw holds a BCom (Hons) Actuarial and was appointed to the Board of Clientèle on 1 March 2021.

Ramaesela Dorcas Tshepisho Zwane, 48, (*Executive Director*), BA, MBA, M. Phil

Ms. Tshepisho Zwane joined the Group in January 2014 as Human Resources Executive. Ms. Zwane was appointed as a Director of Clientèle Life in July 2016. Ms. Zwane holds a BA, MBA (GIBS) and an M. Phil – Change Management and Leadership. Ms. Zwane was appointed to the Board of Clientèle on 1 March 2021.

Thetele Emmarancia Mashilwane, 50, (*Independent Non-executive Director*), CA(SA)

Ms. Mashilwane is a qualified Chartered Accountant (South Africa), Registered Auditor and the co-founder and CEO of MASA Auditors who boasts a wealth of financial services experience. Ms. Mashilwane previously served as a non-executive director on the board of directors of, amongst others, Capitec Bank Limited as well as Murray & Roberts Holdings Limited and currently also serves as a non-executive director on the board of directors of Tiger Brands Limited. Ms. Mashilwane was appointed to the Board on 1 December 2023.

Angela Colleen Pillay, 51, (*Group Financial Director*), CA(SA), MCom

Ms. Pillay is a qualified Chartered Accountant (South Africa) and holds a Master's Degree in Financial Services. Ms. Pillay boasts more than 20 years' of financial services experience and previously served as the Financial Director of Sasfin Holdings Limited and more recently as the Head of Group Reporting at FirstRand Bank Limited as well as a director of First National Bank Zambia. Ms. Pillay was appointed as Group Financial Director on 1 April 2024.

Other Directorships and Professional Commitments held by the Directors as at 30 June 2025

Name	Other Directorships/Partnerships	Other Professional Commitments
GQ Routledge	Clientèle Life Assurance Company Limited	None
	Clientèle General Insurance Limited	
	1Life Insurance (RF) Limited	
	Emerald Life (Pty) Limited	
	Haven Sandown One Proprietary Limited	
BW Reekie	Clientèle Life Assurance Company Limited	None
	Clientèle General Insurance Limited	
	Clientèle Direct Proprietary Limited (dormant)	
	Clientèle Mobile Proprietary Limited	
	Clientèle Properties East Proprietary Limited	
	Clientèle Properties North Proprietary Limited	
	Clientèle Properties South Proprietary Limited	
	Direct Rewards Proprietary Limited	
	CBC Rewards Proprietary Limited	
	1Life Insurance (RF) Limited	
	Emerald Life (Pty) Limited	
Reekie Family Investments Proprietary Limited		
AC Pillay	Clientèle Life Assurance Company Limited	None
	Clientèle General Insurance Limited	
	1Life Insurance (RF) Limited	
	Emerald Life (Pty) Limited	
TE Mashilwane	Clientèle Life Assurance Company Limited	Chair of St Stithians College Council
	Clientèle General Insurance Limited	MASA Auditors Chief Executive Officer
	1Life Insurance (RF) Limited	
	Emerald Life (Pty) Limited	
	Tiger Brands Limited	
	Vector Logistics Proprietary Limited	
	MASA Chartered Accountants Incorporated	
MASA Risk Advisory Services Pty Ltd		

Report of the Directors *continued*

Name	Other Directorships/Partnerships	Other Professional Commitments
TJ Creamer	Auto and General Insurance Company (RF) (Proprietary) Limited	None
	BHL SA Investment Holdings (Proprietary) Limited	
	Budget Insurance Company (RF) Limited	
	Clientèle Limited	
	Concourse Holdings (Proprietary) Limited	
	Cotswold Reinsurance Services (Proprietary) Limited	
	Dial Direct Insurance (RF) (Proprietary) Limited	
	First For Women Insurance Company (RF) Limited	
	Hippo Advisory Services (Proprietary) Limited	
	Hippo Comparative Services (Proprietary) Limited	
	Meliorleaf (Proprietary) Limited	
	Really Useful Investments No 181 (Proprietary) Limited	
	Renasa Garrun Portfolio Management (Proprietary) Limited	
	Renasa Holdings (Proprietary) Limited	
	Renasa Insurance Company Limited	
	Rockport Capital (Proprietary) Limited	
	Summit Risk Holdings (Proprietary) Limited	
	Taxus Leaf Trading (Proprietary) Limited	
	Telesure Group Services (Proprietary) Limited	
	Telesure Investment Holdings (Proprietary) Limited	
Unity Financial Services (Proprietary) Limited		
Wealthport (Proprietary) Limited		
MA Raisbeck	UK Companies	CA ICAEW
	BHL UK Holdings Limited	
	BHL (SA) Holdings Limited	
	BGL (Holdings) Limited	
	Compare the Market Limited	
	South Africa	
	Auto & General Insurance Company (RF) Ltd	
	BHL (SA) Investment Holdings Proprietary Limited	
	Budget Insurance Company (RF) Ltd	
	Dial Direct Insurance (RF) Ltd	
	First For Women Insurance Company (RF) Ltd	
	Renasa Insurance Company Ltd	
	Renasa Holdings Pty Ltd	
	Telesure Investment Holdings	
	Steyn City Properties (Pty) Ltd	
	Guernsey Companies	
	BHL Holdings Limited	
	BHL (GC) Holdings Limited	
	BHL (SEA) Holdings Limited	
	Jacana Re Limited	
	Turkey	
	BHL Turkey Teknoloji A.S.	

Report of the Directors *continued*

Name	Other Directorships/Partnerships	Other Professional Commitments
BA Stott	Boca Raton Homeowners Association	The Boery Family Trust – Trustee
	Clientèle Life Assurance Company Limited	The Hugh Cameron Family Trust – Trustee
	Clientèle General Insurance Limited	The Charles Duggan Family Trust – Trustee
	1Life Insurance (RF) Limited	The Lisa Stott Family Trust – Trustee
RD Williams	Clientèle Life Assurance Company Limited	Independent Trustee – Ninety-One Preservation Provident Fund
	Clientèle General Insurance Limited	Independent Trustee – Ninety-One Preservation Pension Fund
	1Life Insurance (RF) Limited	Independent Trustee – Ninety-One Retirement Annuity Fund
	Emerald Life (Pty) Limited	
	Discovery Life Limited	
	Discovery Life Nominees Proprietary Limited	
	Grayston Nominees Proprietary Limited	
	RD Williams Actuarial Consulting Services Proprietary Limited	
Braamfontein Spruit Gardens Bryanston (NPO)		
PG Nkadameng	Bopa Telecom Proprietary Limited	None
	Clientèle Life Assurance Company Limited	
	Coidlink Proprietary Limited	
	Clientèle General Insurance Limited	
	Cyber Guard Proprietary Limited	
	Hollard International Proprietary Limited	
	ICU Monitoring Proprietary Limited	
	K2021112419 (SOUTH AFRICA)	
	LHM Advisors Proprietary Limited	
	Myfax Africa Proprietary Limited	
	Mozambique Logistic Holdings	
	New Seasons Investment Fund Proprietary Limited	
	New Seasons Investment Management Proprietary Limited	
	NSIM Equity Holdings	
	Pin Systems Proprietary Limited	
	Segosametsi Holdings	
	Tafari Technology Proprietary Limited	
	Tafari Financial Services Proprietary Limited	
	Tafari Capital Proprietary Limited	
Tizavista Proprietary Limited		
Twenty Bills Trading Enterprise		
HP Mayers	Clientèle Life Assurance Company Limited	None
	Clientèle General Insurance Limited	
	Guidepost Proprietary Limited	
	Qurom Proprietary Limited	
	1Life Insurance (RF) Limited	

Report of the Directors *continued*

Name	Other Directorships/Partnerships	Other Professional Commitments
GK Chadwick	Clientèle General Insurance Limited	Executive at Yellowwoods Ventures Investments Proprietary Limited
	Capricorn Royal Company Proprietary Limited	Chairman of the Board of Hollard International
	Chadwick Investments	Chairman of ProFibre Products Proprietary Limited
	Clientèle Life Assurance Company Limited	
	Hollard International Proprietary Limited	
	Isitali Consortium Proprietary Limited	
	Isitali PrefCo Proprietary Limited	
	Profibre Investment Holdings Proprietary Limited	
	Profibre Products Proprietary Limited	
	Yellowwoods Ventures Investments Proprietary Limited	
H Louw	Clientèle Life Assurance Company Limited	None
	Clientèle Mobile Proprietary Limited	
	CBC Rewards Proprietary Limited	
	Direct Rewards Proprietary Limited	
	Clientèle Properties East Proprietary Limited	
	Clientèle Properties North Proprietary Limited	
	Clientèle Properties South Proprietary Limited	
	1Life Insurance (RF) Limited	
	Emerald Life (Pty) Limited	
RDT Zwane	Clientèle Life Assurance Company Limited	None

Report of the Directors *continued*

The appointment of new Directors to the Board is approved, by the Board as a whole, assisted by the Group Nominations Committee and subject to ratification by shareholders at the next AGM.

At each AGM of Clientèle, one-third of the Directors shall retire from office. The Directors so to retire at each AGM shall be the Directors whom have been longest in office, as well as the Directors that have been appointed by the Board since the last AGM. The rotation of Directors at regular intervals is accepted as good practice.

The interim Group Company Secretary is Mr. Thelani Luthuli whose addresses are:

Business address:	Postal address:
Clientèle Office Park	PO Box 1316
Corner Rivonia and Alon Roads	Rivonia
Morningside, 2196	2128

5. DIRECTORS' SHAREHOLDINGS

The Directors' interests in Clientèle (held directly, indirectly or via associates) are shown on page 58 of the Group Remuneration Report.

6. EXTERNAL AUDITORS

In accordance with section 94(7)(a) of the Companies Act, the Group Audit Committee nominated Mr. JLP Kruger of Deloitte & Touche for appointment as External Auditor. This appointment will be subject to approval by a majority of shareholders at the AGM on 30 October 2025.

7. DIRECTORS' EMOLUMENTS

Details of Directors' emoluments are set out in Note 31 on page 235 to the Group Annual Financial Statements. Details of Directors' service contracts are set out in section 2 on page 23 of the Integrated Annual Report.

8. DIRECTORS' INTERESTS IN CONTRACTS

During the financial year, no contracts were entered into in which the Directors of the Company had an interest and which significantly affect the business of the Group.

The Directors had no interest in any third party or Company responsible for managing any of the business activities of the Group.

9. LAWS OF INCORPORATION AND MOI

The Board confirms that the Company is in compliance with the provisions of the Companies Act, specifically relating to its incorporation, and its operating in conformity with its MOI.

10. NOTABLE EVENTS

The Group's acquisition of 1Life Insurance (RF) Limited was approved by the Regulatory Authorities on 12 July 2024 and, successfully moved and transitioned operations to the Clientèle campus during November 2024. In addition, the company entered into an agreement to acquire all of the issued shares in Emerald Life. The acquisition became unconditional and effective in June 2025 after approval of the transaction by both the Competition Tribunal and the Prudential Authority. In order to help fund the transaction, Clientèle Life issued Preference Shares to AEL Investment Holdings (Pty) Limited (a company in the Investec Group) and loaned the proceeds to Clientèle Limited. Refer to Note note 42 on page 249 of the annual financial statements.



Mr. GQ Routledge
Chairman of the Board
22 September 2025

Independent Auditor's Report To the Shareholders of Clientèle Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

OPINION

We have audited the consolidated and separate financial statements of Clientèle Limited and its subsidiaries (the Group and Company) set out on pages 104 to 249, which comprise the consolidated and separate statements of financial position as at 30 June 2025, and the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Clientèle Limited and its subsidiaries as at 30 June 2025, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

BASIS FOR OPINION

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

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023 (EAR Rule), we report:

FINAL MATERIALITY

We define materiality as the magnitude of misstatement in the consolidated and separate financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the nature and extent of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the consolidated and separate financial statements as a whole as follows:

	Financial statements – group	Financial statements – company
Overall materiality	R67 million (2024: R38 million)	R32 million (2024: R19 million)
How we determined it	Based on 7.5% of the normalised profit before tax after the removal of the gain on bargain purchase.	Based on 5% of the profit before tax.
Rationale for benchmark applied	<p>A key judgement in determining materiality is the appropriate benchmark to select, based on our perception of the needs of shareholders. We considered which benchmarks and key performance indicators have the greatest bearing on shareholder decisions. We determined that profit before tax remained the key benchmark and is generally accepted for listed entities.</p> <p>The rate of 7.5% applied, which is consistent with the prior year, was determined by considering supporting benchmarks and the history of the audit outcomes.</p> <p>The increase in the current year materiality is due to the contribution of the 1Life to the Group profit before tax.</p>	<p>A key judgement in determining materiality is the appropriate benchmark to select, based on our perception of the needs of shareholders. We considered which benchmarks and key performance indicators have the greatest bearing on shareholder decisions. We determined that profit before tax remained the key benchmark and is generally accepted for listed entities.</p> <p>The rate of 5% applied, which is consistent with the prior year, was determined by considering supporting benchmarks and the history of the audit outcomes.</p> <p>The increase in the current year materiality is due to the contribution of dividend declared by 1Life to the company's profit before tax.</p>

Independent Auditor’s Report to the Shareholders of Clientèle Limited *continued*

SCOPE OF OUR AUDIT

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the structure and organisation of the Group, and assessing the risks of material misstatement at the Group level.

We selected components at which audit work in support of the group audit opinion needed to be performed in order to provide an appropriate basis for undertaking audit work to address the risks of material misstatement. Our selection was informed by taking into account the component’s contribution to relevant classes of transactions, account balances or disclosures.

Based on our assessment, we performed work at 10 components (2024: 8 components). The increase in the number of components compared to the prior period is primarily due to the acquisition of 1Life Insurance Limited (“1Life”) and Emerald Life Proprietary Limited (“Emerald”). The following audit scoping was applied:

- 4 components (2024: 3) were audits of the component’s financial information;
- 6 components (2024: 5) were an audit of one or more classes of transactions, account balances or disclosures; and

These component’s contribution to the consolidated financial position and results, they account for 100% of the group’s total assets and 100% of the group’s insurance revenue. Residual values were addressed by risk assessment and analytical procedures at a group level.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in respect of the separate financial statements.

In terms of the EAR Rule, we are required to report the outcome of audit procedures or key observations with respect to the key audit matters and these are included below.

Identification and measurement of acquired Intangible assets and Insurance contracts associated with the acquisitions of 1Life Insurance Limited and Emerald Life Proprietary Limited

Refer to accounting policy elections

Key audit matter

How the matter was addressed in the audit

As disclosed in Note 33 and 34, Clientèle Limited completed the acquisition of 1Life on 12 July 2024 for a consideration of R1.59 billion and the acquisition of Emerald Life on 24 June 2025 for the consideration of R 641.50 million respectively. The acquisitions qualify for accounting under IFRS 3 Business Combinations.

Consequently, a Purchase Price Allocation (“PPA”) assessment has been performed at the acquisition date of both 1Life and Emerald to identify the fair value of all assets acquired and liabilities assumed. We determined that the following assets acquired, and liabilities assumed required a high degree of judgment and an increased extent of effort, including the need to involve specialists, when performing audit procedures to evaluate the reasonableness of management’s valuation.

To test the acquired intangible assets, our audit procedures were executed with the assistance of our valuation audit specialists and included:

- Assessment of the valuation methodologies and models applied through considering recent transactions and professional best practice;
- Assessment of the reasonableness of the key valuation inputs such as useful lives, royalty rates and discount rates, including testing the underlying source information and the mathematical accuracy of the calculations, and developing a range of independent estimates and comparing to those selections made by management; and
- Assessed forecast cash flow information against a combination of historical information, expectations regarding policyholder behaviour or benchmarks for similar companies in the industry.

Identification and measurement of acquired Intangible assets and Insurance contracts associated with the acquisitions of 1Life Insurance Limited and Emerald Life Proprietary Limited

Refer to accounting policy elections

Key audit matter

How the matter was addressed in the audit

Acquired assets and liabilities:

- Distribution network intangible asset: R102 million.
- Trade name intangible assets: R113 million; and
- Customer relationships intangible asset: R905 million.

Insurance and reinsurance contracts (note 33 and 34):

- 1Life:
 - Net insurance contract assets of R1.330 billion and net reinsurance contract assets of R232 million;
- Emerald:
 - Net insurance contract liabilities of R36 million and net reinsurance contract liabilities of R372 million.

The fair value determination of the above acquired intangible assets required management to make significant estimates and assumptions primarily relating to the future projected future cash flows and discount rates.

Management determined the fair value of the acquired insurance and reinsurance contracts using an embedded value basis. The fair value determination of the insurance and reinsurance contracts require management to make significant estimates and assumptions, which primarily relate to the selection of appropriate actuarial valuation models, projection of fulfilment cash flows and assumptions relating to the risk discount rate applied.

As a result, we have identified the valuation of the above identified acquired intangible assets and insurance and reinsurance contracts as a key audit matter.

To test the insurance and reinsurance contracts, our audit procedures were executed with the assistance of our actuarial audit specialists and included:

- Assessment of the valuation methodologies and models applied through considering recent transactions and professional best practice;
- Assessment of the reasonableness of the key valuation inputs such as useful lives, royalty rates and discount rates, including testing the underlying source information and the mathematical accuracy of the calculations, and developing a range of independent estimates and comparing to those selections made by management; and
- Assessed forecast cash flow information against a combination of historical information, expectations regarding policyholder behaviour or benchmarks for similar companies in the industry.

To test the insurance and reinsurance contracts, our audit procedures were executed with the assistance of our actuarial audit specialists and included:

- Assessment of the models, methodologies and assumptions used by management and we benchmarked this against recent transaction and professional best practice.
- Reconciled, on a sample basis, key data points used in the valuation models to underlying policyholder contract information.
- Validated the fulfilment cash flows determined on the insurance and reinsurance contracts from Clientèle's perspective. This included assessment of the Risk Adjustment confidence interval, withdrawal, mortality and expense basis.
- Validated the Contractual Service Margin calculation of the insurance and reinsurance contracts from Clientèle's perspective based on the fair value and fulfilment cash flows determination.

Disclosure:

We assessed the associated disclosure in Note 33 and 34 for compliance with the requirements of IFRS Accounting Standards as issued by the International Accounting Standards Board.

Based on our procedures, the identification and valuation of acquired intangible assets and insurance contracts and associated disclosures is appropriate.

Independent Auditor’s Report to the Shareholders of Clientèle Limited *continued*

Valuation of life insurance contract assets and liabilities not measured under PAA

Refer to accounting policy elections note 7

Key audit matter

How the matter was addressed in the audit

As disclosed in note 7, as at 30 June 2025 the Group’s life insurance contract liabilities and assets not measured under the premium allocation approach (“PAA”) amount to R558.6 million and R5,574 million respectively. The valuations are determined in accordance with IFRS 17 Insurance Contracts (IFRS 17).

We assessed the valuation of life insurance contract assets and liabilities not measured under PAA to be an area of focus due to the significant assumptions in their valuation, which includes a number of estimates and judgements such as persistency and mortality.

These insurance contract assets and liabilities are determined with reference to the present value of future cash flows (“PVFCF”) plus a risk adjustment for non-financial risk (“RA”). Significant judgement is required in assessing key assumptions used in valuing these contracts in line with IFRS 17. The contractual service margin (“CSM”) is impacted by assumption changes to the PVFCF for future coverage that influences the release of the CSM in the current year and future periods. The key assumption with the most impact for the current year was persistency.

Amongst other inputs, the determination of the valuation of these insurance contracts and selection of assumptions is also dependent on accurate underlying policyholder data, historical experience data and appropriate valuation methodologies consistent IFRS 17.

Accordingly, given the complexity and judgement involved in the valuation of insurance contracts not measured under PAA, we have identified this as a key audit matter.

Our procedures over the valuation of insurance contract assets and liabilities not measured under PAA included, amongst others:

- Obtained an understanding and evaluating the design and implementation of relevant internal controls deployed by management in ensuring valuations are appropriate.

To test the PVFCF and RA, our audit procedures over data, assumptions and models were executed with the assistance of our actuarial specialist and include:

Data

This included underlying policyholder data for in-force policies at the year end and historical data used in experience investigations.

- Reconciling data used in valuation models to underlying policyholder administration systems;
- Substantive tests of detail agreeing on a sample basis, key data points used in the valuation to underlying policyholder contract information;
- Reconciling premiums, claims and expense cash flows to the accounting records; and
- Reconciling on a sample basis, the data applied in determining the CSM to the underlying source systems, including the consistency of the profitability groupings.

Assumptions

- Independently assessing the experience investigations of persistency and other assumptions and considering management’s conclusions on the associated long term valuation assumptions, ensuring conclusions were aligned with experience and appropriately supported; and
- We assessed the appropriateness of management’s assumptions applied in determining the CSM through independent replication on a sample basis, including expense attribution and the coverage units for reasonability.

Models

- On a sample basis and using consistent data inputs, we assessed the results of management’s valuation models for profitability groupings, PVFCF and CSM against the results of our independent valuation model to ensure the model is consistent with our expectations; and
- Independently assessed the results of managements valuation models against our own expectations based on the relevant data and assumptions.

We assessed the associated disclosure in Note 7 for compliance with the requirements of IFRS Accounting Standards as issued by the International Accounting Standards Board.

Based on the procedures performed over the valuation of life insurance contract assets and liabilities not measured under PAA, we did not identify any significant matters requiring further consideration in concluding on our procedures.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled "Clientèle 2025 Integrated annual report", which includes the Group Audit Committee Report, the Report of the Directors, and the Certificate by the Company Secretary as required by the Companies Act of South Africa, the Risk Management and the Statement of Embedded Value and the Integrated Annual Report. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board 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 consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and/or company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and/or company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report to the Shareholders of Clientèle Limited *continued*

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

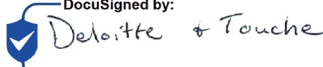
We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Audit Tenure

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Deloitte & Touche has been the auditor of Clientèle Limited for three years.

DocuSigned by:

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Deloitte & Touche

Registered Auditor

Per: John Kruger

Partner

The Ridge
 6 Marina Road
 V&A Waterfront
 Cape Town
 8001

22 September 2025

Risk Management

for the year ended 30 June 2025

1. FRAMEWORK AND OBJECTIVES

Managing risk is an integral part of any business and having an effective risk management process is essential for sustainable and profitable growth.

The Group's risk management framework and policy is fully aligned to ensure compliance with the Prudential Standard GOI 3 – Risk Management and Internal Controls for Insurers.

The risk management processes cover strategic, sustainability, insurance, market, governance, technology, business and operational risks inherent in the Group's business.

1.1 Responsibility for Risk Management

The overall responsibility for risk management resides with the Board. This responsibility has been delegated to the Group Risk Committee. At an operational level, the Group Risk Function facilitates the risk management process. The Group has a number of Committees and business functions which manage the risks in their respective areas. These Committees and business functions are responsible for identifying and rating all risks and internal controls as well as the relevant actions taken to mitigate the identified risks, and act as a first line of assurance in the combined assurance model. The Board is satisfied that the aforesaid Committees and business functions sufficiently cover all risk areas across the Group.

The Group Risk Function acts as the second line of assurance in the combined assurance model.

1.2 Key Focus Areas during the Year

- **Risk methodology enhancements**

The Group introduced measures to enhance the adequacy and effectiveness of the risk management system. The Risk rating scales were adjusted by introducing additional consequence and likelihood criteria. In addition, Risk Velocity has been added to improve overall risk prioritisation as it indicates how fast a risk may affect the Group.

- **1Life integration**

1Life adopted the Group Risk Policies and processes during March 2025 and the integration of 1Life into the Clientèle Group Risk Methodology has been completed.

- **Risk culture and training**

Providing ongoing training to employees in order to increase their awareness of, and focus on, effective risk management and emphasising the importance of understanding and implementing the Group's risk processes.

- **Operational Risk Management**

Continuously maturing the Group's overall operational risk management processes and embedding them into all business processes.

- **Business Continuity Management ("BCM") Framework**

All reasonably foreseeable risk events that could lead to a business disruption in the Group have been identified. These risks may be mitigated to a certain extent, by the Business Continuity and Disaster Recovery plans in place.

Risk Management *continued*

2. RISK UNIVERSE

The Group has defined a universe of risk which classifies risks into broad categories. All risks are classified in terms of the risk universe.

Group Risk Universe

Level 1 risk	Strategic Risk	Operational Risk	Technology Risk	Business Risk	Insurance Risk	Financial Risk	Governance Risk	Sustainability Risk
Level 2 risk	Business Model	Internal Processes	Information Security	Sales & Distribution	Claims, Underwriting & Catastrophe	Credit	Compliance	Climate related
	Acquisitions	Human Error	Data Management	Product Design & Pricing	Re-insurance	Market Investment Returns	Legal	Environmental
	Talent Strategy	Assets/ Infrastructure	System Performance	Expenses	ALM/Solvency	Liquidity	Regulatory Changes	Economic
	External Factors	Fraud	Artificial Intelligence	Commissions	Model	Counterparties	Market Conduct	Social
		Business Continuity	Disaster Recovery	Customer Experience	Persistency/ Premium collections	Concentration	Regulatory Reporting	Ethics
		Third Parties	Change Management					Emerging

3. RISK APPETITE

The Group defines its risk appetite as the aggregate level of risk that the Group is willing to assume within its risk capacity in order to achieve its strategic objectives and business plans, while giving adequate consideration to the interests of shareholders and policyholders in relation to both financial and non-financial risks.

The following are the three risk appetite metrics approved by the Board:

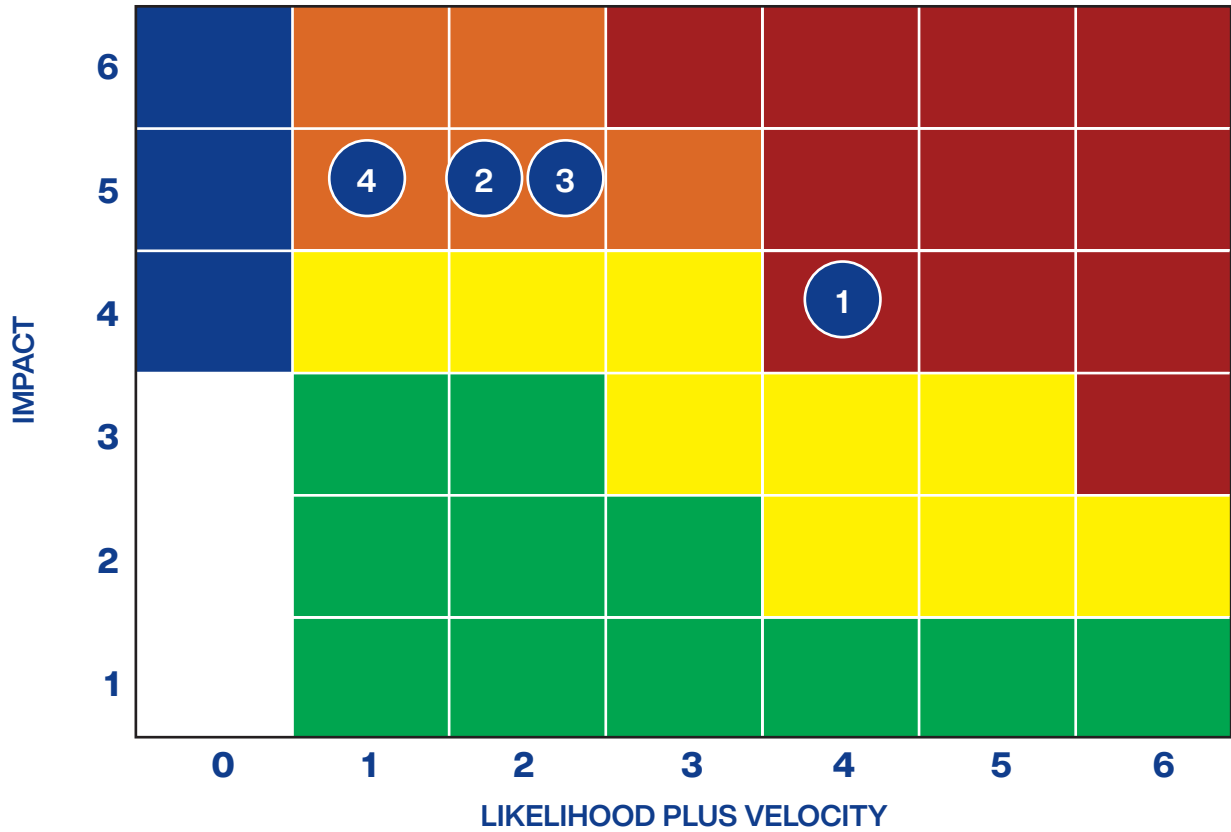
- Financial soundness (Prudential and Published Reporting basis);
- Profit on management accounting basis (free cash flow); and,
- Recurring Embedded Value Earnings (REVE).

The risk appetite is based on a 1 in 7 year risk event for free cash flow and REVE.

The financial soundness is measured based on a 1 in 200-year risk event and, based on such metric, the Group remains financially sound.

Specific key risks are also measured individually against pre-defined risk tolerance levels.

4. SIGNIFICANT AND WATCHLIST RISKS



Risk	Description	Current rating
1 Premium Collections challenges Risk	Risks related to policyholders terminating contracts completely before expiry of the contract term or paying reduced premiums without corresponding reduced benefits. Includes risks relating to premium collections.	Significant
2 Information Security Risk	The effect of uncertainty on information security objectives. It includes the confidentiality, integrity and availability of information and the threats and vulnerabilities of the IT environment.	WatchList
3 Non Compliance to Legislation Risk	The risk of non-compliance to existing regulatory requirements arising from the Group's understanding and accepted interpretation of legislation resulting in regulatory scrutiny, fines and penalties.	WatchList
4 Regulatory changes Risk	Risks associated with changes to existing laws and regulations or new regulations.	WatchList

Risk Management *continued*

5. SUSTAINABILITY RISK

The risk of the Group overburdening the environment or weakening society through not providing sustainable products and value propositions or taking part in an action that may negatively impact the sustainability of South Africa. Sustainability risk includes environmental, social and economic sustainability. Sustainability risk is integrated into the risk management processes of the Group. Climate change may result in physical and transition risks that could affect the safety and soundness of the Group and have broader financial stability implications for the financial sector. Climate risk has been included in the Group Risk Universe as part of the broader risk assessment process, climate risk was rated as Low based on the risk rating scales used by Group and taking the size, nature and complexity of the Group into account. Climate risk is not considered to be a material risk for the Group over the business planning horizon.

Factors potentially affecting this risk

- Global warming;
- Natural disasters including rising sea levels, earthquakes, pandemics, wildfires, droughts etc.; and,
- Not fully appreciating the socio-economic impacts of climate risks and how such consequences impact economic risks.

Risk mitigation

- The Group Risk Function monitors all climate related disasters; and,
- Solar panels have been installed across the Office Park which caused a reduction in the Group's electricity demand from the grid of approximately 30%.

6. STRATEGIC RISK

The risk relates to the achievement of the Group's overall strategic business plans and objectives. The risk of the Group being unable to implement appropriate business plans, strategies or decisions. It also relates to the risk of the Group lacking responsiveness to the external environment and industry changes.

6.1 Acquisition

Any acquisition opportunity presents unique risks and hence a bespoke risk management process is established where an acquisition is being considered by the Group. The Group successfully acquired 1Life and Emerald Life during June 2025.

Factors potentially affecting this risk

- Team integration;
- Persistency;
- IT system integration;
- Retention of 1Life and Emerald Life key staff; and,
- Managing costs.

6.2 Talent strategy

Factors potentially affecting this risk

- Loss of key people;
- High staff turnover;
- Change management;
- 1Life, Clientèle and Emerald integration;
- Strain on existing resources given increased Group complexity; and,
- Absenteeism.

Risk mitigation

- Mid and long term retention initiatives;
- Succession plans per department and key strategic roles;
- Employee Value Proposition including career development opportunities, awards & functions; and,
- Employee Net Promoter Score (ENPS).

6.3 External factors

Strategic risk includes the impact of the increasingly challenging economic conditions in which local businesses have to operate.

Factors potentially affecting this risk

- Changes brought about by the banking industry, for example changes to premium collection rules and regulations which negatively impact the Group's successful collection of premiums from its policyholders;
- Overall instability in the debit order environment;
- Loadshedding and the effect that power interruptions can have on numerous business areas (leads, sales, facilities.);
- Negative media/social media comments (irrespective of whether it is factual or false); and,
- The impact of external economic conditions (including transport costs and inflation) on staff morale as well as on policyholders' financial strength and morale.

Risk mitigation

- Business Disaster risks together with their relevant controls as well as any possible future risk mitigation that may be considered, are discussed and documented on an annual basis by the Group Risk Committee;
- A Business Continuity Management Framework is in place that outlines the way in which business will continue to operate should access to one or more building across the Office Park be impaired;
- Active involvement in lobbying regulatory or legislative changes to the extent that such changes would impact or limit the way in which the Group conducts business;
- The Group Risk Committee reviews and discusses, on a quarterly basis, prevailing trends and external events and makes allowance for members to discuss scenarios and suggestions on how best to deal with such external events;
- All ORIs are reported to the Group Risk Function on a monthly basis;
- A close working relationship is maintained between GIA and the Group Risk Function to ensure that adequate focus is placed on specific operational areas;
- Numerous Committees and business areas throughout the Group are responsible for managing and reporting on operational risks within their areas; and,
- The Hazardous Biological Agents Committee ensures that all applicable legislation and regulations are complied with and that applicable internal policies and procedures are adhered to by all employees in relation to pandemics.

7. BUSINESS RISK

The risk that the Group will have lower than anticipated profits or experience a loss (or negative value of new business) rather than making a profit. The risk is influenced by numerous factors, including sales, distribution, product design and pricing amongst others.

7.1 Sales & Distribution

Factors potentially affecting this risk

- New Business volumes targets not met over a period of 1 year in aggregate over all the entities;
- Risk Discount Rate;
- Poor quality of New Business (NTU & NB Lapses);
- Uncertainty around the Government of National Unity;
- Global trade wars;
- Slower than expected economic reforms; and,
- Increased Competitor Activity.

Risk mitigation

- Diversification strategy through Strategic Affiliates, 1Life, Emerald Life and CBC;
- One policy per bank account - ID level check;
- New distribution channels; and,
- Compulsory DebiCheck.

Risk Management *continued*

7.2 Expenses and Commission

Expense and Commission risk is the risk that actual expenses or commission payments are greater than expected.

Factors with the potential to affect this risk

- Stagnation or reduction in new business volumes (making it difficult to cover fixed expenses);
- Unexpected sudden increase in expenses; and,
- Withdrawals at rates higher than assumptions.

Risk mitigation

- Comprehensive budgeting and forecasting processes, combined with strict cost control by business units together with strong new business flows and the management of collections;
- Commission payments are closely linked to new business volumes and quality; and,
- Actual experience is closely monitored and compared to assumptions on a monthly basis.

8. TECHNOLOGY RISK

The risk of potential technology failures and shortfalls resulting in losses. Risks relating to Information Security, system performance, data management and artificial intelligence are included in the technology category.

8.1 Information Security

The risk is classified as a WatchList risk for the Group.

Factors potentially affecting this risk

- Cyber-attack exploiting vulnerabilities in systems, networks, or employee behaviour;
- Data leakage of sensitive information (Confidentiality); and,
- Cyber – Inability to ensure system and data availability for authorised users.

Risk mitigation

- Perimeter Security, DDoS protection;
- End Point Security;
- Penetration testing;
- Vulnerability Management;
- Multi-Factor Authentication for privileged accounts;
- User awareness training;
- Data in transit encrypted;
- User access controls;
- Disaster Recovery testing;
- Incident Response Plan;
- Secure backups for critical assets;
- Security Operations Centre; and,
- Cyber Insurance is in place.

8.2 System Performance

Factors potentially affecting this risk

- Systems availability (downtime/errors);
- Legacy systems supportability;
- Third party reliance;
- Speed of technological changes; and,
- High staff turnover & skills availability.

Risk mitigation

- IT Steering Committee overview;
- Disaster Recovery Plan;
- IT Governance Framework;
- Multi vendor strategy & vendor management; and,
- Code optimisation and stabilisation.

8.3 IT Project Delivery and Change Management

Factors potentially affecting this risk

- Project delivery milestones not met;
- Frequent scope changes;
- Unclear or shifting requirements;
- High team turnover or absenteeism (overloaded team members);
- Skills gaps or lack of training;
- Integration issues with legacy systems or unresolved technical debt;
- Infrequent or ineffective project reviews or non-compliance with project governance processes; and,
- Low test coverage or high defect rates.

Risk mitigation

- IT Steering Committee overview;
- IT Governance Framework;
- Demand Management Forum;
- Project Steering Committees;
- Platform program; and,
- Digital Committee overview.

9. OPERATIONAL RISK

The risk of losses (financial or reputational) resulting from inadequate or failed internal processes, people and systems, or from external events.

9.1 Process

The risk of losses resulting from inadequate or failed processes.

Factors potentially affecting this risk

- Any business area having inadequate processes in place could lead to a breakdown of controls.

Risk mitigation

- Where applicable, all operational areas have Standard Operating Procedures (SOPs) in place to mitigate risk;
- The ICC and IFCC oversee the identification and improvement of internal controls and internal financial controls respectively;
- All ORIs are reported to the Group Risk Function on a monthly basis;
- All material ORIs are reported to the Group Risk Committee; and,
- Controls are implemented to mitigate ORI's where necessary.

9.2 Fraud

This risk includes internal and external fraud and is closely monitored and managed by numerous departments throughout the Group.

Factors potentially affecting this risk

- Economic conditions worsening and making both employees and policyholders more susceptible to fraud;
- Fraud syndicates targeting the Group;
- Internal fraud at sales stage across the Group's different distribution channels;
- Employees not following relevant procedures and sign-off processes;
- Employees from different departments, divisions or companies within the Group colluding to commit fraud or working with an external fraud syndicate;
- Employees sending out commercially sensitive and personal information via email without detection; and,
- Employees downloading policyholder information onto their personal mobile devices without detection.

Risk mitigation

- A Group Fraud policy is in place;
- USB lockdown is in place on all company computers and laptops;
- For the Clientèle Life Claims area, claims are tracked and monitored closely on a per channel and per product basis to identify any potential fraud;
- A fraud risk scoring model and internal fraud data base is used in the Life Claims areas;
- South African Insurance Crime Bureau (SAICB) membership ensures that the Group stays abreast of industry trends and potential fraud is escalated and subjected to further investigation;

Risk Management *continued*

- Bank account verification at sales and claims stage;
- Wherever possible, the Group masks any personal information of policyholders so that employees can only see a portion of any information that may potentially be used to commit fraud;
- Appropriate sign-off processes and segregation of duties are in place in instances of financial benefit to policyholders;
- The Group Market Conduct Department monitors a sample of all sales calls/recordings;
- Whistle blowing boxes are available across the Office Park for employees to lodge anonymous complaints;
- Enforcing the Group Finance Department's adherence to their SOP and monitoring sign-off procedures to mitigate against internal fraud;
- A close working relationship is maintained between GIA and the Group Risk Function to ensure that the correct amount of focus is placed on specific operational areas;
- Numerous committees and business functions throughout the Group are responsible for managing and reporting on operational risks within their areas;
- All ORIs are reported to the Group Risk Function on a monthly basis; and,
- All material ORIs are reported to the Group Risk Committee.

9.3 Human error

This risk is managed and owned by all departments and although this is not a Significant or WatchList risk for any of the departments, it is closely monitored and tracked by the reporting of ORIs.

Factors potentially affecting this risk

- Employee negligence;
- Manual intensive processes may lead to an increase in errors;
- Low staff morale;
- Worsening of the economic environment (loadshedding, water cuts, increased transport costs, etc.); and,
- Employee fatigue resulting from increased work responsibilities.

Risk mitigation

- SOPs are kept by all departments and updated on an annual basis;
- Induction training is provided to all employees upon commencement of employment;
- Ensuring that GIA conducts regular Internal Audits;
- Creating a corporate culture where staff feel comfortable reporting any issues or; and
- Focus on automating manual controls.

9.4 Third Parties

This risk is managed and owned by all departments and although this is not a Significant or WatchList risk for any of the departments, it is closely monitored and tracked by the Group Risk Function.

Factors potentially affecting this risk

- Correct procurement process not being followed when contracting with a third party;
- No contract or measurable service levels having been put in place;
- Unauthorised third party access to the Clientèle network;
- Unauthorised third party access to Clientèle owned data (including policyholder details and employee data);
- Policyholder data being compromised as a result of a cyber attack on a third party service provider;
- Insufficient cyber security controls at third parties; and,
- A lack of disaster recovery and business continuity testing.

Risk mitigation

- Contract Management Process;
- A detailed procurement process is followed before contracting with a new vendor/supplier;
- Where appropriate, a Service Level Agreement is put in place and gets monitored on a regular basis; and,
- Third party budgets are closely reviewed and approved by the relevant members of management.

10. GOVERNANCE RISK

The risk of non-compliance to emerging and/or existing regulatory requirements arising from the Group's understanding and changes in accepted interpretation of legislation.

10.1 Compliance

The Regulatory Compliance risk entails the risk of the Group not complying with applicable regulatory requirements.

The WatchList risk of non-compliance with applicable legislation and regulations is the main component of this risk.

Factors potentially affecting this risk

- Differences in interpretation of legislation;
- Failure of adequate monitoring processes to ensure ongoing compliance;
- Inadequate safeguarding of information and data leakage; and,
- Affiliates not acting within their mandates.

Risk mitigation

- Compliance Control Function;
- Compliance monitoring plan;
- Market Conduct Department;
- Internal Arbitrator function;
- Due diligence conducted at take-on of strategic partners; and,
- Binder Agreements exist – that set out the duties and responsibilities insofar as the binder functions are concerned.

10.2 Regulatory changes

Regulatory risk includes the risk that proposed new legislation, which is not yet in force, may negatively affect the Group's business processes or the way in which the Group conducts its business in future.

The WatchList risks relating to the Conduct of Financial Institutions Bill (COFI) and Guidance Notes form part of this risk.

Factors potentially affecting this risk

- Increased number of laws and regulations that are applicable to the Group's business and products; and,
- Differing interpretations of new legislation or regulations.

Risk mitigation

- Weekly regulatory scanning is performed to identify any upcoming legislation, regulations or enforcement trends that may have an impact on the Group's business;
- Interaction with regulators and other role players;
- Any new legislation and regulations that may apply to the Group is communicated to the relevant business units;
- Where any potential, future, non-compliance with proposed legislation or regulations is identified, remedial actions are taken in advance to ensure compliance; and,
- In some instances, dedicated focus groups may be established to focus on the Group's compliance with proposed laws or regulations that could have a material impact on the Group.

10.3 Market Conduct

The Group Market Conduct risk is the risk of the Group's employees or sales representatives interacting with clients in a non-compliant or unacceptable manner which is either in breach of relevant laws or regulations or not aligned to the Group's corporate values or TCW philosophy.

Factors potentially affecting this risk

- Complaints;
- New business quality lower than benchmark;
- Reduced monitoring of Intermediaries; and,
- Non adherence by agents to standards.

Risk mitigation

- Market Conduct Department;
- Internal Arbitrator Function;
- Breaches correction process;
- Welcome calls to all new clients; and,
- Reports to the Risk Committee.

Risk Management *continued*

10.4 Legal

Factors potentially affecting this risk

- Written, detailed, contracts not being in place between the Group and third party suppliers; and,
- Terms of a contract not being adhered to by the Group or its third party suppliers.

Risk mitigation

- All signed contracts are stored by the Group Legal Department on a Contract Management System;
- All contracts are reviewed by the Group Legal Department prior to signature;
- Where appropriate, matters are referred to external legal counsel for opinion;
- All ORIs are reported to the Group Risk Function on a monthly basis; and,
- All material ORIs are reported to the Group Risk Committee.

11. SOLVENCY

The Group's capital management process ensures that each entity within the Group maintains sufficient capital in order to comply with applicable laws and regulations. The Group ensures that its actions do not compromise sound governance and appropriate business practices. When determining the Group SCR, an allowance is made for various factors, including external borrowings and guarantees. The Group SCR ratio is always maintained at a level greater than 1.1.

As at 30 June 2025, the Group SCR amounted to R4.73 billion (2024: R2.81 billion) and was covered 1.6 times (2024: 1.28 times) by the excess of assets over liabilities after allowing for the expected dividend payment following year-end.

11.1 Long-term Insurance

The solvency of the long-term insurance business is monitored based on the principles and calculations outlined under FSI (Financial Soundness Standards for Insurers), which follows a risk-based approach.

As at 30 June 2025, the SCR of Clientèle Life amounted to R2.89 billion (2024: R2.62 billion). This translated into an SCR cover ratio of 1.45 (2024: 1.53) assuming that no dividend is paid and 1.35 (2024: 1.24) after allowing for the expected dividend payment following year-end, assuming that the dividend was paid immediately (1 July 2025).

As at 30 June 2025, the SCR of 1Life amounted to R1.6 billion. This translated into an SCR cover ratio of 1.41 assuming that no dividend is paid and 1.3 after allowing for the expected dividend payment following year-end, assuming that the dividend was paid immediately (1 July 2025).

As at 30 June 2025, the MCR of Emerald Life amounted to R72.9 million. This translated into an MCR cover ratio of 1.31.

11.2 Short-term Insurance

The solvency of the short-term insurance business is monitored based on the principles and calculations outlined under FSI, which follows a risk-based approach.

As at 30 June 2025, the SCR for Clientèle General amounted to R153.1 million (2024: R180.2 million). This translated into an SCR cover ratio of 1.88 (2024: 1.61) assuming that no dividend is paid and 1.3 (2024: 1.08) after allowing for the expected dividend payment following year-end, assuming that the dividend was paid immediately (1 July 2025).

12. FOCUS AREAS FOR 2026

- The successful integration of Emerald Life into the Group;
- Reviewing and aligning Emerald Life's risk management framework and processes with those of the Group;
- Identifying business areas across the Group where internal controls can be enhanced;
- Identifying additional ways in which risk management could create more value throughout the Group; and,
- Continuously focusing on Cyber and Information Technology (IT) risk categories and ensuring that related risks are adequately managed by the relevant management team.

Insurance and Financial Risk Management

for the year ended 30 June 2025

1. INSURANCE RISK

The risk arises from fluctuations in the timing, frequency and severity of the policy cash flows, relative to the expectations of the Group.

1.1 Persistency Risk

Policyholders have a right to pay reduced premiums or no future premiums with corresponding reduced benefits, or to terminate the contract completely before expiry of the contract term.

Factors with the potential to affect this risk

- Slower than expected economic reforms;
- Affordability (unpaid premiums or fees);
- Uncertainty around the Government of National Unity;
- Global trade wars;
- Service levels not met;
- Quality of sales;
- Disputes/suspensions; and,
- Competitor Activity.

Risk mitigation

- December is on Us;
- Allowable policies per bank account;
- Loyalty programs - Clientèle Royalty and 1Lifestyle; and,
- Implementation of alternative collection methods.

1.2 Mass Lapse Persistency

This risk focuses on mass lapse events impacting persistency on existing business, and predominantly group or grouped-individual business.

Factors potentially affecting this risk

- Dependency on third party intermediaries; and,
- Negative sentiment within the various networks.

Risk mitigation

- Transferring all intermediary business onto Clientèle's policy administration and premium collection systems;
- Supporting charities and social initiatives within the communities where the Group's larger intermediaries are based; and,
- Constantly assessing various business models to lessen the potential impact of mass negative sentiment.

1.3 Claims, Underwriting & Catastrophe Risk

Factors with the potential to affect this risk

- Increase in net claims payments;
- Increases in unnatural deaths;
- Errors in underwriting practices;
- Increased claim severity;
- Fraudulent claims; and,
- Claims expenses increase and unexpected litigation costs on legal claims.

Risk mitigation

- Reinsurance;
- Review of existing and new business premium rates;
- Fraud check at inception and at claim stage;
- Interaction with industry bodies; and,
- Claims tracking, monitoring and reporting.

Insurance and Financial Risk Management *continued*

1.4 Client Payments and Benefits

1.4.1 Mortality and Morbidity (Clientèle Life, 1Life and Emerald Life)

Contracts provide benefits on death, dread disease, hospitalisation and disability. Premium rates are determined using mortality and morbidity assumptions. If actual experience differs from assumptions, premium rates may become inappropriate.

Factors with the potential to affect this risk

- Fraudulent claims;
- Epidemics (e.g. AIDS, Ebola and COVID-19);
- Widespread changes in lifestyle (e.g. smoking, physical activity, nutrition, stress or sexual practices);
- Income bracket (e.g. the lower income bracket may be more susceptible to extreme weather conditions and have less access to basic facilities); and,
- Sector of employment.

Risk mitigation

- Underwriting processes are in place to manage exposure to mortality and morbidity risks. The most significant measures are:
 - Premium rates are required to be certified by the Head of the Actuarial Function as being financially sound;
 - Semi-annual experience investigations are conducted and used to set and review premium rates;
 - Reinsurance arrangements are negotiated, when relevant, in order to limit the risk on any individual contract;
- To reduce cross-subsidisation of risks and the possibility of anti-selection, premium rates differentiate on the basis of age, gender and other relevant factors, where applicable and permitted in terms of current legislation. Semi-annual experience investigations have shown that these are reliable indicators of the risk exposure;
- Policy terms and conditions are used to avoid anti-selection to ensure the fair treatment of policyholders;
- Claims experience is monitored monthly;
- Ways in which to further mitigate claims fraud are constantly investigated and tools (eg. fraud risk scoring model, bank account verification system, internal fraud database) are used to manage this as far as possible;
- Claims experience is carefully monitored to identify any anomalies in specific geographies or institutions and external medical experts are consulted to confirm the validity of certain claims; and,
- The Group's policyholder spread is closely linked to the spread of the actual population of South Africa, thereby limiting concentration risk.

1.4.2 Frequency and Severity of Claims (Clientèle General)

The frequency of claims per policyholder is expected to be high and the claim values are expected to be low. Increases in the average cost per claim will potentially have a large financial impact.

Factors with the potential to affect this risk

- Litigation costs in the future may be higher than expected;
- Accidental death claims can be higher than expected;
- Misrepresentation at sales stage could cause a higher than expected number of claims to be covered; and,
- External attorney referrals (that involve a high direct cost) could be higher than expected.

Risk mitigation

- All contracts contain specific terms and conditions (e.g. pre-existing conditions are excluded) to ensure fair treatment of all policyholders;
- Limits are set on the amount which can be claimed annually as well as during a policyholder's lifetime;
- Most matters are dealt with through in-house legal advice and day-to-day management is exercised with regard to the efficiency of resolving legal matters;
- Management of sales consultants (quality assurance) and appropriate training of sales agents;
- Oversight and monitoring of claims referred to external attorneys; and,
- The panel of external attorneys who provide legal advice is continually reviewed and assessed to ensure that the appropriate level of advice is given and that this advice is charged for at an appropriate level. Members of this panel of external attorneys must provide a valid fidelity fund certificate to ensure that they are registered with the Law Society. This ensures that they enjoy professional indemnity cover.

1.5 Model (Data and Assumptions)

1.5.1 Data

Data risk is the risk that data used in the insurance liability calculations is inaccurate or incomplete.

Factors with the potential to affect this risk

- Incorrect data or valuation extracts emanating from the policy administration system being used as input for the Actuarial valuation models; and,
- Incorrect capturing of data on the policy administration system.

Risk mitigation

- Data integrity testing and investigation of any exceptions is conducted on a monthly basis;
- Group Actuarial Committee meetings on a quarterly basis; and,
- Annual review by External Actuaries.

1.5.2 Assumptions

Assumption risk is the risk that the assumptions used in the Valuation are not borne out in reality.

Factors with the potential to affect this risk

Adverse actual experience or the use of incorrect assumptions.

Risk mitigation

- Actuarial assumptions are set by the Actuarial Department and reviewed by the Head of the Actuarial Function every quarter;
- Actuarial assumptions are also reviewed by External Actuaries once a year; and,
- The following are performed on a regular basis:
 - Insurance Liability calculations (monthly);
 - EV calculations (quarterly);
 - Management review of valuation and other actuarial calculations (quarterly); and,
- Actual experience is monitored and compared to assumptions (monthly).

1.6 Solvency (Prudential and Management Accounting Basis)

The Group's capital management process ensures that each entity within the Group maintains sufficient capital for legal and regulatory compliance purposes. The Group ensures that its actions do not compromise sound governance and appropriate business practices. When determining the Group SCR, an allowance is made for various factors, including external borrowings and guarantees. The Group SCR ratio is maintained at a level greater than 1.1.

1.6.1 Insurance Group

The Clientèle Group is required to maintain a capital balance equivalent to, at least, the SCR and targets an internal SCR cover ratio of no less than 1.1. This will ensure that the Clientèle Group will meet its obligations in the event of substantial deviations from the main experience assumptions affecting the Clientèle Group's financial instruments, insurance and investment contract business.

Risk mitigation

- The SCR coverage is monitored on a quarterly basis to ensure compliance with the regulatory SCR and the Group's risk appetite;
- The Head of the Actuarial Function reviews all the calculations; and,
- The quarterly and annual returns are signed off by two directors.

1.6.2 Life Insurance

The solvency of the long-term insurance businesses are monitored based on the principles and calculations outlined under Pillar 1 of SAM, which follows a risk-based approach.

Clientèle Life is required to maintain a capital balance equivalent to, at least, the SCR and targets an internal SCR cover ratio of no less than 1.1. This will ensure that Clientèle Life will meet its obligations in the event of substantial deviations from the main experience assumptions affecting Clientèle Life's financial instruments, insurance and investment contract business.

1Life is required to maintain a capital balance equivalent to, at least, the SCR and targets an internal SCR cover ratio of no less than 1.15. This will ensure that 1Life will meet its obligations in the event of substantial deviations from the main experience assumptions affecting 1Life's financial instruments, insurance and investment contract business.

Insurance and Financial Risk Management *continued*

Emerald Life is required to maintain a capital balance equivalent to, at least, the MCR and targets an internal MCR cover ratio of no less than 1.15. This will ensure that Emerald Life will meet its obligations in the event of substantial deviations from the main experience assumptions affecting Emerald Life's financial instruments, insurance and investment contract business.

Risk mitigation

- The SCR coverage is monitored on a quarterly basis to ensure compliance with the regulatory SCR and the Group's risk appetite;
- The Head of the Actuarial Function reviews all of the calculations; and,
- The quarterly and annual returns are signed off by two Directors.

1.6.3 Non-life Insurance

The solvency of the short-term insurance business is monitored based on the principles and calculations outlined under Pillar 1 of SAM, which follows a risk-based approach.

Clientèle General is required to maintain a capital balance equivalent to, at least, the SCR and targets an internal SCR cover ratio of no less than 1.1.

Risk mitigation

- The SCR coverage is monitored on a quarterly basis to ensure compliance with the regulatory SCR and the Group's risk appetite;
- The Head of the Actuarial Function reviews all the calculations; and,
- The quarterly and annual returns are signed off by two Directors.

2. FINANCIAL RISK

The risk that, as a result of market movements, the Group may be exposed to fluctuations in the value of or income from its assets and financial instruments, and the amount of its liabilities relative to expected.

2.1 ALM and Liquidity Risk

2.1.1 ALM Risk

ALM risk is the risk that the Group's assets are not adequately matched to back the Group's insurance contract liabilities and financial liabilities.

Factors with the potential to affect this risk

- A mismatch in the investment performance of financial assets relative to the underlying insurance contract liabilities or financial liabilities at fair value through profit or loss; and,
- Holding insufficient free assets in relation to insurance liabilities and the SCR.

Risk mitigation

- Products with a savings component (i.e. unit-linked products) are backed by assets which match the underlying net investment performance used in the unit price calculations;
- The assets backing financial liabilities at fair value through profit or loss are matched upfront and are monitored on a monthly basis to ensure appropriate ALM is achieved;
- A current, as well as a forecast, liquidity matching schedule, which takes account of annual strategic planning, forecasting and budget processes, is prepared and reviewed every 6 months;
- The appropriateness of the market and credit risk of each asset or asset class is considered regularly;
- The outputs of the liquidity matching schedule, and the market and credit risk exposures are considered when making investment decisions;
- The nature, quantum and period of any mismatch (if applicable) is reviewed and approved by the Head of the Actuarial Function;
- Special attention is given to single premium guaranteed products, which need to be considered separately;
- An understanding of the structure (including pricing) and obligations related to new and existing products is gained through a close working relationship between the Group Investment Committee, the Group Product Committee and the Group Actuarial Committee;
- The ALM process recognises the interdependence between the Group's assets and liabilities and takes into account the correlation of risk between different asset classes and the correlation between different products and business lines;

Insurance and Financial Risk Management *continued*

- The ALM process also takes into account any possible off balance sheet exposures, including contingent liabilities, capital commitments and guarantees and the contingency that risks transferred may revert back to the Group;
- Regular monitoring is undertaken by the Group Actuarial and Group Investment Committees, with the Group Actuarial Committee having ultimate oversight of this risk;
- Spreading of assets in terms of the provisions of the FSI's for Clientèle Life and Clientèle General respectively has the effect of limiting exposure to individual issuers due to the capital required as part of the SCR for assets if specified limits are breached; and,
- The Group's exposure to the various banking institutions is reviewed on a quarterly basis, both in Rand terms as well as by percentage concentration and credit rating, giving focus to the SAM capital charge relating to investment concentration.

2.1.2 Liquidity Risk

Liquidity risk is the risk that cash may not be available to pay obligations when due.

Factors with the potential to affect this risk

- Poor cash flow management within the Group;
- Third party defaults on obligations; and,
- Lenders calling on the financial guarantee (refer to Note 41 on page 249).

Risk mitigation

- Cash flow management: Active liquidity and funding management is an integrated effort across a number of functional areas, which is monitored by management. Active liquidity and cash flow management happens on a monthly basis;
- Appropriate assets back and match the Group's liabilities and it has sufficient liquid resources;
- Insurance business: The expected and contractual maturities of insurance liabilities are monitored on a monthly basis. This ensures that the assets are appropriate to cover expected insurance obligations (both life insurance and short-term insurance) when due. The Group Investment Committee ensures that the mix of investments is appropriate to ensure that sufficient cash will be available to meet insurance obligations when due;
- The SOCI and performance versus monthly budgets is tabled and reviewed at monthly management meetings;
- Investment business: The liability relating to contractual maturities of single premium endowment investment products is matched by purchasing appropriate assets of the same maturity profile. This ensures that cash is available on maturity of the policyholder obligations. Policyholders carry interest rate risk if there is an early surrender. The single premium liabilities are matched with appropriate A1 – or above-grade bank paper with an appropriate maturity profile. The maturity profile of the shareholder and policyholder linked zero coupon fixed deposits is detailed in the tables in Risk Management Note 2.1.2 on pages 109 to 111; and,
- Financial Guarantee: Clientèle has provided a guarantee to YTI, amounting to R374 million (2024: R374 million). This is partially covered by a back-to-back guarantee provided by HSBC of R174 million thus resulting in a net exposure through guarantees of R200 million for the purchase of approximately 9% of Clientèle's issued ordinary shares by YTI in 2018. The 12 month stage is used in the calculation of the ECL. Refer to Note 41: Capital and Other Commitments on page 249 for further details.
- Financial Guarantee: Clientèle has provided a financial guarantee to Nedbank Limited on behalf of Clientèle Property East Proprietary Limited and Clientèle Property North Proprietary Limited, which are subsidiaries of Clientèle Life Assurance Company Limited. The financial guarantees amount to R100 million and R105 million, respectively. The Group has recognised the loans as loans at amortised cost, with a financial liability guarantee of R1.0 million.
- Financial Guarantee: Clientèle has provided a financial guarantee to AEL Investment Holdings Proprietary Limited ("Investec") on behalf of Clientèle Life. The financial guarantee is over preference share funding amounting to R570 million. The Group has initially recognised the preference share funding at its fair value of R570 million, along with its related financial liability guarantee of R1.6 million.

Insurance and Financial Risk Management *continued*

The following table summarises the overall maturity profile of financial assets and liabilities of the Company:

(R'000)	Contractual cash flows for financial instruments (undiscounted)			Open ended	Discounting effect**	Total
	<1 year	1 – 5 years	>5 years			
2025						
Financial assets at fair value through profit or loss:						
Equity securities (Refer Note 8 on page 214)	-	-	7,500	-		7,500
Unlisted equity securities	-	-	7,500			7,500
Loans to subsidiaries				102,897	(2,796)	100,101
Trade receivables	-	1,000			(100)	900
Cash and cash equivalents	30,716					30,716
Total assets	30,716	1,000	7,500	102,897	(2,896)	139,216
Financial liabilities at fair value through profit and loss	-	620,000	-		(14,398)	605,602
Financial guarantee liability		2,639	2,000			4,639
Accruals and payables	3,308					3,308
Total liabilities	3,308	622,639	2,000	-	(14,398)	613,549
Excess/(shortfall) of assets over liabilities	27,408	(621,639)	5,500	102,897	11,502	(474,333)

(R'000)	Contractual cash flows for financial instruments (undiscounted)			Open ended	Total
	<1 year	1 – 5 years	>5 years		
2024					
Financial assets at fair value through profit or loss:					
Equity securities (Refer Note 8 on page 214)	-	-	-	10,415	10,415
Unlisted equity securities	-	-	-	10,415	10,415
Loans to subsidiaries				86,056	86,056
Trade receivables	-	900			900
Cash and cash equivalents	3,183				3,183
Total assets	3,183	900	-	96,471	100,554
Financial guarantee liability				2,000	2,000
Loans from subsidiaries				10,240	10,240
Accruals and payables	1,157				1,157
Total liabilities	1,157	-	-	12,240	13,397
Excess/(shortfall) of assets over liabilities	2,026	900	-	84,231	87,157

Insurance and Financial Risk Management *continued*

The following table summarises the overall maturity profile of financial assets and liabilities of the Group's long-term insurance and investment contract business:

(R'000)	Contractual cash flows for financial instruments (undiscounted)			Open ended	Dis-counting and ECL effect*	Total
	<1 year	1 – 5 years	>5years			
2025						
Financial assets at amortised cost	169,187	6,883	-	-	(1,322)	174,749
Financial assets at fair value through profit or loss:						
Debt securities (Refer Note 8 on page 214)	2,336,538	8,884,396	347,884	65,135	(1,710,064)	9,923,889
Promissory notes and fixed deposits						
- Assets backing guaranteed endowment investment contracts	56,473	690,416	-	-	(144,604)	602,286
- Assets backing linked endowment investment contracts	406,741	6,656,005	-	-	(1,275,671)	5,787,075
Investment funds	1,401,551	-	-	-	-	1,401,551
Funds on deposit	263,834	21,297	-	-	(3,253)	281,878
Fixed interest securities	169,964	1,182,129	-	1	-	1,352,094
Foreign bond fund	-	-	-	65,134	-	65,134
Government and public authority bond	37,975	334,549	347,884	-	(286,536)	433,871
Equity securities (Refer Note 8 on page 214)	-	-	25,000	707,583	-	732,583
Listed equity securities	-	-	-	599,857	-	599,857
Foreign listed equity securities	-	-	-	103,876	-	103,876
Unlisted equity securities	-	-	25,000	3,850	-	28,850
Receivables including insurance receivables	74,179	-	-	-	(6,936)	67,243
Cash and cash equivalents	875,515	-	-	-	-	875,515
Total assets	3,455,419	8,891,280	372,884	772,718	(1,718,322)	11,773,979
Investment contract and other financial liabilities at fair value through profit or loss	2,062,267	8,052,774	-	504,079	(798,919)	9,820,202
Financial liabilities at amortised cost	101,707	55,074	-	-	(2,087)	154,694
Loans at amortised cost	42,280	843,925	-	-	(110,703)	775,502
Financial guarantee liability	-	-	4,639	-	-	4,639
Accruals and payables including insurance payables	238,691	-	-	-	-	238,691
Total liabilities	2,444,945	8,951,773	4,639	504,079	(911,709)	10,993,728
Excess/(shortfall) of assets over liabilities	1,010,474	(60,493)	368,245	268,639	(806,613)	780,251

* Including compulsory and discretionary margins. This column is included to reconcile the cash flow to the SOFP and does not result in an actual shortfall of assets over liabilities.

The following table summarises the undiscounted cash flows relating to insurance and reinsurance contracts.

(R'000)	<1 year	1 – 2 years	2 – 3 years	3 – 4 years	4 – 5 years	>5 years	Total
(Assets)/Liabilities							
Year ended							
30 June 2025							
Insurance contract cash flows	(918,749)	(826,405)	(1,027,232)	(981,942)	(969,781)	(39,636,165)	(44,360,272)
Life insurance – Risk business (GMM)	(1,063,163)	(1,081,085)	(1,025,769)	(980,159)	(963,424)	(40,073,118)	(45,186,719)
Life insurance – Savings business (VFA)	144,414	254,680	(1,462)	(1,782)	(6,357)	436,953	826,446
Reinsurance contract cashflows							
Life insurance – Risk business (GMM)	93,333	47,427	41,266	41,894	36,702	3,919,166	4,179,788

Insurance and Financial Risk Management *continued*

(R'000)	Contractual cash flows for financial instruments (undiscounted)			Open ended	Dis-counting and ECL effect*	Total
	<1 year	1 – 5 years	>5years			
2024						
Financial assets at amortised cost	10,856	10,833			(1,260)	20,429
Financial assets at fair value through profit or loss:						
Debt securities (Refer Note 8 on page 214)	837,145	6,558,060	606,702	1	(2,068,492)	5,933,416
Promissory notes and fixed deposits						
– Assets backing guaranteed endowment investment contracts	277,543	785,357			(307,462)	755,438
– Assets backing linked endowment investment contracts	375,711	5,597,880			(1,383,281)	4,590,310
Funds on deposit	144,612					144,612
Fixed interest securities				1		1
Government and public authority bond	39,279	174,823	606,702		(377,749)	443,055
Equity securities (Refer Note 8 on page 214)				919,295		919,295
Listed equity securities				682,380		682,380
Foreign listed equity securities				197,932		197,932
Unlisted equity securities				38,983		38,983
Trade receivables	12,664	900				13,564
Cash and cash equivalents	317,050					317,050
Total assets	1,177,715	6,569,843	606,702	919,296	(2,069,752)	7,203,804
Investment contract and other financial liabilities at fair value through profit and loss	641,751	6,287,404		439,270	(1,483,687)	5,884,738
Financial liabilities at amortised cost	15,106	116,032			(11,657)	119,481
Loans at amortised cost		297,576			(92,770)	204,806
Financial guarantee liability				2,000		2,000
Payables	117,304					117,304
Total liabilities	774,161	6,701,012	–	441,270	(1,588,114)	6,328,329
Excess/(shortfall) of assets over liabilities	403,554	(131,069)	606,702	478,026	(481,638)	875,475

* This column is included to reconcile the cash flow to the SOFP and does not result in an actual shortfall of assets over liabilities.

The following table summarises the undiscounted cash flows relating to insurance and reinsurance contracts.

(R'000)	<1 year	1 – 2 years	2 – 3 years	3 – 4 years	4 – 5 years	>5 years	Total
(Assets)/Liabilities							
Year ended 30 June 2024							
Insurance contract cash flows	(606,301)	(439,385)	(600,887)	(566,150)	(554,146)	(15,015,101)	(17,781,970)
Life insurance – Risk business (GMM)	(737,578)	(675,234)	(603,055)	(571,956)	(560,382)	(15,429,061)	(18,577,266)
Life insurance – Savings business (VFA)	131,277	235,849	2,168	5,806	6,236	413,960	795,296
Reinsurance contract cashflows							
Life insurance – Risk business (GMM)	20,989	18,643	17,009	16,385	15,974	514,080	603,080

Insurance and Financial Risk Management *continued*

The following table summarises the liabilities and surrender values for investment and insurance business held in the Group:

(R'000)	2025		2024	
	Carrying value for policies with a surrender value	Surrender value	Carrying value for policies with a surrender value	Surrender value
Insurance business	546,163	626,897	505,845	615,499
Investment business	9,939,295	9,699,933	6,004,219	5,793,757
Total	10,485,458	10,326,829	6,510,064	6,409,256

2.2 Market Risk

2.2.1 Concentration of risk

The Group's primary lines of business include long-term (Life) insurance and short-term (Non-life) insurance, within the South African market in the lower income demographic. The Group manages concentration risk, associated with the Life and Non-Life insurance businesses through a series of mechanisms and monitors the opportunities for mitigating actions.

In mitigation of concentration risk, the Group makes use of mechanisms inclusive of: product pricing procedures, reinsurance and the diversification of non-insurance business (e.g. white labelling, Perks, Royalty and 1Lifestyle loyalty programs which are housed in CBC Rewards).

Refer to Segment Information on page 164 for the carrying amounts of the Group's insurance contracts (and reinsurance contracts) by line of business.

Concentration by Age – Life Insurance

Age Bands	Policies	Proportions
Below 31	163,583	9.48%
31 – 40	333,602	19.34%
41 – 50	351,166	20.36%
51 – 60	304,365	17.64%
61 – 70	362,045	20.99%
Above 70	210,234	12.19%
Total	1,724,994	100.00%

By Sum Assured – Life Insurance

Sum Assured Bands	Policies	Proportions
Below 50 001	1,070,482	62.06%
50 001 – 100 000	375,569	21.77%
100 001 – 150 000	90,522	5.25%
150 001 – 200 000	29,865	1.73%
200 001 – 250 000	32,782	1.90%
250 001 – 300 000	15,570	0.90%
Above 300 000	110,204	6.39%
Total	1,724,994	100.00%

Insurance and Financial Risk Management *continued***By Product Type – Life Insurance**

Product Group	Policies	Proportions
Funeral	1,363,056	79.02%
Health	5,767	0.33%
Hospital	13,720	0.80%
Non-underwritten Life	815	0.05%
Savings	38,007	2.20%
Life and Cashbacks	297,869	17.27%
Other	5,760	0.33%
Total	1,724,994	100%

By Gender – Life Insurance

Category	Policies	Proportions
Male	752,068	43.60%
Female	972,926	56.40%
Total	1,724,994	100.00%

2.2.2 Equity Risk

Equity risk is the risk that the fair value of equity instruments will fluctuate as a result of changes in the market-place. This includes Equities invested in both South African equities as well as global equities.

Equity investments are made on behalf of policyholders and shareholders. The vast majority of Clientèle's equity investments are listed. Equities are reflected at market values, which are susceptible to fluctuations. Global equities are also impacted by changes in foreign exchange rates.

Factors with the potential to affect this risk

- The equity content in investment portfolios;
- Foreign currency exchange rates on Global equities;
- The categories of equities invested in (sectoral spread);
- Market sentiment; and,
- Market performance of equities in general.

Risk mitigation

- The equities selection and investment analysis process is outsourced to Melville Douglas, who invest within the mandates set by the Group Investment Committee;
- Asset allocations are monitored on a daily basis by Melville Douglas and reviewed on a quarterly basis by the Group Investment Committee;
- A conservative investment strategy, with an appropriate mix of assets, which avoids undue concentration in riskier asset classes, is adopted;
- Investments in assets which are not admitted to trading on a regulated financial market are limited to agreed prudent levels;
- Assets are properly diversified in a manner that avoids excessive reliance on any particular asset, issuer, group of companies or geographical area and excessive concentration of risk in the portfolio as a whole thus avoiding the risk of contagion between concentrated exposures;
- Factors that may materially affect the sustainable long-term performance of assets or asset classes, including factors of an environmental, social and governance nature are considered; and,
- The Group's exposure to the various banking institutions is reviewed on a quarterly basis, both in Rand terms as well as by percentage concentration, giving focus to the SAM capital charge relating to investment concentration.

2.2.3 Property Risk

Property risk is the risk that the value of properties will fluctuate as a result of changes in the property market.

The Group is exposed to property risk through its ownership of the three property subsidiaries of Clientèle Life, which, together, own the Clientèle Office Park, as reflected in the SOFP, as well as to listed real estate exposure in the Melville Douglas portfolios.

Factors with the potential to affect this risk

- Changes in interest rates (fixed and floating interest rates apply to owner occupied properties);
- Occupancy levels in the Sandton, Morningside and Rivonia areas and general occupancy levels of commercial property in South Africa;
- The condition of the buildings and surrounds of the office park; and,
- The state of the South African property market.

Risk mitigation

- The office park is continually maintained and improved to enhance its value;
- Management believes that the Sandton, Morningside and Rivonia areas have an attractive long-term investment future for property, which is continually reviewed and assessed by management;
- Management ensures that appropriate insurance cover is in place to protect against property damage;
- The exposure to listed property is kept at acceptable levels and is reviewed quarterly with Melville Douglas;
- The office park is occupied by Clientèle Life, Clientèle General, CBC Rewards and 1Life who have entered into long term leases; and,
- The investment property is valued annually in consultation with Broll Valuation and Advisory Services Proprietary Limited (part of the CB Richard Ellis Proprietary Limited network), an independent valuator.

2.3 Economic Assumptions (including interest rate risk, RDR and inflation)

Interest rate risk is the risk that the value of, or cash flows from, a financial instrument will fluctuate as a result of changes in interest rates. In addition, policyholders' liabilities will be affected by changes in interest rates.

Financial liabilities held at fair value through profit or loss consist of non-linked investment contracts (Single Premium) that are exposed to interest rate risk and linked investment contracts that are not exposed to interest rate risk.

Factors with the potential to affect this risk

- Changes in market interest rates have a direct effect on the contractually determined cash flows associated with floating rate financial assets and financial liabilities, and on the fair value of other investments;
- Fair values of fixed maturity investments included in the Group's investment portfolios are subject to changes in the prevailing market interest rates;
- Our RDR is based on the long-term zero coupon government bond yield curve and, as a result, any movement in the yield curve will impact the actuarial liabilities and (unaudited) EV and VNB of the Group; and,
- Withdrawals by policyholders can result in the fair values of the asset at the date of the withdrawal being lower than the original purchase price of the contract.

Risk mitigation

- The ongoing market expectations assessment by Melville Douglas within the South African interest rate environment, in conjunction with consultation with the Group Investment Committee, drives the process of asset allocation in this category;
- The majority of financial assets and financial liabilities are negotiated on a fixed interest basis and as a result the exposure to interest rate risk is largely mitigated;
- Interest rate risk is minimised by matching the profile of the financial liabilities of the long term investment contract with similar assets at contract inception;
- Policyholder contracts provide that, in the event of an early withdrawal by the policyholder, the interest rate risk is carried by the policyholder; and,
- For most Single Premium contracts, the lower of market value or original investment value plus accrued interest is paid out to policyholders after deducting a surrender fee on an early withdrawal.

Insurance and Financial Risk Management *continued*

2.4 Credit Risk

Credit risk is the risk that a counterparty will fail to discharge an obligation on an asset held or agreement entered into and cause the Group to incur a financial loss.

Balances where the Group has exposure to credit risk include financial assets, amounts receivable from insurance policyholders, amounts due from reinsurers and cash and cash equivalents.

In terms of IFRS 9, an assessment of ECL is necessary for assets that are held at amortised cost.

ECLs were calculated on the following balances that are exposed to credit risk (excluding insurance receivables) and include:

- Trade receivables;
- Cash and cash equivalents; and,
- Financial guarantees.

The following methodology was applied in calculating the ECLs:

(i) Trade receivables

The simplified approach is adopted for calculating a potential ECL provision. The provision matrix is based on the entities' historical default rates over the expected life of the trade receivable. There have been no material historical defaults on this category of assets. Additionally, forecast of forward-looking information have been considered in calculating the ECL provision. Refer to the reconciliation of expected credit losses on page 117. The majority of receivables is in respect of prepayments for goods and services to be delivered over the course of the 2026 financial year. Furthermore, prepayments are not in the scope of IFRS 9.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 120 days past due.

Subsequent recoveries of amounts previously written off are credited against the same line item.

(ii) Cash and cash equivalents

Cash and cash equivalents are also subject to the ECL requirements of IFRS 9, however the identified ECL was immaterial as the counterparties are considered to have good credit quality based on the external credit ratings of the counterparties, and the assets are liquid.

(iii) Financial Guarantees

Financial Guarantee in favour of Depfin

A loan was provided by Depfin to YTI for the purchase of shares in Clientèle. A financial Guarantee was provided to Depfin for the loan between Depfin and YTI. Clientèle has provided a guarantee to YTI, amounting to R374 million (2024: R374 million). This is partially covered by a back-to-back guarantee provided by HSBC of R174 million (2024: R174 million). The net credit exposure to this guarantee as at 30 June 2025 is R200 million (2024: R200 million).

Clientèle issued a guarantee amounting to R2 million (2024: R2 million) in favour of Nedbank in relation with the YTI preference share funding arrangement with Depfin.

A Monte Carlo simulation was conducted at the end of the financial year to determine the amount of the Financial Guarantee Liability in respect of the financial guarantee issued by Clientèle Limited in favour of Depfin (a division of Nedbank Limited).

The following factors inter alia, were taken into consideration in calculating the Financial Guarantee Liability:

- The future share prices of Clientèle;
- The future EV per share of Clientèle;
- The probability of default;
- The exposure at default;
- The loss given default; and,
- The dates of default.

The YTI preference share funding arrangement with Depfin includes an EV per share covenant as well as a Market Value per share covenant. Both covenants need to be breached to trigger a call on additional capital.

The ECL using the above methodology amounted to R2 million (2024: R2 million).

Insurance and Financial Risk Management *continued*

Financial Guarantee in favour of Nedbank

In determining the fair value of the financial guarantees issued by Clientèle Limited to Nedbank, as required by IFRS 9.B2.5 (read together with IFRS 9.5.1.1), the Group opted to make use of a measurement method that quantifies the economic benefit of the financial guarantee to the holder by comparing the fair value of the underlying revolving credit facilities at the interest rate imposed by Nedbank, to the fair value of the underlying revolving credit facilities held within the subsidiaries of the Group at the interest rate that the Group has confirmed from third-parties would have been imposed on the revolving credit facilities in the absence of the financial guarantees at 30 June 2025.

The following factors, *inter alia*, were taken into consideration in calculating the Financial Guarantee Liability:

- The present value of cash flows;
- The aggregate fair value of the revolving credit facility; and
- The effective interest rate.

The Group established that the fair value attributed to the financial guarantees amounts to R1.04 million at initial recognition.

Financial Guarantee in favour of Investec

In determining the fair value of the financial guarantee issued to Investec at initial recognition, as required by IFRS 9.B2.5 (read together with IFRS 9.5.1.1), Clientèle Limited opted to make use of a measurement method that quantifies the Lifetime Expected Credit Loss ("ECL") on the Preference Share liability that is sitting in Clientèle Life's financial statements as a result of the issuance of the Preference Shares.

The following factors, *inter alia*, were taken into consideration in calculating the Financial Guarantee Liability:

- The fair value of the Preference Shares;
- The estimated Probability of Default ("PD") over the lifetime of the Preference Shares;
- The estimated Loss Given Default ("LGD") (i.e., the expected loss if default occurs);
- The Exposure at Default ("EAD") (i.e., the outstanding balance, including expected drawdowns) of R570 million;
- The effective interest rate on the Preference Shares.

The Group estimated that the ECL on the Preference Shares, being the fair value attributed to the financial guarantee at initial recognition, amounts to R1.6 million.

(iv) Reinsurance contracts

The maximum exposure to credit risk from reinsurance contracts is the net carrying amount of reinsurance contract assets of R8.0 million (2024: R3.4 million).

The amount currently owed to the Group by Reinsurers is R8.0 million (2024: R3.4 million).

Insurance and Financial Risk Management *continued***Reconciliation of expected credit losses**

Reconciliation of expected credit losses for the Group's financial assets.

(R'000)	Trade receivables	Financial assets at amortised cost	Financial guarantees	Total
Credit loss allowance as at 30 June 2024	477	1,260	2,000	3,737
Additions to credit loss allowance through business combination		62	–	62
Increase in allowance recognised in profit or loss	6,459		2,639	9,098
Credit loss allowance as at 30 June 2025	6,936	1,322	4,639	12,897

(R'000)	Financial* assets at amortised cost	Financial guarantees	Total
Credit loss allowance as at 30 June 2023	30	2,000	2,030
Increase in allowance recognised in profit or loss	1,230		1,230
Credit loss allowance as at 30 June 2024	1,260	2,000	3,260

* Excludes trade receivables.

Expected credit loss for the Company's financial assets at amortised cost reconciliation:

(R'000)	Trade receivables	Loans to subsidiaries	Financial guarantees	Total
Credit loss allowance as at 30 June 2024	100	2,092	2,000	4,192
Addition to credit loss allowance			2,639	2,639
Increase in allowance recognised in profit or loss		705		705
Credit loss allowance as at 30 June 2025	100	2,797	4,639	7,536

(R'000)	Loans to subsidiaries	Financial guarantees	Total
Credit loss allowance as at 30 June 2023	5,495	2,000	7,495
Increase in allowance recognised in profit or loss	(3,403)		(3,403)
Credit loss allowance as at 30 June 2024	2,092	2,000	4,092

Factors with the potential to affect this risk

- Fair values of investments may be affected by the creditworthiness of the issuer of securities;
- Changes in interest rates; and,
- Deteriorating economic environment.

Risk mitigation

- Spreading of assets in terms of the provisions of the FSI's for Clientèle Life and Clientèle General respectively has the effect of limiting exposure to individual issuers due to the capital required as part of the SCR for assets if specified limits are breached;
- Cash equivalents, financial assets and reinsurance cover are placed with reputable companies. The credit rating of the counterparty is assessed when placing the business and when there is a decrease in the credit rating of the counterparty. The counterparties for assets backing financial liabilities at fair value, through profit or loss in respect of guaranteed single premium investment contract business are rated at least A1- by international rating agencies;
- The Group places business with at least A1+ rated reinsurers (refer to the internal debt rating scale on page 120);
- An ECL is determined on the financial assets at amortised cost on a biannual basis or more regularly when indicators require; and,
- Credit ratings of debt instruments are monitored quarterly by the Group Investment Committee.

Insurance and Financial Risk Management *continued*

The following table provides information regarding the aggregated credit risk exposure for the assets relating to the Group's long-term insurance and Investment Contract business at 30 June:

(R'000)	A1+	A1	A1-	B	Not rated	Total carrying value
2025						
Financial assets at fair value through profit or loss	8,023,332	1	499,005	-	1,401,551	9,923,888
Promissory notes and deposits	6,389,360					6,389,360
Investment funds	-	-	-	-	1,401,551	1,401,551
Funds on deposit	281,877					281,877
Fixed interest securities	1,352,094	1	-	-	-	1,352,094
Foreign bond fund			65,134			65,134
Government and public authority bonds	-	-	433,871	-	-	433,871
Financial assets at amortised cost					174,750	174,750
Trade receivables					67,243	67,243
Cash and cash equivalents	875,515					875,515
Total assets bearing credit risk	8,898,846	1	499,005	-	1,643,544	11,041,396

(R'000)	A1+	A1	A1-	B	Not rated	Total carrying value
2024						
Financial assets at fair value through profit or loss	5,490,361	1	443,054	-	-	5,933,416
Promissory notes and deposits	5,345,749					5,345,749
Funds on deposit	144,612					144,612
Fixed interest securities		1				1
Foreign bond fund			-			-
Government and public authority bonds			443,054			443,054
Financial assets at amortised cost					20,479	20,479
Trade receivables					13,564	13,564
Cash and cash equivalents	317,050					317,050
Total assets bearing credit risk	5,807,411	1	443,054	-	34,043	6,284,509

Insurance and Financial Risk Management *continued*

Credit Risk Exposure:

The following table provides information regarding the aggregated credit risk exposure relating to reinsurance contracts at 30 June:

(R'000)	A1+	A1	A1-	B	Not rated	Total carrying value
2025						
Reinsurance Contract Assets	384,848					384,848
Carrying Amount Reinsurance Contract Assets¹						384,848
2024						
Reinsurance Contract Assets	71,674					71,674
Carrying Amount Reinsurance Contract Assets						71,674

1. The increase in the net carrying amount of reinsurance assets is as a result of the new acquisitions for 1Life and Emerald life during the financial year.

(R'000)	Risk of non-performance factors
2025	
RGA_Funeral	0.0674%
RGA EGB	0.1177%
RGA Hospital	0.0534%
RGA Estate	0.0259%
RGA Premium Life	0.1251%
Munich Life	0.0700%
RGA_EmergiVac	0.0500%
General Reinsurance Africa Limited (GENRE)	0.0100%
Swiss Re Africa Limited (SWISSRE)	0.0300%

Off balance sheet credit exposure

Clientèle has, in prior years, provided financial assistance resulting in a gross exposure of R374 million and a net exposure after guarantees of R200 million for the purchase of approximately 9% of Clientèle's issued shares (ordinary Shares) by YTI. Clientèle is exposed to YTI's credit risk. YTI is classified as "not rated" as YTI does not have a credit rating. HSBC has a Long-term counter party risk rating of Aa3 (Moody's) (Refer to Note 41: Capital and other commitments for further details).

The following table provides information regarding the aggregated credit risk exposure for the assets relating to the Company's business at 30 June:

(R'000)	A1+	A1	A1-	B	Not rated	Total carrying value
2025						
Loans and receivables	-	-	-	-	100,101	100,101
Cash and cash equivalents	30,716	-	-	-		30,716
Total assets bearing credit risk	30,716	-	-	-	100,101	130,817
2024						
Loans and receivables	-	-	-	-	87,056	87,056
Cash and cash equivalents	3,183	-	-	-		3,183
Total assets bearing credit risk	3,183	-	-	-	87,056	90,239

Insurance and Financial Risk Management *continued*

Internal debt rating scale

The Group has developed its own internal debt rating scale to categorise the credit quality of its financial and reinsurance assets. The Group uses the long-term national credit ratings of the ratings agencies as set out below to classify the Group's financial assets (Due to the unavailability of a national scale rating for government bonds and foreign bonds an international rating scale was used). Where discrepancies exist between Moody's and Fitch ratings, preference is given to the Moody's ratings.

		Moody's Long-term	Fitch Long-term
A1+	Financial assets rated A1+ are considered to be upper-medium grade to highest quality and subject to low to minimal credit risk	Aaa/Aa	AAA
A1	Financial assets rated A1 are subject to moderate credit risk. They are considered medium-grade and as such may possess certain speculative characteristics	A	AA/A/BBB
A1-	Financial assets rated A1- are considered speculative and subject to high credit risk	Baa/Ba	
B	Financial assets rated B are of poor standing and subject to very high credit risk	Caa	CCC

Not rated

The Group considers and reviews credit risk on all financial asset exposures, however, in certain categories a formal investment grade is not available. The financial assets in the "not rated" category comprise mainly prepaid expenses (trade receivables including insurance receivables and financial assets at amortised cost) to usual third parties, which are managed via contractual agreements. An internal analysis of these items is performed to assess the riskiness thereof.

3. FAIR VALUE HIERARCHY

3.1 Introduction

Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arms-length transaction.

The Group establishes fair value by using a valuation technique if the market for a financial instrument is not quoted in an active market. Valuation techniques include using transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the Group uses that technique. Fair value is estimated on the basis of the results of a valuation technique that makes maximum use of market inputs, and relies as little as possible on entity – specific inputs.

The fair value hierarchy categorises assets and liabilities into three levels based on the following criteria:

- Level 1:** Values are determined using readily and regularly available quoted prices in an active market for identical assets or liabilities.
- Level 2:** Values are determined using valuation techniques or models, based on assumptions supported by observable market prices or rates either directly (that is, as prices) or indirectly (that is, derived from prices) prevailing at the SOFP date.
- Level 3:** Values are estimated indirectly using valuation techniques or models for which one or more of the significant inputs are assumptions (based on unobservable market inputs).

Insurance and Financial Risk Management *continued***3.2 Asset Hierarchy**

The following table presents the Group's financial assets and liabilities that are measured at fair value through profit or loss at 30 June 2025:

(R'000)	Group			
	Level 1	Level 2	Level 3	Total
2025				
Assets				
Listed equity securities	599,857	-		599,857
Foreign Listed equity securities	103,876	-		103,876
Unlisted equity securities	-	-	28,850	28,850
Promissory notes and fixed deposits	-	6,389,360	-	6,389,360
Investment funds		1,401,551		1,401,551
Funds on deposit	-	281,878		281,878
Fixed interest securities	-	1,352,095		1,352,096
Government and public authority bonds	433,871	-		433,871
Foreign bonds	65,134	-		65,134
Total assets	1,202,738	9,424,883	28,850	10,656,471

The following table presents the Group's financial assets that are measured at fair value through profit or loss at 30 June 2024:

(R'000)	Level 1	Level 2	Level 3	Total
2024				
Assets				
Listed equity securities	682,380			682,380
Foreign Listed equity securities	197,932			197,932
Unlisted equity securities			38,983	38,983
Promissory notes and fixed deposits		5,345,749		5,345,749
Funds on deposit		144,613		144,613
Fixed interest securities			1	1
Government and public authority bonds	443,053			443,053
Total assets	1,323,365	5,490,362	38,984	6,852,711

Refer to Note 3 on page 184 for the fair value hierarchy disclosure of owner-occupied properties.

Fair values for level 2 financial assets are determined using the rates from the zero coupon risk free yield curve, based on the term to maturity of the instrument. These interest rates range between 7.02% and 10.12% (2024: 9.0% and 10.1%) per annum. A discounted cash flow model is then applied using the determined yield after adjusting for credit risk, in order to calculate the market value.

Level 3 unlisted equity securities consist of the following:

- YTI preference shares purchased as part of the financing mechanism for a B-BBEE transaction and are valued using a Monte Carlo simulation with primary inputs consisting of the Clientèle share price, the dividend yield and interest at 77% of the prime interest rate; and,
- Rights to the property at Kruger Park Lodge.

Insurance and Financial Risk Management *continued*

The following table presents the Company's financial assets that are measured at fair value through profit or loss at 30 June 2025:

(R'000)	Company			
	Level 1	Level 2	Level 3	Total
Assets				
Unlisted equity securities			7,500	7,500
Total assets	-	-	7,500	7,500

The following table presents the Company's financial assets that are measured at fair value through profit or loss at 30 June 2024:

(R'000)	Level 1	Level 2	Level 3	Total
Assets				
Unlisted equity securities			10,415	10,415
Total assets	-	-	10,415	10,415

3.3 Liability Hierarchy

(R'000)	Group			
	Level 1	Level 2	Level 3	Total
2025				
Investment contract and other financial liabilities at fair value through profit and loss		9,784,599	35,602	9,820,200
Investment contract and other financial liabilities at fair value through profit and loss	-	9,784,599	35,602	9,820,200
2024				
Investment contract and other financial liabilities at fair value through profit and loss		5,884,738		5,884,738
Investment contract and other financial liabilities at fair value through profit and loss	-	5,884,738		5,884,738

Insurance and Financial Risk Management *continued*

The following table presents the Company's financial liabilities that are measured at fair value through profit or loss at 30 June 2025:

(R'000)	Company			
	Level 1	Level 2	Level 3	Total
Liabilities				
Loans from subsidiaries			570,000	570,000
Investment contract and other financial liabilities at fair value through profit and loss ¹			35,602	35,602
Total Liabilities	-	-	570,000	605,602

The following table presents the Company's financial liabilities that are measured at fair value through profit or loss at 30 June 2024:

(R'000)	Level 1	Level 2	Level 3	Total
Liabilities				
Investment contract and other financial liabilities at fair value through profit and loss				
Total Liabilities	-	-		-

* Investment contract and other financial liabilities at fair value through profit and loss.

1. The balance of R605,602 consists of loans from subsidiaries amounting to R570 million, and R35.1 million relating to contingent consideration that arose from the acquisition of Emerald Life.

3.4 Reconciliation of Level 3 Financial Instruments

The following table presents the changes in level financial instruments for the Group for the year ended 30 June 2025:

(R'000)	30 June 2025			30 June 2024		
	Financial assets at fair value through profit or loss: fixed interest securities	Financial assets at fair value through profit or loss: unlisted equity securities	Financial liability at fair value through profit or loss	Financial assets at fair value through profit or loss: fixed interest securities	Financial assets at fair value through profit or loss: unlisted equity securities	Financial liability at fair value through profit or loss
Opening balances	1	38,983		1	37,741	
Issued			35,602			
Transfer in from level 2		-			3,850	
Fair value Gain/(Loss)		(11,498)			(2,902)	
Interest raised during the year		3,550			4,723	
Repayments		(2,185)			(4,430)	
Closing balance	1	28,849	35,602	1	38,983	

Insurance and Financial Risk Management *continued*

The following table represents presents the changes in level 3 financial instruments for the Company for the year ended 30 June 2025:

(R'000)	30 June 2025		30 June 2024	
	Financial assets at fair value through profit or loss unlisted equity securities	Financial liability at fair value through profit or loss	Financial assets at fair value through profit or loss unlisted equity securities	Financial liability at fair value through profit or loss
Opening balances	10,415		11,165	
Issued through acquisition of subsidiary		35,602		
Fair value Gain/(Loss)	(2,252)		(839)	
Interest raised during the year			1,417	
Repayments	(663)		(1,328)	
Loans from subsidiaries		570,000		
Closing balance	7,500	605,602	10,415	-

4. SENSITIVITY ANALYSIS

The Group's profitability and capital base, through its insurance and investment contract operations and financial assets held, are exposed to both financial and insurance risks.

In order to interpret the tables on pages 125 to 129 users are encouraged to understand the basis on which the variables were set and combine this information with other components of the Group Annual Financial Statements. The sensitivities provided are not amounts that can be simply extrapolated to determine prospective earnings forecasts and caution is advised to any user doing this. They do, however, provide insight into the impact that changes in these risks can have on insurance contract liabilities, where applicable, and attributable profit after tax.

Sensitivity ranges

The sensitivity ranges, i.e. the upper and lower limits, are indicative of the range of possible changes as at the reporting date 30 June 2025. The sensitivity analysis below does not include the investment contract business as these liabilities have been exactly matched to assets and the impact of the maturities on profit is immaterial.

Sensitivities provided are as follows:

Financial risk variables

Equity price: Possible price movements in equities held based on changes in the JSE ALSI.
Interest rate: Based on a parallel shift in the prevailing interest rate yield curves.

4.1 Life Insurance

Life Insurance Risk Variables

Assurance mortality/morbidity: Where actual death or disability rates by age category vary to those assumed on measurement of policies that offer death or disability benefits.

Renewal expenses: Where actual expenses incurred differ to those assumed for maintaining and servicing the in-force contracts.

Withdrawals: The possible change in the expected number of policyholders withdrawing or lapsing benefits prior to the expiry of the contract or the assumed duration of the contract.

Inflation: A shift in the prevailing inflation rate.

Insurance and Financial Risk Management *continued*

The table below summarises the impact of each change to the risk variables outlined above.

Positive numbers represent a decrease in insurance contract liabilities or profit after tax/equity and, correspondingly, negative numbers indicate an increase in insurance contract liabilities or profit after tax/equity.

June 2025 (R'000)	CSM		Profit or loss		Equity	
	Gross	Net	Gross	Net	Gross	Net
Life insurance						
- Risk business						
Claims (and reinsurance) - 5% decrease	291,285	253,302	146,767	120,440	179,475	153,426
Lapse/surrender rates - 10% decrease	332,082	350,435	252,591	245,907	326,478	322,666
Expenses - 10% decrease	154,686	157,906	74,020	70,762	80,546	78,167
Life insurance						
- Savings business						
Claims (and reinsurance) - 5% decrease	3,606	3,598	1,707	1,704	1,707	1,703
Lapse/surrender rates - 10% decrease	9,274	9,280	3,674	3,677	3,674	3,678
Expenses - 10% decrease	3,685	3,685	1,484	1,484	1,484	1,484
Life insurance						
- Risk business						
Claims (and reinsurance) - 5% increase	(151,940)	(130,976)	(196,152)	(153,158)	(199,841)	(161,689)
Lapse/surrender rates - 10% increase	(276,464)	(292,559)	(219,384)	(213,673)	(280,833)	(277,655)
Expenses - 10% increase	(129,112)	(150,493)	(79,695)	(58,319)	(81,716)	(66,113)
Life insurance						
- Savings business						
Claims (and reinsurance) - 5% increase	(3,386)	(3,379)	(1,617)	(1,614)	(1,617)	(1,613)
Lapse/surrender rates - 10% increase	(8,083)	(8,089)	(3,245)	(3,247)	(3,245)	(3,249)
Expenses - 10% increase	(3,685)	(3,685)	(1,484)	(1,484)	(1,484)	(1,484)

Insurance and Financial Risk Management *continued*

(R'000)	1% increase in interest rates impact on:		1% decrease in interest rates impact on:	
	Profit or loss	Equity	Profit or loss	Equity
Life insurance – Risk business				
Insurance contracts (net of reinsurance contracts)	(16,675)	(443,149)	19,509	513,517
Life insurance – Savings business				
Insurance contracts (net of reinsurance contracts)	3,584	3,577	(3,957)	(3,949)

(R'000)	1% increase in inflation rates impact on:		1% decrease in inflation rates impact on:	
	Profit or loss	Equity	Profit or loss	Equity
Life insurance – Risk business				
Insurance contracts (net of reinsurance contracts)	(55,298)	(58,038)	45,857	51,914
Life insurance – Savings business				
Insurance contracts (net of reinsurance contracts)	(316)	(316)	302	302

(R'000)	10% increase in equity prices impact on:		10% decrease in equity prices impact on:	
	Profit or loss	Equity	Profit or loss	Equity
Life insurance – Risk business				
Insurance contracts (net of reinsurance contracts)	-	-	-	-
Life insurance – Savings business				
Insurance contracts (net of reinsurance contracts)	(10,235)	(10,235)	10,233	10,233

Insurance and Financial Risk Management *continued*

June 2024 (R'000)	CSM		Profit or loss		Equity	
	Gross	Net	Gross	Net	Gross	Net
Life insurance						
- Risk business						
Claims (and reinsurance)						
- 5% decrease	127,361	127,617	56,211	56,242	56,211	56,242
Lapse/surrender rates						
- 10% decrease	242,837	238,968	179,322	178,203	179,322	178,203
Expenses - 10% decrease	68,476	68,476	43,515	43,515	43,515	43,515
Life insurance						
- Savings business						
Claims (and reinsurance)						
- 5% decrease	4,029	4,022	2,385	2,382	2,385	2,382
Lapse/surrender rates						
- 10% decrease	7,193	7,199	3,474	3,477	3,474	3,477
Expenses - 10% decrease	3,937	3,937	1,927	1,927	1,927	1,927
Life insurance						
- Risk business						
Insurance contracts (net of reinsurance contracts)	(86,960)	(87,155)	(24,140)	(24,159)	(24,140)	(24,159)
Life insurance						
- Savings business						
Insurance contracts (net of reinsurance contracts)	(41,928)	(41,927)	(6,235)	(6,235)	(6,235)	(6,235)
Life insurance						
- Risk business						
Insurance contracts (net of reinsurance contracts)	(3,794)	(3,788)	(1,930)	(1,928)	(1,930)	(1,928)
Life insurance						
- Savings business						
Insurance contracts (net of reinsurance contracts)	(6,321)	(6,326)	(2,825)	(2,827)	(2,825)	(2,827)
Insurance contracts (net of reinsurance contracts)	(3,937)	(3,937)	(1,800)	(1,800)	(1,800)	(1,800)

Insurance and Financial Risk Management *continued*

(R'000)	1% increase in interest rates impact on:		1% decrease in interest rates impact on:	
	Profit or loss	Equity	Profit or loss	Equity
Life insurance – Risk business				
Insurance contracts (net of reinsurance contracts)	(14,694)	(245,327)	16,323	276,746
Life insurance – Savings business				
Insurance contracts (net of reinsurance contracts)	3,467	3,460	(3,791)	(3,783)

(R'000)	1% increase in inflation rates impact on:		1% decrease in inflation rates impact on:	
	Profit or loss	Equity	Profit or loss	Equity
Life insurance – Risk business				
Insurance contracts (net of reinsurance contracts)	(13,719)	(15,299)	72,865	74,522
Life insurance – Savings business				
Insurance contracts (net of reinsurance contracts)	(207)	(207)	447	447

(R'000)	10% increase in equity prices impact on:		10% decrease in equity prices impact on:	
	Profit or loss	Equity	Profit or loss	Equity
Life insurance – Risk business				
Insurance contracts (net of reinsurance contracts)	-	-	-	-
Life insurance – Savings business				
Insurance contracts (net of reinsurance contracts)	(12,465)	(12,465)	12,638	12,638

4.2 Non-life Insurance

Non-life Insurance Risk Variables

Value of claims: Where actual claims incurred differ from historical claims incurred.

Duration of settlement: Where actual time taken to settle claims varies.

The table below summarises the impact of each change to the risk variables outlined above.

Positive numbers represent a decrease in insurance contract liabilities or increase profit after tax/equity and, correspondingly, negative numbers indicate an increase in insurance contract liabilities or decrease profit after tax/equity.

In each sensitivity calculation, all other assumptions remain unchanged.

June 2025 (R'000)	Profit or loss		Equity	
	Gross	Net	Gross	Net
Non Life insurance				
Net Claims: 5% decrease	227	227	166	166
Non Life insurance				
Net Claims: 5% increase	(227)	(227)	(166)	(166)

Insurance and Financial Risk Management *continued*

June 2025 (R'000)	1% increase in interest rates impact on:		1% decrease in interest rates impact on:	
	Profit or loss	Equity	Profit or loss	Equity
Non Life insurance				
Insurance contracts (net of reinsurance contracts)	38	38	(37)	(37)
June 2024 (R'000)	Profit or loss		Equity	
	Gross	Net	Gross	Net
Non Life insurance				
Net Claims: 5% decrease	233	233	233	233
Non Life insurance				
Net Claims: 5% increase	(245)	(245)	(245)	(245)
	1% increase in inflation rates impact on:		1% decrease in inflation rates impact on:	
June 2024 (R'000)	Profit or loss	Equity	Profit or loss	Equity
Non Life insurance				
Insurance contracts (net of reinsurance contracts)	40	40	(41)	(41)

Group Non-insurance related sensitivity analysis

June 2025 (R'000)	Impact on liabilities	Impact on profit after tax
Non Life insurance		
Equity price -10% decrease	-	(16 437)
Equity price +10% increase	-	16 437
Interest rate -1% decrease*	2,097	(736)
Interest rate +1% decrease*	(2,097)	736
June 2024 (R'000)	Impact on liabilities	Impact on profit after tax
Equity price -10% decrease		(364,740)
Equity price +10% increase		(409,405)
Interest rate -1% decrease*	942	(10)
Interest rate +1% decrease*	(942)	10

* "Includes a combination of government bonds subject to interest rate sensitivity and financial liabilities held at amortised cost also sensitive to interest rate changes. The changes in interest rates have a opposite implication on the profit after tax".

Material Accounting Policies

for the year ended 30 June 2025

1. INTRODUCTION

The Group adopted the following policies in preparing its consolidated and separate Annual Financial Statements.

2. BASIS OF PREPARATION OF THE STATEMENTS

The consolidated and separate Annual Financial Statements (hereafter referred to as Annual Financial Statements) have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the Companies Act. These Annual Financial Statements have been prepared on the historical cost basis, as modified by the revaluation of owner-occupied properties, financial assets (except for financial assets at amortised cost), financial liabilities and the valuation of insurance and reinsurance contracts. The Directors are of the opinion that the Group and Company are financially sound and operates as a going concern. The Group and Company Annual Financial Statements have, accordingly, been prepared on this basis.

The preparation of Annual Financial Statements in accordance with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Group's accounting policies. There are areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Annual Financial Statements.

The accounting policies and basis of preparation for the financial statements are in all material respects consistent with those applied in the 2024 Annual Financial Statements apart from the adoption of new IFRS Accounting Standards that are applicable at the beginning of the 2025 financial year.

All amounts in the notes are shown in thousands of Rand, rounded to the nearest thousand, unless otherwise stated.

The following new or revised IFRS Accounting Standards and interpretations have been applied in the 2025 financial year: Standards and amendments that are effective 1 January 2024:

- Amendment to IAS 1 Presentation of financial statements (classification of liabilities as current or non-current);
- Amendments to IAS 1 Presentation of financial statements (non-current liabilities with covenants);
- Amendments to IFRS 16 Leases (sale and leaseback);
- Amendments to IAS 7 Statement of cash flows and IFRS 7 Financial instruments: Disclosures (on supplier finance arrangements).

Other IFRS Accounting Standards and amendments that are not yet effective and have not been adopted early include:

Standard/interpretation	Effective date	Expected impact
Amendments to IAS 21 <i>The effects of changes in foreign exchange rates (on lack of exchangeability)</i>	Financial periods beginning on or after 1 January 2025	The Group does not expect any impact.
IFRS 18 <i>Presentation and disclosure in financial statements</i>	Financial periods beginning on or after 1 January 2027	The Group is currently assessing the impact of IFRS 18 and is not expecting its implementation to impact results, but to result in a change to the face of the Statement of Profit or Loss and Other Comprehensive Income, as well as additional disclosures.
IFRS 19 <i>Subsidiaries without public accountability: Disclosures</i>	Financial periods beginning on or after 1 January 2027	The Group does not expect any impact.
Amendments to IFRS 7 and IFRS 9 related to the <i>Classification and measurement of financial instruments as well as clarifying derecognition of financial asset or financial liability when settled through electronic payment systems</i>	Financial periods beginning on or after 1 January 2026	The Group is currently assessing the impact of the amendments to IFRS 7 and IFRS 9 and expects to be impacted by this amendment.

Material Accounting Policies *continued*

3. BASIS OF CONSOLIDATION

The Group Annual Financial Statements consolidate the Annual Financial Statements of the Company and its subsidiaries.

Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

3.1 Investment in Subsidiaries

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The cost of an acquisition transferred includes the fair value of any asset or liability resulting from a contingent consideration agreement. Acquisition-related costs are expensed as incurred. Identifiable assets and liabilities acquired and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as Goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the SOCI.

The Group recognises any non-controlling interest either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Total comprehensive income is attributed to the equityholders of the Group and to the non-controlling interest shareholders based on their percentage shareholding, even if this results in the non-controlling interest shareholders having a deficit balance.

Intra-group transactions, balances and unrealised gains on intra-group transactions are eliminated. Unrealised losses are also eliminated.

Interest in subsidiaries in the Company's Annual Financial Statements are valued at cost less any impairments. When the Group ceases to have control or significant influence, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in Other Comprehensive Income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in Other Comprehensive Income are reclassified to profit or loss.

3.1.1 Goodwill and Goodwill impairment

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). After initial measurement, goodwill is carried at cost less accumulated impairment losses.

Goodwill is not amortised but is reviewed for impairments at least once annually. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's Cash-generating units (CGU) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

An impairment loss is recognised when the carrying amount of the CGU exceeds its recoverable amount, being the higher of value in use and the fair value less costs to sell. Impairment losses are allocated first to reduce the carrying amount of any goodwill allocated to a CGU and then to reduce the carrying amount of other assets on a pro rata basis. Impairment losses are recognised in operating expenses in the SOCI and are not subsequently reversed.

3.1.2 Bargain purchase gain

The bargain purchase gain is measured as the amount by which the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed, measured at fair value, exceeds the aggregate of the consideration transferred, measured in accordance with IFRS 3.

Material Accounting Policies *continued*

3.2 Accounting for Transactions under Common Control

Common control transactions are business combinations in which all of the combining entities (subsidiaries) are ultimately controlled by the same party before and after the transaction, and the control is not transitory. These transactions are accounted for at predecessor values. Predecessor values are considered to be the book value of assets and liabilities acquired as accounted for in the Annual Financial Statements of the highest entity under common control and the Group does not restate assets and liabilities to their fair values. Instead the Group incorporates the assets and liabilities at the amounts recorded in the books of the combined entities.

The cost of an acquisition of a subsidiary under common control is measured as the book value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Costs directly attributable to the acquisition are recognised in profit or loss. No goodwill arises in predecessor accounting. The difference between the cost of the acquisition and the predecessor value of the net assets acquired is taken to equity and disclosed as a common control reserve or deficit.

The Annual Financial Statements incorporate the combined companies' results as if the companies had always been combined. Consequently under predecessor accounting, the Annual Financial Statements reflect both companies' full year results even though the business combination may have occurred part way through the year.

4. FOREIGN CURRENCIES

The Group's presentation and functional currency is South African Rand (ZAR).

Transactions in foreign currencies are translated into the functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies different to the functional currency at the SOFP date are translated into the functional currency at the SOFP date at the ruling rate at that date. Foreign exchange differences are recognised in profit or loss.

5. INTANGIBLE ASSETS

Research costs – being the investigation undertaken with the prospect of gaining new knowledge and understanding, are recognised in profit or loss as they are incurred. Development costs – costs that are clearly associated with an identifiable system, which will be controlled by the Group and have a probable benefit exceeding the cost beyond one year, are recognised as an asset. Development expenditure is capitalised only if the development costs can be measured reliably, completion of the development of the software is technically and commercially feasible, the Group intends to demonstrate that the intangible asset will be used to generate future economic benefits, the Group intends to and has sufficient resources to complete development and to use the asset and the Group can demonstrate the ability to use or sell the intangible asset. These costs comprise all directly attributable costs necessary to create, produce and prepare the asset for its intended use, such as costs of materials and employee services used or consumed in generating the intangible asset.

The Group recognises, separately from goodwill, the identifiable intangible assets acquired in a business combination.

5.1 Amortisation

Computer software development costs are amortised in the SOCI on a straight-line basis at rates appropriate to the expected life of the asset. Amortisation of computer software commences from the date the intangible asset becomes available for use. As the software costs are proprietary and specific to the Group operations, no residual value is estimated. The useful lives are assessed on an annual basis.

Computer software costs recognised as intangible assets are amortised over the useful lives, which do not exceed 5 years.

Intangible assets acquired as part of business combinations are amortised over their remaining useful lives determined on the acquisition date.

Please refer to note 33 and 34 for the useful lives of intangible assets acquired as part of business combinations in the current year.

5.2 Impairment

Intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Material Accounting Policies *continued*

6. PROPERTY AND EQUIPMENT

Equipment is stated at cost less accumulated depreciation and impairment losses. Repairs and maintenance, which neither materially adds to the value of assets nor appreciably prolong their useful lives, are recognised in the SOCI.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the SOCI during the financial period in which they are incurred.

When significant components of equipment have different useful lives, those components are accounted for and depreciated as separate items.

Land and buildings held for use for administrative purposes are classified as owner-occupied properties and stated at fair value, determined from market-based evidence by appraisals which for material properties is undertaken by professional valuers, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed at least once every year to ensure that the carrying amount does not differ materially from that which would be determined using fair values at the SOFP date. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

Increases in the carrying amount arising on revaluation of land and buildings are credited to the revaluation surplus in shareholders' equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the SOCI.

General and specific borrowing costs directly attributable to the acquisition and construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in the SOCI in other operating income or operating expenses. When revalued assets are sold, the amounts included in the revaluation surplus are transferred to retained earnings.

6.1 Depreciation

Depreciation is recognised in the SOCI on a straight-line basis at rates appropriate to allocate their costs or revalued amounts to their residual values over their estimated expected useful lives. Depreciation is calculated on the cost less any impairment and taking into account expected residual value. The estimated useful lives result in the depreciation rates applied which are as follows:

Computer equipment and purchased computer software	20% – 33.33%
Furniture and equipment	10% – 50%
Motor vehicles	25%
Leasehold improvements	The lease term or useful life, whichever is the shorter period
Buildings	2.5%
Solar panels	5%

The residual values and useful lives are reassessed on an annual basis. Land is not depreciated.

Where the estimated residual value (based on historical trends and future expectations with regard to property values) exceeds the current carrying amount, the assets' depreciation charge for the period is zero.

Items of plant and equipment acquired as part of business combinations are amortised over their remaining useful lives determined on the acquisition date.

6.2 Impairment

Property and equipment which is subject to depreciation is assessed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

7. INVENTORIES

Inventories (which include vouchers, sim cards and IFA marketing materials) are measured at the lower of cost and net realisable value. The cost of inventory is determined using the weighted average method. Cost comprises direct materials and, where applicable, overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

8. FINANCIAL INSTRUMENTS

8.1 Financial Assets

8.1.1 Classification

The classification of financial assets depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss (FVPL); and,
- those to be measured at amortised cost.

(i) Classification of financial assets at amortised cost:

The Group classifies its financial assets at amortised cost only if both of the following criteria are met:

- The asset is held within a business model whose objective is to collect the contractual cash flows; and,
- The contractual terms give rise to cash flows that are solely payments of principal and interest.

(ii) Classification of financial assets at fair value through profit or loss.

The Group classifies the following financial assets at "FVPL":

- Debt investments that do not qualify for measurement at either amortised cost or Fair Value through Other Comprehensive Income (FVOCI);
- Equity investments;
- Assets designated at FVPL; and,
- Debt instruments that are held for trading.

Under these criteria, the main classes of financial assets at FVPL are promissory notes and fixed deposits, funds on deposit, fixed interest securities, government and public authority bonds, listed equity securities and unlisted equity securities.

For promissory notes backing guaranteed and linked investment contracts an accounting mismatch between the financial assets and the financial liabilities is avoided through the designation of these assets as "FVPL" in terms of paragraph 4.1.5 of IFRS 9. The liability is designated at "FVPL" in line with the basis on which these are managed.

Assets included in the Melville Douglas Portfolios include listed Equities, Exchange Traded Funds, Fixed Interest Instruments, Money Market Instruments and Mutual Funds. Neither the criteria for measurement at "amortised cost" ("business model" and "SPPI" tests) nor the criteria for "fair value measurement through Other Comprehensive Income" have been met for the assets held within the Melville Douglas Portfolios backing the unitised Investment Policies. These assets within the Melville Douglas Portfolio are held for sale and are therefore measured at "FVPL".

(iii) Classification of trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore classified as current. Trade receivables are initially recognised at the amount of consideration that is unconditional, unless they contain significant financing components, subject to which they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies and the calculation of the loss allowance are provided in the credit risk note as part of Risk Management on pages 115 to 120.

Material Accounting Policies *continued*

8.1.2 Initial measurement

Purchases and sales of financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are initially recognised as follows:

- Fair value through profit or loss – at fair value. Transaction costs are expensed;
- Amortised cost – measured initially at its fair value, net of transaction costs incurred; and,
- Trade receivables – at fair value plus transaction costs that are directly attributable to their acquisition.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or where they have been transferred and the Group has also transferred substantially all the risks and rewards of ownership.

8.1.3 Subsequent measurement

Financial assets at FVPL

Financial assets which are designated or mandatorily classified at FVPL are subsequently measured at fair value and the fair value adjustments are recognised in profit or loss.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date. Fair values for quoted financial assets are based on the quoted closing prices at the close of business on the last trading day on or before the SOFP date. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions. If a quoted price is not available in an active market the fair value is estimated using the repurchase price for unit trusts or discounted cash flow techniques for other financial instruments.

Financial assets held at amortised cost

Subsequent to initial recognition financial assets are carried at amortised cost using the effective interest rate method less any required “expected credit losses (ECL)”.

Trade receivables

Subsequent to initial recognition trade receivables, are held with the objective to collect contractual cash flows and are therefore measured at amortised cost using the effective interest rate method less any required ECL.

8.1.4 Impairment model (Expected credit losses)

The Group assesses the ECL associated with its debt instruments carried at amortised cost and financial guarantees incorporating forward looking information. The impairment methodology applied depends on whether there has been a significant increase in credit risk, which is indicated by, inter alia a deterioration in the counterparty risk or a repayment default by a counterparty. “The probability of default and the loss given default factors are used to determine the ECL.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Material Accounting Policies *continued*

8.2 Financial liabilities

8.2.1 Financial liabilities at FVPL

The Group issues contracts with guaranteed terms which include a guaranteed endowment policy with a term of five years with a guaranteed value at maturity (“Guaranteed Growth Plan”) and a guaranteed annuity product with 60 equal monthly payments and a guaranteed value at maturity (“Income Plan”). The Group also issues linked endowment contracts with terms of five years where the value at maturity is linked to the underlying investment performance. These contracts are recognised on initial recognition at fair value. Subsequently, these contracts are measured at fair value which is determined by discounting the monthly payments and maturity values. The monthly payments and maturity values are discounted at the risk-free rate with an adjustment for credit risk where appropriate. Any initial profit on recognition is subsequently recognised as costs to provide investment management services are incurred.

The Group at initial recognition irrevocably chose to measure these liabilities at FVPL as these liabilities are managed and their performance evaluated on a fair value basis as it significantly reduces the measurement and/or recognition inconsistency that would arise from measuring the financial assets on a different basis. The liability is therefore measured at FVPL in order to match the asset.

The Group further issues recurring premium savings policies. This contract is recognised on initial recognition at fair value, which is the transaction price. Subsequently, these contracts are measured at fair value which is determined by the discounted expected future cash flows, but where higher, limited to be no less than the on-demand surrender value.

8.2.2 Financial liabilities at amortised cost

Financial liabilities are carried at amortised cost using the effective interest method.

8.2.3 Loans at amortised cost

Loans at amortised cost are initially measured at fair value, net of transaction costs incurred. Loans are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the SOCI over the period of the loan using the effective interest method.

Financial liabilities are derecognised when the obligation to settle the liabilities has expired.

8.2.4 Contract modifications

Where an existing financial liability is replaced by another with the same counterparty on substantially different terms, or the terms of an existing financial liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the rerecognition of a new liability at fair value, with the difference in the respective carrying amounts being recognised as a movement in ECL in profit or loss.

In assessing whether a financial liability was substantially modified, the Group performs a quantitative assessment to determine if the terms were substantially modified.

9. DIVIDEND DISTRIBUTION

Dividend distributions to the Group’s shareholders are recognised in the Statement of Changes in Equity when declared and, if not paid then, as a liability in the Annual Financial Statements in the period in which the dividends are approved by the Group’s Directors.

10. IFRS 17 ‘INSURANCE CONTRACTS’

10.1 Introduction

The Group continues to apply IFRS 17 Insurance Contracts, which replaced IFRS 4 and became effective for annual reporting periods beginning on or after 1 January 2023. This is the second year of application, following the full retrospective adoption and restatement of comparative figures in the prior year. During the current reporting period, the Group has refined its application of IFRS 17, with enhancements made to both the underlying assumptions and the related disclosures. These refinements reflect the Group’s ongoing efforts to improve the accuracy, transparency, and consistency of its financial reporting in accordance with IFRS 17. The accounting policies, in alignment with IFRS17, are set out below:

10.2 Classification

The Group applies IFRS 17 – Insurance Contracts to insurance contracts it issues, reinsurance contracts it holds and investment contracts with discretionary participation features it issues. Investment contracts without discretionary participation features (with or without investment management services) fall within the scope of IFRS 9 – Financial Instruments.

Material Accounting Policies *continued*

All references to insurance contracts in these accounting policies apply to insurance contracts issued or acquired, reinsurance contracts held, and investment contracts with discretionary participation features issued, unless specifically stated otherwise. All references to insurance contracts issued in these accounting policies apply to insurance contracts excluding reinsurance contracts held.

A contract is classified as an insurance contract where the Group provides insurance coverage by accepting significant insurance risk when agreeing with the policyholder to pay benefits if a specified uncertain future event (the insured event) adversely affects the policyholder or other beneficiary. Significant insurance risk is assessed on a contract level and exists where there is at least one scenario of commercial substance in which the insured event results both in significant additional payments and also in an overall loss to the Group on a present value basis.

In the normal course of business, the Group uses reinsurance to mitigate its risk exposures. A reinsurance contract held transfers significant risk if it substantially transfers all the insurance risk resulting from the reinsured portion of the underlying insurance contracts, even if it does not expose the reinsurer to the possibility of a significant loss.

Once a contract has been classified as an insurance contract, the classification remains unchanged for the remainder of its lifetime, even if the insurance risk reduces significantly during the coverage period, unless the terms of the contract are modified.

Contracts that have a legal form of insurance but do not transfer significant insurance risk and expose the Group to financial risk are classified as investment contracts and follow financial instruments accounting under IFRS 9. Investment contracts without direct participation features issued by the Group fall under this category.

Other investment contracts issued by the Group contain direct participation features, whereby the investor has the right and is expected to receive, as a supplement to the amount not subject to the Group's discretion, potentially significant additional benefits based on the return of specified pools of investment assets. The Group accounts for these contracts under IFRS 17.

The Group issues certain insurance contracts that are substantially investment-related service contracts where the return on the underlying items is shared with policyholders. Underlying items comprise specified portfolios of investment assets that determine amounts payable to policyholders. The Group's policy is to hold such investment assets in accordance with IFRS 9.

An insurance contract with direct participation features is defined by the Group as one which, at inception, meets the following criteria:

- The contractual terms specify that the policyholders participate in a share of a clearly identified pool of underlying items;
- The Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- The Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

Investment components in savings and participating products comprise policyholder account values less applicable administration and surrender fees.

The Group uses judgement to assess whether the amounts expected to be paid to the policyholders constitute a substantial share (65%-75%) of the fair value returns on the underlying items.

Insurance contracts with direct participation features are viewed as creating an obligation to pay policyholders an amount that is equal to the fair value of the underlying items, less a variable fee for service. The variable fee comprises the Group's share of the fair value of the underlying items, which is based on a fixed percentage of investment management fees (withdrawn annually from policyholder account values based on the fair value of underlying assets and specified in the contracts with policyholders) less the Fulfilment Cash Flows ("FCF") that do not vary based on the returns on underlying items. The measurement approach for insurance contracts with direct participation features is referred to as the Variable Fee Approach ("VFA"). The VFA modifies the accounting model in IFRS 17 (referred to as the General Measurement Model ("GMM")) to reflect that the consideration an entity receives for the contracts is a variable fee.

Material Accounting Policies *continued*

Insurance contracts are allocated to the following lines of business and measurement models for the disclosure of amounts related to these contracts in the notes to the financial statements:

Type of insurance	Line of business	IFRS 17 measurement model	Products
Life insurance – Risk business	Whole of life risks business without direct participation features	GMM	Life products Funeral products Accidental Death Accidental Disability Accidental Death – Cash Back Accidental Disability – Cash Back Hospital Cover – Cash Back
	Term life risks business without direct participation features (long boundary)	GMM	Health Event Life Plans
	Term life risks business without direct participation features (short boundary) Micro-Insurance	Premium allocation approach (PAA)	Emergency Evacuation Strategic Affiliate Products Credit Life Funeral Products
Life insurance – Savings business	Savings business with direct participation features	VFA	Savings Classic Saver & Accidowment Saver and Protector
Short-term insurance	Personal and business lines insurance contracts without direct participation features	PAA	Legal insurance
Life risk – reinsurance contracts held	Term life – risk premium reinsurance	GMM	Proportionate Cover (Quota Share and Surplus Reinsurance) Non-Proportionate coverage (Excess of Loss Reinsurance)

The Group does not have any reinsurance contracts issued to compensate another entity for claims arising from one or more insurance contracts issued by that other entity.

Life insurance – Risk business

The default accounting model applied to insurance contracts for liability measurement purposes is the GMM, unless the VFA or PAA applies. The PAA is a modification of the GMM that allows the use of a simplified approach for measuring the insurance contract liabilities for certain eligible types of contracts. Insurance contracts measured in accordance with the GMM and PAA are referred to as insurance contracts without direct participation features.

The Group applies the VFA to insurance contracts with direct participation features.

Clientèle Life Insurance issues various insurance contracts that, while not meeting the definition of direct participation features under IFRS 17, do incorporate discretionary participation features (DPF). The Group issues The Domestic Plan which does not include direct participation features, however the group performs investment activity to generate an investment return included in an investment component or amount the policyholder has a right to withdraw. The Domestic Plan is a comprehensive plan that includes various products (Funeral, Health, Accidental Death, Accidental Disability and Savings products across lines of business. The products included within the Domestic Plan are sold as individual products by the Group, premiums are separably identifiable for each of the products, and each product is priced on a risk bases in isolation. The investment components implicit within these insurance contracts have been determined to be distinct and are as a result separated from the insurance contracts, and scoped into IFRS 9. Refer to the note on significant estimates and judgments made in separation of IFRS 9 components.

Material Accounting Policies *continued*

Clientèle, 1Life and Emerald's main Life insurance – Risk contracts are as follows:

- Whole life, Funeral insurance products (“funeral products”) are whole of life products with benefits which are payable upon defined events, for example, death, measured in accordance with the GMM;
- Whole life, final benefits products (“whole life products”) with benefits which are payable upon defined events, for example death or disability, measured in accordance with the GMM;
- Whole life, cash-back products (“cash-back products”) are whole life final benefits products with benefits which are payable upon defined events, for example death, disability or dread disease and include a return of either one year’s or six months premiums every five years, measured in accordance with the GMM;
- Credit life product measured in accordance with the PAA;
- Funeral insurance contracts written on Micro-Insurance licence, measured in accordance with the PAA; and
- Health insurance products measured in accordance with the GMM:
 - Commencing before 1 April 2018 – Hospital insurance products (“hospital products”) with a “cash-back” element are whole life products with benefits payable on defined events, for example hospitalisation or accidental disability and include a return of six months premiums every five years, measured in accordance with the GMM;
 - Commencing after 1 April 2018 – Health Event Life Plans (“H.E.L.P. products”), are annually renewable products with benefits on defined life events, for example hospitalisation, accidental death, accidental disability and dread disease benefit, measured in accordance with the GMM; and
- Emergency Evacuation product measured in accordance with the PAA.
- Reinsurance contracts held providing proportionate coverage (such as quota share or surplus reinsurance) or non-proportionate coverage (such as excess of loss reinsurance) are measured in accordance with the GMM.

Life insurance – Savings business

Clientèle Life issues market-related savings products (“market-related products”) with risk benefits, for example accidental death or disability. These products have an investment account which is built up based on the allocated portion of premiums and market returns in the form of income and growth less expenses and tax; benefits are paid upon defined events, such as death, surrender or maturity of the product.

The accounting model applied to these insurance contracts for liability measurement purposes is the VFA. The VFA modifies the default measurement model in IFRS 17 (GMM) to reflect that the consideration the Group receives for the contract is a variable fee. Sections 4.3 and 4.4 provide further details on the measurement of the variable fee. The Group uses judgement in determining the eligibility of contracts for the VFA.

Investment components related to insurance contracts measured in accordance with the VFA are determined based on the contractual amounts payable on death, surrender or maturity, net of any relevant exit or surrender charges.

Clientèle Life does not apply the risk mitigation approach for contracts measured in accordance with the VFA.

Non-life Insurance

Clientèle General's Short-term insurance contracts are personal lines and business lines legal policies with risk benefits to cover individual persons and SMME categories for civil, criminal and labour related matters. Certain personal lines contracts also include accidental death benefits. These contracts are monthly renewable contracts and are measured by applying the PAA.

There are no reinsurance contracts held for Legal insurance products.

10.2.1. Separation of components

Distinct components are separated from the insurance contract and accounted for in accordance with the relevant IFRS Accounting Standard. The examples of distinct components in the Group are covered below:

- Distinct investment components are accounted for in accordance with IFRS 9 unless it is deemed a non-distinct investment component such as some non-participating risk and savings business issued in Clientèle Life where the investment components are not highly interrelated with the insurance components because the value of the investment components can be measured without considering the value of the insurance components, and the policyholders can surrender the investment components without lapsing the insurance cover; and
- Distinct goods or services other than insurance contract services are accounted for in accordance with IFRS 15 – Revenue from contracts with customers. The separation of these distinct goods or services from insurance contracts accounted for under IFRS 17 is not material for the Group.

10.2.2. Aggregation (including unit of account)

The lowest unit of account explicitly mentioned in IFRS 17 is the contract, and therefore the Group has assumed that an insurance arrangement with the legal form of a single contract would generally be considered a single unit of account. However, there might be certain cases where the legal form of a contract does not reflect the substance. Insurance contracts which cover multiple insurance risks can be separated into separate contracts for measurement purposes where the Group has applied judgement to assess that the legal form of the insurance contract does not reflect the substance and separation is required.

The Group manages insurance contracts issued by product lines within a distribution channel, where each product line includes contracts that are subject to similar risks. All insurance contracts within these similar risks represent a portfolio of contracts and are managed together.

Each portfolio is disaggregated into annual cohorts (i.e., by year of issue), with each annual cohort being further disaggregated into three groups based on the profitability of contracts:

- (i) contracts that are onerous at initial recognition;
- (ii) contracts that at initial recognition have no significant possibility of becoming onerous subsequently; and
- (iii) any remaining contracts in the annual cohort.

These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. Such groups are not subsequently re-assessed.

Certain product lines, such as our HELP product, which fall under the Demarcation Regulations, are priced on a group basis. The profitability assessment is applied against the combined group and pricing is not adjusted for different ages which could pose different risks.

In addition, products that fall under PAA, will be allocated IFRS 17 Groups on a similar basis to that of HELP products, where no profitability bucket is required.

Reinsurance contracts held

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. Applying the same grouping requirements as insurance contracts to reinsurance contracts held, the Group aggregates reinsurance contracts held concluded within a financial year (annual cohorts) into groups of:

- (i) net gain;
- (ii) net cost; and
- (iii) remaining contracts in the annual cohorts.

The Group uses judgement in identifying portfolios and assessing the appropriate level at which reasonable and supportable information is available to determine the groups of insurance contracts based on expected profitability at initial recognition.

Refer to the note on significant estimates and judgments made in the aggregation of Insurance and Reinsurance Contracts.

10.3. Explanation of recognised insurance amounts in profit or loss

This section describes how amounts related to insurance contracts are presented and disclosed in the Group's Annual Financial Statements. The insurance service result is equal to the sum of:

- Insurance revenue (section 10.3.1);
- Insurance service expenses (section 10.3.2); and
- Income or expenses from reinsurance contracts (section 10.3.3).

The net insurance and investment result is equal to the sum of the:

- Insurance service result;
- Insurance (and reinsurance) finance income or expenses (section 3.4); and
- Investment returns on assets held in respect of insurance contracts.

Material Accounting Policies *continued*

10.3.1 Insurance revenue

Insurance revenue represents the changes in the liability for remaining coverage over the period for a group of insurance contracts excluding changes in the liability that do not relate to services expected to be covered by the consideration received. The consideration received refers to the amount of premiums paid to the Group, adjusted for the discounting effect and excluding any investment components. The amount of insurance revenue recognised in the reporting period depicts the delivery of promised services at an amount that reflects the portion of premiums the Group expects to be entitled to in exchange for those services.

For insurance contracts issued not measured in accordance with the PAA, the total consideration for a group of contracts covers the following amounts:

- expected claims and administration expenses incurred in the period (excluding amounts allocated to the loss component and repayments of investment components);
- amounts of the CSM recognised in profit or loss for the services provided in the period;
- release of the Risk Adjustment for risk expired (excluding amounts allocated to the loss component);
- amounts related to income tax that are specifically chargeable to policyholders;
- experience adjustments arising from premiums received related to current (or past) service, including related cash flows such as insurance acquisition cash flows; and
- amortisation of insurance acquisition cash flows for groups of insurance contracts measured in accordance with the GMM or the VFA.

For contracts measured in accordance with the PAA, insurance revenue for the year is the amount of expected premium receipts allocated to the period based on the passage of time. However, if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then insurance revenue for the period is allocated on the basis of the expected timing of incurred insurance service expenses.

10.3.2 Insurance service expenses

The following amounts are recognised in insurance service expenses:

- incurred claims and expenses incurred (excluding amounts allocated to the loss component and repayments of investment components);
- experience adjustments arising from incurred claims and expenses;
- changes in liability for incurred claims related to past service;
- actual insurance acquisition cash flows on insurance contracts measured in accordance with the PAA;
- amortisation of insurance acquisition cash flows for groups of insurance contracts measured in accordance with the GMM or the VFA, or where businesses elect to include insurance acquisition cash flows in the liability for remaining coverage in accordance with the PAA; and
- changes that relate to future service relating to the loss component (LC):
 - (i) initial losses on onerous groups of insurance contracts issued recognised in the period; and
 - (ii) increases and reversals of losses on onerous groups of insurance contracts issued.

The expenses only relate to cash flows that are directly attributable to the fulfilment of the insurance contracts issued.

10.3.3 Income or expenses from reinsurance contracts

The Group presents financial performance of groups of reinsurance contracts held on a net basis in net income (expenses) from reinsurance contracts held, comprising the following amounts:

- a. reinsurance expenses;
- b. incurred claims recovery, excluding investment components reduced by loss-recovery component allocations;
- c. other incurred directly attributable expenses;
- d. changes that relate to past service – changes in the FCF relating to incurred claims recovery;
- e. effect of changes in the risk of reinsurers' non-performance; and
- f. amounts relating to accounting for onerous groups of underlying insurance contracts issued:
 - (i) income on initial recognition of onerous underlying contracts;
 - (ii) reinsurance contracts held under the GMM: reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held; and
 - (iii) reinsurance contracts held under the GMM: changes in the FCF of reinsurance contracts held from onerous underlying contracts.

Material Accounting Policies *continued*

Reinsurance expenses are recognised similarly to insurance revenue. The amount of reinsurance expenses recognised in the reporting period depicts the transfer of received insurance contract services at an amount that reflects the portion of ceding premiums that the Group expects to pay in exchange for those services.

For contracts not measured under the PAA, reinsurance expenses comprise the following amounts relating to the changes in the remaining coverage:

- a. claims and other directly attributable expenses recovered in the period, measured at the amounts expected to be incurred at the beginning of the period, excluding:
 - amounts allocated to the loss-recovery component;
 - repayments of investment components; and
 - amounts related to the risk adjustment for non-financial risk (see (b));
- b. changes in the risk adjustment for non-financial risk, excluding:
 - changes included in finance income (expenses) from reinsurance contracts held;
 - changes that relate to future coverage (which adjust the CSM); and
 - amounts allocated to the loss-recovery component;
- c. amounts of the CSM recognised for the services received in the period; and
- d. experience adjustments – arising from premiums paid in the period other than those that relate to future service.

For groups of reinsurance contracts held measured under the PAA, the Group recognises reinsurance expenses based on the passage of time over the coverage period of a group of contracts.

10.3.4 Insurance (and reinsurance) finance income and expense

The effect of and changes in the time value of money and financial risk form part of the insurance finance income and expenses.

The Group elected to disaggregate insurance finance income or expenses between profit or loss and Other Comprehensive Income. The amount of insurance finance income or expenses in profit or loss is the impact of the change in the closing balances taking into account the change in the expense inflation yield curve. The amount of insurance finance income or expenses in Other Comprehensive Income is the change in closing balances for the change in the yield curve used to discount all cashflows.

Any benefit increases that are linked to inflation are processed through Other Comprehensive Income, however the Group does not link any benefit increases to an inflation curve. All benefit increases are assumed to be a flat increase.

The Group has not made any changes to the disaggregation of insurance finance income or expenses between profit or loss and Other Comprehensive Income during the current year.

The change in the yield curve is also applied to the Risk Adjustment and split between profit or loss and Other Comprehensive Income. The Group elected to split the movement in the Risk Adjustment between insurance service expense and insurance finance income or expense.

In case of transfer of a group of insurance contracts to a third party, or a contract modification, or derecognition of an insurance contract, any remaining amounts for the group (or contract) that were previously recognised in Other Comprehensive Income are recycled through profit or loss.

For a group of insurance contracts measured in accordance with the GMM, insurance finance income or expenses mainly comprises the following amounts:

- the unwind of interest on fulfilment cash flows, based on current discount rates;
- the accretion of interest on the CSM, based on locked-in discount rates; and
- the effect of changes in financial (economic) assumptions.

For a group of insurance contracts measured in accordance with the PAA, insurance finance income or expenses mainly comprises the following amounts (where relevant):

- the unwind of interest on the liability for incurred claims, based on current discount rates; and
- the impact on the liability for incurred claims of the effect of changes in economic assumptions.

For groups of insurance contracts measured in accordance with the VFA, the fair value returns on the underlying items are recognised in insurance finance income and expenses in profit or loss in the SOCI.

The amounts recognised in insurance finance income or expenses are determined on a 'gross basis' before any allowance for investment management expenses and policyholder taxation as these are accounted for as part of the fair value movements in financial assets.

Material Accounting Policies *continued*

10.3.5 Amortisation of insurance acquisition cash flows

Insurance acquisition cash flows are cash flows arising from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs.

Insurance acquisition cash flows are amortised in each reporting period on a systematic basis, based on the passage of time.

10.4. Measurement of insurance contracts

The Group measures insurance contracts by performing year-to-date estimates of the carrying amount of the asset or liability for a group of insurance contracts.

In the notes to the financial statements, the net carrying amount of the insurance contracts issued and reinsurance contracts held has been defined as the net insurance contract carrying amount (for insurance contracts issued) and the net reinsurance contract carrying amount (for reinsurance contracts held).

10.4.1. Recognition

A group of insurance contracts is recognised from the earliest of the following dates:

- The beginning of the coverage period of the group of contracts.
- The date when the first payment from a policyholder in the group becomes due.
- For a group of onerous contracts, the date when the group becomes onerous.

Investment contracts with direct participation features are recognised when the Group becomes party to the contract.

The Group recognises groups of reinsurance contracts held on the following date:

1. For reinsurance contracts held that provide proportionate coverage: on the date that any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held.
2. For reinsurance contracts held that provide non-proportionate coverage: at the beginning of the coverage period of the group of reinsurance contracts held.

10.4.2. Contract boundaries

The Group includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract issued if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay premiums or has a substantive obligation to provide the policyholder with insurance contract services.

Cash flows are within the boundary of an investment contract with direct participation features if they result from a substantive obligation of the Group to deliver cash at a present or future date.

A substantive obligation to provide services ends when the Group:

- has the practical ability to reassess the risks of a particular policyholder and as a result can change the price charged or the level of benefits provided for the price to fully reflect the new level of risk; or,
- performs the boundary assessment at a portfolio rather than individual contract level, and the following two criteria are both satisfied:
 - a) the Group has the practical ability to reprice the portfolio to fully reflect risk from all policyholders; and
 - b) the Group's pricing of the premiums up to the assessment date does not consider any risks beyond this date.

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

Material Accounting Policies *continued*

Contract boundaries for the different Clientèle Group products are as follows:

Type of insurance	Line of business	Products	Contract boundary
Life insurance – Risk business	Whole of life risks business without direct participation features.	Funeral Life Products Accidental Death Accidental Disability Accidental Death – Cash Back Accidental Disability – Cash Back Hospital Cover – Cash Back	These products have a long contract boundary based on the full policy term of the lives assured
	Term life risks business without direct participation features (long boundary)	Health Event Life Plans	Policy Term
	Term life risks business without direct participation features (short boundary)	Emergency Evacuation Strategic Affiliate Products Funeral (Micro-Insurance)	Contract Boundary of one year or less
Life insurance – Savings business	Savings business with direct participation features	Savings Classic Saver & Accidowment Saver and Protector	Full policy term. Some savings contracts have a fixed 20-year term, with the other savings contracts not specifying a set term. In addition, there is a process whereby paid-up policyholders are contacted when the policy reaches 20 years for the Group to pay the money to the client. Where there is a fixed maturity date, the term is extended past that date if the client has not elected to withdraw the amount on the policy.
Short-term insurance	Personal and business lines insurance contracts without direct participation features	Legal	1 month (guided by the notice period allowed to amend contract terms and conditions)

Reinsurance contracts held

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

The substantive rights and obligations of both parties will end if there is a unilateral right to cancel the reinsurance contract. The probability of the reinsurer repricing the contract can be allowed for when determining the fulfilment cash flows included in the contract boundary and is based on past business practice/experience where relevant. However, an allowance for the probability of the reinsurer cancelling the contract is not permitted when assessing the contract boundary. Based on the wording in the current reinsurance treaties, these treaties have long contract boundaries based on the underlying portfolios' boundaries.

Material Accounting Policies *continued*

10.4.3. Initial measurement

On initial recognition, the Group measures a group of insurance contracts as the total of the:

- fulfilment cash flows; and
- CSM.

For contracts that are measured in accordance with the VFA, the GMM model applies, except for the measurement of the CSM after initial recognition.

The PAA is a modification of the GMM that allows the use of a simplified approach for measuring the liability for remaining coverage for certain eligible types of contracts.

Fulfilment cash flows (FCF)

The FCF are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Group expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the time value of money and the uncertainty of timing and amount.

The projection of the future expected cashflows is modelled through Basys, our Actuarial Modelling software. In projecting the expected future cash flows, the Group incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date.

The expected future cash flows are adjusted to reflect the time value of money, these are based on actuarial assumptions applied to existing policyholder data at the measurement date. Actuarial assumptions are developed using various techniques based on the decrement or cashflow the Group is intending to model; these are intended to reflect a long-term outlook of future experience. Deriving assumptions for future experience relies on the analysis of internal historical experience, existing data and the extent to which other factors (i.e., factors such as judgement) can be applied. Where assumptions are significantly influenced by the commercial and economic environment, and wherever possible, these take into consideration future expected experience (i.e., current yield curves) to infer inflation.

This information includes both internal and external historical data about claims and other experience, updated to reflect current expectations of future events. All assumptions used in the projection of these cashflows are included in Basys and are set based on recent experience. Basys inputs are updated to include assumptions about the future, at the measurement date.

When estimating future cash flows, the Group includes all cash flows that are within the contract boundary and relate directly to the fulfilment of the contract, including:

- Premiums and related cash flows;
- Claims and benefits, including reported claims not yet paid, incurred claims not yet reported and expected future claims, as well as cash back payments;
- Payments to policyholders resulting from the surrender of an investment contract;
- An allocation of insurance acquisition cash flows attributable to the portfolio to which the contract belongs;
- Claims handling costs;
- Policy administration and maintenance costs, including recurring commissions that are expected to be paid to intermediaries; and
- An allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts.

The Group's expected claims are modelled using reinsurance rates. Reinsurance rates are used as a base due to the large volume of lives used in determining the rates, lending themselves to being reflective of the population and credible due to the size, nature and period of data collected.

The reinsurance rates are tested against the actual observed experience of the Group and where rates deviate significantly from the Group's experience, these are revised during the repricing exercise. There is ongoing monitoring, where actual to expected claims are assessed against the reinsurance rates, with outcomes of the assessments being presented and reviewed by various board sub-committees.

The investment component at a point in time, used to determine the surrender value, is the value of the unit fund in respect of a contract at that time.

The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows.

Material Accounting Policies *continued*

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

The Group uses consistent assumptions to measure the estimates of the present value of future cash flows for the group of reinsurance contracts held and such estimates for the groups of underlying insurance contracts.

Some reinsurance contracts held contain reinsurance experience refunds. Under these arrangements, there may be an amount refunded to the insurer based on agreed terms, where experience is better than expected. As our expected claims are modelled using the expected claims in the reinsurance tables, and these reinsurance tables assume zero experience refunds, only actual experience refunds received will be included in the actual cashflows. In addition, no expected reinsurance experience refunds will be allowed for in the expected cashflows.

According to the reinsurance treaties, the reinsurer is obligated to accept new business for a certain time period. These expected new cessions are included in the expected reinsurance cashflows based on the most recent months new business cashflows.

Insurance acquisition costs and expenses

Some departments include a mix of acquisition and maintenance costs. In this case, the Group splits the acquisition and maintenance costs by making use of key allocation drivers determined using a systematic and rational approach.

Directly attributable costs are costs that relate to the fulfilment of the insurance contract. The Group has used a systematic and rational method to allocate directly attributable insurance acquisition cash flows ("IACF") to a portfolio of insurance contracts. Directly attributable expenses have been linked at a portfolio level. The IACF that are directly attributable to a portfolio of contracts, but not to a group of contracts, are allocated to existing groups in the portfolio and future groups that are expected to become part of the portfolio.

There are fixed and variable overheads (such as the costs of accounting, human resources, information technology and support, building depreciation, rent, maintenance and utilities) directly attributable to fulfilling insurance contracts. The split of the directly attributable cost is calculated on a systematic and rational basis to allocate the costs to portfolio of insurance contracts.

Non-directly attributable expenses are recognised as incurred outside of the insurance service result. Non-directly attributable expenses are disclosed under "operating expenses" and impact profits and losses.

Discount rates

The estimates of future cash flows are adjusted to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of future cash flows. The Group applies discount rates, that include the effect of inflation, to nominal cash flows (i.e., those cash flows that also include the effect of inflation, where relevant).

The discount rates applied to the estimates of the future cash flows:

- reflect the time value of money, the characteristics of the cash flows and the liquidity characteristics of the insurance contracts;
- are consistent with observable current market prices (if any) for financial instruments with cash flows whose characteristics are consistent with those of the insurance contracts, in terms of, for example, timing, currency and liquidity; and
- exclude the effect of factors that influence such observable market prices, but do not affect the future cash flows of the insurance contracts.

In order to set the discount rates to be used, the Group first obtains the liquid risk-free yield curve from the Prudential Authority ("PA"), and then subsequently allow for a Liquidity Risk Premium ("LRP") adjustment to the yield curve.

Insurance contracts are divided into four liquidity buckets based on their liquidity characteristics:

- Fully liquid;
- Moderately liquid;
- Partially liquid; or
- Fully illiquid.

Material Accounting Policies *continued*

In assigning insurance contracts into liquidity buckets, the Group considers the following items:

- a) In respect of the period before the occurrence of the insured event:
 - The size of the liability or asset share at the average duration that contracts remain in force i.e. cumulative build-up of net cash flows and interest thereon;
 - Whether the contract provides an exit value;
 - The cost to the policyholder to obtain an exit value;
 - The frequency with which a policyholder can obtain an exit value;
 - The average outstanding duration for contracts remaining in force; and
 - The predictability of cashflows under the contract.
- b) In respect of the period after the occurrence of the insured event:
 - The time to full settlement of a claim following the insured event.

Given that the risk products have a very low level of reserve and asset share build-up, as premium increases allow for the increase in risk cost, the analysis above determined that all products within the Group are deemed to be fully liquid, and thus the Group does not need to add a Liquidity Risk Premium.

In order to run Contract Recognition, the Group makes use of the PA liquid risk-free yield curve as at the reporting date, which would be adjusted for the LRP, if needed, to determine the profitability of each policy, and thus set the IFRS 17 group per policy. For the setting of the discount rates for each month's new business the Group makes use of the yield curve as at the end of the reporting period.

For the locked-in rates for each financial year, the Group makes use of a weighted average yield curve, where the curve will be weighted using the policy counts per month per IFRS 17 group. This is because it is believed that this will not be materially different from using the individual months curves.

Economic assumptions

All economic assumptions will be set using the PA curves as the base, but with the following adjustments:

- The non-unit return curve is set as the risk-free curve, and then subsequently allow for a Liquidity Risk Premium ("LRP") adjustment to the yield curve, as covered in the discount rates section;
- The unit return curve is set as the risk-free curve, with no adjustment for the LRP; and
- The inflation curve is the difference between the nominal curve and the real return curve.

Risk adjustment for non-financial risk

The Risk Adjustment for non-financial risk is applied to the estimated future cash flows and reflects the compensation the Group requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Group fulfils insurance contracts.

The Board has created and approved the Risk Management strategy which includes the risk tolerance statement and the explicit risk level the Group accepts when writing new business. The regulatory requirement in the own risk and solvency assessment ("ORSA"), is a 99.5% confidence interval, based on a 1 in 200-year event. The Group moved from a 1 in 200-year to a 1 in 7-year event, based on the Group's historical experience, which is more conservative than the ORSA requirement. The Group has therefore recalibrated the ORSA requirement to land at an 85% confidence interval, based on the Group's risk appetite. The Group's Risk appetite statement works on the principle that the Group would accept a maximum reduction of 30% in Embedded Value ("EV") based on a 1 in 7-year (or 85% percentile) event. If the risk is greater than 30%, the Group would require additional risk premiums, or it will not accept the business. If the risk of a reduction in EV is significantly higher than 30%, the Group would not be able to make its targeted profits and would look to decrease its accepted risk.

The main risk items in our products are interest rate risk, which is excluded from Risk Adjustment, claims (risk benefits) risk and persistency risk. By creating a Risk Adjustment measure using the claims risk and persistency risk explicitly, the Group will cover all material non-financial risks to measure the effect of uncertainty in the cash flows that arise from insurance contracts, other than uncertainty arising from financial risk. An allowance is also made for expense risk.

Operational risk is excluded from the Risk Adjustment.

The methodology for applying the Risk Adjustment is consistent between all approaches, being the GMM, the VFA and the PAA approaches.

Material Accounting Policies *continued*

Reinsurance contracts held

The measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued, except for the following:

- Measurement of the cash flows include an allowance for the risk of reinsurer non-performance; and
- The Group determines the Risk Adjustment for non-financial risk so that it represents the amount of risk being transferred to the reinsurer.

Where the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, it establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses.

The Group calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Group expects to recover from the group of reinsurance contracts held. The loss-recovery component adjusts the carrying amount of the asset for remaining coverage.

Contractual service margin (CSM)

The CSM is a component of the carrying amount of the asset or liability for a group of insurance contracts issued representing the unearned profit that the Group will recognise as it provides coverage in the future.

At initial recognition, the CSM is an amount that results in no income or expenses (unless a group of contracts is onerous) arising from:

- The initial recognition of the FCF;
- The derecognition at the date of initial recognition of any asset or liability recognised for insurance acquisition cash flows; and
- Cash flows arising from the contracts in the Group at that date.

A negative CSM at the date of inception means the group of insurance contracts issued is onerous. A negative CSM is not recognised, but rather treated as a loss component.

For groups of reinsurance contracts held, any net gain or loss at initial recognition is recognised as the CSM unless the net cost of purchasing reinsurance relates to past events, in which case the Group recognises the net cost immediately in profit or loss. For reinsurance contracts held, the CSM represents a deferred gain or loss that the Group will recognise as a reinsurance expense as it receives reinsurance coverage in the future.

For insurance contracts acquired, at initial recognition, the CSM is an amount that results in no income or expenses arising from:

- The initial recognition of the FCF; and
- Cash flows arising from the contracts in the group at that date, including the fair value of the groups of contracts acquired as at the acquisition date as a proxy of the premiums received.

Reinsurance contracts held

For groups of reinsurance contracts held, the CSM can be positive or negative and therefore represents a deferred gain or loss that the Group will recognise as reinsurance income or expenses when it receives reinsurance coverage in the future. A loss recovery component adjusts the CSM at initial recognition of the group of reinsurance contracts held when onerous underlying insurance contracts are recognised. The resulting income is recognised in profit or loss and offsets the losses recognised on the underlying insurance contracts for the portion of the underlying insurance contracts being reinsured. The loss recovery component is not established before the underlying insurance contracts are recognised. This adjustment to the CSM of a group of reinsurance contracts held and the resulting income, is determined by multiplying:

- the loss recognised on the underlying insurance contracts; and
- the percentage of claims on the underlying insurance contracts the Group expects to recover from the group of reinsurance contracts held.

The Group uses judgement in determining the loss recovery component, including for subsequent measurement.

Material Accounting Policies *continued*

Onerous contracts – Loss Component (LC)

A LC exists where the CSM at the date of initial recognition is negative. This loss from onerous insurance contracts is recognised in profit or loss immediately with no CSM recognised on the balance sheet on initial recognition.

When a LC exists, the Group allocates the following between the LC and the remaining component of the LRC for the respective group of contracts, based on the ratio of the LC to the FCF relating to the expected future cash outflows:

- Expected incurred claims and expenses for the period;
- Changes in the Risk Adjustment for non-financial risk for the risk expired; and
- Finance income (expenses) from insurance contracts issued.

The first two categories above reduce the respective components of insurance revenue and are reflected in insurance service expenses.

Subsequent measurement of the LC will be determined using the current reporting period assumptions. Should the LC on a group increase, this will be recognised in the Income Statement as an additional loss. Should the LC on a group decrease, this will be recognised in the Income Statement as a profit.

10.4.4 Subsequent measurement (excluding PAA)

The carrying amount of a group of insurance contracts at the end of each reporting date is the sum of:

- the liability for remaining coverage (remaining coverage component for reinsurance contracts held), comprising:
 - a) the fulfilment cash flows related to service to be provided (received for reinsurance contracts held) in future periods; and
 - b) the remaining CSM of the group at that date.
- the liability for incurred claims (incurred claims component for reinsurance contracts held), comprising the fulfilment cash flows for past service allocated to the group at that date. The liability for incurred claims also includes the repayment of any investment components or other amounts that are not related to the provision of insurance contract services in future periods and therefore not included in the liability for remaining coverage.

Changes in Fulfilment Cash Flows

The FCF are updated by the Group for current assumptions at the end of every reporting period, using the current estimates of the amount, timing and uncertainty of future cash flows and of discount rates.

The way in which the changes in estimates of the FCF are treated depends on which estimate is being updated:

- Changes that relate to current or past service are recognised in profit or loss; and
- Changes that relate to future service are recognised by adjusting the CSM or the LC within the LRC as per the policy below.

Insurance contracts under GMM

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

- a) Experience adjustments arising from premiums received in the period that relate to future service and related cash flows such as insurance acquisition cash flows and premium-based taxes;
- b) Changes in estimates of the present value of future cash flows in the LRC;
- c) Differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period; and
- d) Changes in the Risk Adjustment for non-financial risk that relate to future service.

The adjustments listed in (a) to (d) above are measured using the locked-in discount rates as described in the section "Interest accretion on the CSM" below.

For insurance contracts in accordance with the GMM, the following adjustments do not relate to future service and thus do not adjust the CSM:

- a) Changes in the FCF for the effect of the time value of money and the effect of financial risk and changes thereof;
- b) Changes in the FCF relating to the LIC; and
- c) Experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

Material Accounting Policies *continued*

Insurance contracts under VFA

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

- a) Changes in the Group's share of the fair value of the underlying items; and
- b) Changes in the FCF that do not vary based on the returns of underlying items:
 - i. Changes in the effect of the time value of money and financial risks including the effect of financial guarantees;
 - ii. Experience adjustments arising from premiums received in the period that relate to future service and related cash flows such as insurance acquisition cash flows and premium-based taxes;
 - iii. Changes in estimates of the present value of future cash flows in the LRC, except those described in the following paragraph;
 - iv. Differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period;
 - v. Changes in the Risk Adjustment for non-financial risk that relate to future service; and

For insurance contracts in accordance with the VFA, the following adjustments do not relate to future service and thus do not adjust the CSM:

- a) Changes in the obligation to pay the policyholder the amount equal to the fair value of the underlying items;
- b) Changes in the FCF that do not vary based on the returns of underlying items:
 - i. Changes in the FCF relating to the LIC; and
 - ii. Experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

Changes to the Contractual Service Margin

For a group of insurance contracts issued, the carrying amount of the CSM at the end of each reporting period is adjusted for the following changes in the period:

- a) the effect of new contracts recognised in the period;
- b) for contracts measured in accordance with the GMM, the accretion of interest on the CSM at the start of the reporting period (or initial recognition for new contracts recognised in the period). Interest is accreted on the CSM using locked-in discount rates determined at initial recognition that are applied to nominal cash flows that do not vary based on the returns on underlying items;
- c) changes in the fulfilment cash flows that relate to future service (as described in the 'Fulfilment cash flows' section above) adjust the CSM, to the extent the CSM is available. If an increase in the fulfilment cash flows exceeds the carrying amount of the CSM, the CSM is reduced to zero, the excess is recognised in insurance service expenses and a loss component is recognised. If the CSM is zero, changes in the fulfilment cash flows are recognised in insurance service expenses by adjusting the loss component. Any decrease in the fulfilment cash flow/s in excess of the loss component reduces the loss component to zero and reinstates the CSM. Refer to the 'Loss component' section below for further details; and
- d) the amount of the CSM recognised in insurance revenue based on the insurance contract services provided in the period, determined after allowing for the impacts described above. Refer to the 'Coverage units' section below for further details.

Reinsurance contracts held

For a group of reinsurance contracts held, the same steps are followed (as described above for a group of insurance contracts issued) to adjust the carrying amount of the CSM at the end of each reporting period, with the main differences in the features of the reinsurance contracts held summarised below:

- The requirements in determining the contractual service margin on initial recognition for insurance contracts issued are modified to reflect the fact that for a group of reinsurance contracts held there is no unearned profit but instead a net cost or net gain on purchasing the reinsurance.
- The CSM at initial recognition for new contracts recognised in the period is adjusted for a loss recovery component when underlying insurance contracts are onerous;
- The adjustment to the CSM for changes in the fulfilment cash flows related to future service is after any adjustment to the loss recovery component for changes in the fulfilment cash flows for the underlying insurance contracts which adjusted a loss component; and
- The amount of the CSM recognised as income or expenses from reinsurance contracts held in profit or loss is based on the services received from the reinsurer(s) in the period.

Material Accounting Policies *continued*

Interest accretion on the CSM

In accordance with the GMM, interest is accreted on the CSM using discount rates determined at initial recognition that are applied to nominal cash flows that do not vary based on the returns of underlying items (locked-in discount rates). If more contracts are added to the existing groups in the subsequent reporting periods, the Group revises the locked-in discount curves by calculating weighted-average discount curves over the period that contracts in the group are issued. The weighted-average discount curves are determined by multiplying the new contracts added to the group and their corresponding discount curves over the total contract count.

Coverage units & release of CSM to profit or loss

The CSM is recognised as insurance revenue over the duration of the insurance contracts issued based on the number of coverage units provided in each period. Coverage units are determined for broad product types to best reflect the rendering of insurance contract services in a particular reporting period.

The coverage units of the group of insurance contracts are identified by considering for each contract the quantity of the benefits provided under the contract and its expected coverage period. The quantity of benefits will typically be determined based on the maximum amounts that policyholders can claim in each period. The coverage units are updated at each reporting date to reflect actual experience over the reporting period and the expected coverage to be provided in future, taking the following into consideration:

- The quantity of benefits provided by contracts in the group
- The expected coverage duration of contracts in the group
- The probability of insured events occurring, only insofar as they affect the expected duration of contracts in the group.

Onerous contracts – Loss component

After the Group has recognised a loss on an onerous group of insurance contracts, the Group allocates on a systematic basis:

- (a) the subsequent changes in fulfilment cash flows of the liability for remaining coverage between:
 - (i) the loss component of the liability for remaining coverage; and
 - (ii) the liability for remaining coverage, excluding the loss component.
- (b) solely to the loss component until that component is reduced to zero:
 - (i) any subsequent decrease relating to future service in fulfilment cash flows allocated to the group arising from changes in estimates of future cash flows and the risk adjustment for non-financial risk; and
 - (ii) any subsequent increases in the amount of the entity's share of the fair value of the underlying items. The group only adjust the contractual service margin only for the excess of the decrease over the amount allocated to the loss component.

Decreases in the FCF in subsequent periods reduce the remaining LC and reinstate the CSM after the LC is reduced to zero. Increases in the FCF in subsequent periods increase the LC.

10.4.5 Initial and subsequent measurement for contracts measured in accordance with the PAA

The Group applies the PAA for measuring contracts with a coverage period of one year or less.

The Group applies IFRS 17.53(a), which allows an entity to expense acquisition cashflows when incurred. There is no significant risk to the business or profitability as the current cost patterns are fairly consistent. The savings on time, cost and ease of application supports the decision to expense acquisition cashflows when incurred.

On initial recognition, the Group measures the LRC at the amount of premiums due on initial recognition or those already received in cash. As all issued insurance contracts to which the PAA is applied have coverage of a year or less, the Group applies a policy of expensing all insurance acquisition cash flows as they are incurred.

Premiums due to the Group for insurance contract services already provided in the period but not yet received at the end of the reporting period are included in the LRC. The carrying amount of the LRC at the end of each subsequent reporting period represents the carrying amount at the start of the reporting period adjusted for the premiums received in the period and the amount recognised as insurance revenue for insurance contract services provided in that period.

Material Accounting Policies *continued*

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

- a. The LRC; and
- b. The LIC, comprising the FCF related to past service allocated to the group at the reporting date.

For insurance contracts issued, at each of the subsequent reporting dates, the LRC is calculated as the sum of the:

- a. increase for premiums received in the period; and
- b. decrease for the amounts of expected premiums received recognised as insurance revenue for the services provided in the period.

The Group does not adjust the LRC for insurance contracts issued for the effect of the time value of money as insurance premiums are due within the coverage of contracts, which is one year or less.

For contracts measured in accordance with the PAA, the LIC is measured similarly to measurement in accordance with the GMM. Future cash flows are adjusted for the time value of money since Personal and business lines insurance contracts issued by the Group and measured in accordance with the PAA typically have a settlement period of over one year.

When facts and circumstances indicate that a group of contracts has become onerous, the Group performs a test for onerousness. If the amount of the fulfilment cash flows exceeds the carrying amount of the LRC, the Group recognises the amount of the difference as a loss in profit or loss and increases the LRC for the corresponding amount.

10.4.6 Derecognition and modification

The Group derecognises a contract when the rights and obligations relating to the contract are extinguished (i.e., expired, discharged, or cancelled) or the contract is modified.

If an insurance contract is modified by the Group by agreement between the parties to the contract or by a change in regulation, the changes in the cash flows as a result of the modification are treated as changes in estimates of fulfilment cash flows, unless the criteria for the derecognition of the original contract are met. If a contract modification results in derecognition of the original contract, a new contract is recognised on the modified terms. The exercise of a right included in the terms of a contract is not a modification.

If an insurance contract not accounted for in accordance with the PAA is derecognised from a group of insurance contracts, or a contract modification does not result in the derecognition of the original insurance contract, the CSM of the group of insurance contracts is adjusted for the changes in estimates of fulfilment cash flows.

If an insurance contract not accounted for in accordance with the PAA is transferred to a third party, or a contract modification results in the derecognition of the original insurance contract and recognition of a new contract, the Group adjusts the CSM of the group of insurance contracts from which the contract has been derecognised based on the difference between the changes in estimates of fulfilment cash flows of the group of insurance contracts resulting from the contract being derecognised and:

- a) for transfers to a third party, the premium charged by the third party; or
- b) for a contract modification, the premium that the Group would have charged had it entered into a new contract with the modified terms at the date of the contract modification.

The new contract recognised is measured assuming that the Group received the premium determined in b) above. The adjustments to the CSM described above exclude any changes in fulfilment cash flows resulting in the recognition of (or changes to) a loss component for the group of insurance contracts.

If an insurance contract measured in accordance with the PAA is derecognised from a group of insurance contracts, the Group adjusts the liability for remaining coverage of the group of insurance contracts to reflect the amount refunded to the policyholder as a result of the derecognition of the insurance contract (or the amount paid to a third party in the case of a transfer other than for settlement of incurred claims), and the premium that would have been received for a new contract in the case of a contract modification resulting in the derecognition of the original contract.

Material Accounting Policies *continued*

11. INTEREST INCOME AND EXPENSES

The Group recognises interest income and expenses in the SOCI for all interest-bearing financial instruments based on amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and allocating the interest income or expense over the average expected life of the financial instrument.

12. REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is recognised either over time or at a point in time, as or when the Group satisfies performance obligations and transfers control of goods or services to its customers at an amount that reflects the consideration the Group expects to be entitled to in exchange for these goods or services, allocated to each specific performance obligation. Revenue is measured at the fair value of the consideration received or receivable.

12.1 IFA Annuity Fee

The monthly annuity fees received from IFA members in respect of services provided to them over time.

The Group recognises revenue over time.

12.2 Rewards Benefits

Fee income received in respect of loyalty benefits is recognised as the service is rendered. Services are rendered over the expected duration of the contract at a fixed contract price.

The Group recognises revenue over time.

12.3 Non-Insurance Benefits

Fee income received from other non-insurance benefits is recognised as the service is rendered. Services are rendered over the expected duration of the contract at a fixed contract price.

The Group recognises revenue over time.

12.4 Deferred Revenue

At inception of a single premium contract there is deferred revenue that is calculated based on the difference between the amount required to be invested in order to provide a guaranteed return to a policyholder and the amount actually received from the policyholder. This revenue is deferred and recognised in line with the costs incurred to provide the investment management services.

12.5 December is on Us Liability

CBC Rewards has raised a "December is on Us" Liability which relates to a campaign initiated to fund customers' monthly fee for the month of December. The monthly fee will be paid for customers who are both Debi-Checked and pay their monthly fee continuously until the month of November. This reserve allows for the assumed fee amount that is expected to be funded for the next December.

13. OTHER INCOME

Other income is measured based on the consideration specified in a contract and excludes amounts collected on behalf of third parties. The Group recognises other income when it transfers control over a product or service to a customer.

14. DIVIDEND REVENUE

Dividends are recognised in the Annual Financial Statements when the right to receive payment is established.

15. TAXATION

The tax charge comprises current tax, deferred tax and dividends withholding tax (DWT). The income tax expense is recognised in the profit and loss component of the SOCI, except to the extent that it relates to items recognised directly in Other Comprehensive Income, in which case it is recognised in Other Comprehensive Income.

15.1 Current Tax

Current tax, including capital gains tax, is the expected tax payable, using tax rates enacted at the SOFP date, including any prior year over- or under-provision. The Group periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

15.2 Deferred Tax

Deferred tax is provided in full using the liability method. Provision is made for deferred tax attributable to temporary differences in the accounting and tax treatment of items in the Annual Financial Statements. However, if the deferred tax arises from initial recognition of an asset or liability in a transaction other than a business combination

Material Accounting Policies *continued*

that at the time of the transaction affects neither accounting nor taxable profit or loss then it is not recognised. Deferred tax is recognised for all temporary differences, at enacted or substantially enacted rates of tax at the SOFP date. A deferred tax asset is recognised for the carry forward of unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which it can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same tax authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

15.3 Dividend withholding Tax

Shareholders are subject to DWT on dividends received, unless they are exempt in terms of the current tax law. DWT is levied at 20% of the dividend received. The DWT is categorised as a withholding tax, as the tax is withheld and paid to the tax authorities by the company paying the dividend or by a regulated intermediary and not the beneficial owner of the dividend.

15.4 Other indirect taxes

Other indirect taxes include various other taxes paid to central and local governments, including Value Added Tax. Indirect taxes are recognised as part of operating expenditure for the long-term insurance business.

16. ACCRUALS AND PAYABLES

Accruals and payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Accruals and payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

17. PROVISIONS

Provisions are recognised when the Group has a present legal or constructive obligation of uncertain timing or amount, as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. When the effect of discounting is material, provisions are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money. Provisions are reviewed at the end of each financial year and are adjusted to reflect current best estimates of expenditure required to settle the obligations.

18. EMPLOYEE BENEFITS

18.1 Incentive Bonus Schemes

The Group provides an Incentive Scheme for Excom, which is based on individual performance, linked to and dependent upon profitability and, in particular, growth in the Group's EV and the creation of Goodwill. The Scheme comprises two elements, namely an EV element (which all of Excom participates in) and a Goodwill element (which Group Excom participates in).

EV Scheme

The EV Scheme component is based on growth in EV, as confirmed by the Group's External Actuaries and approved by the Group Remuneration Committee, and is payable over a four year period. Two pools are created based on achievement of certain criteria. There is a "clawback" on Pool 1 if the pre-determined assumptions are not met, which is deducted from non-vested amounts earned but not yet paid.

The vested amount (payable after year-end) in respect of employed scheme participants as well as the "guaranteed portion" in respect of retired employees are provided for at the balance sheet date. The payment of the vested portion is taken against the provision, and any shortfall or excess is realised through profit or loss.

Goodwill Scheme

The Goodwill Scheme component recognises the creation of value in excess of EV.

The Group recognises a provision and an expense for the Goodwill Scheme component based on a formula that takes into consideration the conditions of the Bonus Scheme.

Material Accounting Policies *continued*

The Goodwill element created is measured in five year cycles.

The Goodwill element created is determined with reference to the VNB (as certified by the Group's External Actuaries) in the fifth year of a cycle and by applying a multiple, as approved by the Board on recommendation of the Group Remuneration Committee having regard to criteria included in the Incentive Scheme rules. An adjustment is made, positive or negative, if actual experience differs by a pre-determined percentage compared to the assumptions used in calculating the Goodwill element. The fourth cycle commenced on 1 July 2017 and ended on 30 June 2022.

The fifth cycle commenced on 1 July 2022 and ends on 30 June 2027, is measured over a 5 year period and is based on a weighted average of the VNB created during the five-year cycle in determining the pool.

A provision is recognised in the SOFP and an expense in the SOCI in respect of the Goodwill Scheme component at the present value of the obligation at the SOFP date together with adjustments for unrecognised actuarial gains or losses and past service costs. The Goodwill Scheme component obligation is calculated annually using the projected unit credit method. The present value of the Goodwill Scheme component obligation is determined by discounting the estimated future cash outflows using a risk-free interest rate.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to profit or loss as they arise each year.

Past-service costs are charged against profit or loss in the period in which they arise.

18.2 Retirement Benefits

The majority of the Group's employees are members of the Clientèle Life Provident Fund.

The Group operates a defined contribution provident fund for its employees, the assets of which are held in a separate trustee administered fund. The Clientèle Life Provident Fund is governed by the Pension Fund Act of 1956. The fund is funded by contributions by the Group which are charged to profit or loss in the year to which they relate.

The Group has no further payment obligations once the contributions have been paid. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

18.3 Share-Based Payments

The Group operates an equity-settled share-based compensation plan in the form of the BR Scheme.

The fair value of the employee services received in exchange for the grant of BRs are recognised as an expense and calculated at the grant date using the Black-Scholes model.

The grant by the Company of BRs to the employees of the subsidiaries in the Group is treated as a capital contribution to the subsidiary. The fair value of the employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to the investment in the subsidiaries, in the holding company, with a corresponding credit to equity (BR Scheme Reserve) in the Annual Financial Statements.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the BRs granted, excluding the impact of any non-market vesting conditions. Non-market performance vesting conditions are included in assumptions about the number of BRs that are expected to become exercisable.

At each SOFP date, the entity revises its estimates of the number of BRs that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the SOCI, and a corresponding adjustment to equity over the remaining vesting period.

When the BRs vest and are exercised, the Company issues new shares. The fair value of the shares issued at exercise date is credited to share capital (nominal value) and share premium, with a debit to the BR Scheme Reserve (equity) for the grant date fair value. Any difference between the grant date fair value and the exercise date fair value is debited/credited to retained earnings.

The exercising by employees of their rights results in a realisation of the investment for which there is a recharge to the subsidiaries. The recharge is a repayment arrangement which requires the subsidiaries to repay the Company for the provision of the equity settled share-based payments to the suppliers of goods and services (being the employees of the subsidiaries). The recharge is determined by reference to the fair value at exercise date.

The investment in the subsidiary is accordingly reduced by the corresponding cumulative grant date fair value in respect of the BRs exercised in that period, and the amount by which the recharge exceeds the cumulative grant date fair value in respect of the BRs exercised is considered a deemed distribution and credited to the SOCI in the Company.

Material Accounting Policies *continued*

The cash received in respect of the recharge is reflected in the Annual Financial Statement of cash flows as follows:

- The cash received in respect of the grant date fair value is included in investment activities as proceeds from receiving a capital repayment by the subsidiary in respect of the issue of share capital.
- The cash in respect of the amount by which the recharge exceeds the cumulative grant date fair value is included under cash generated by operations.

This transaction is eliminated in the Statement of Cash Flows on consolidation.

19. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker that makes strategic decisions and who is responsible for allocating resources and assessing performance of the operating segments has been identified as Group Excom.

The Group's operations are analysed across six reportable operating segments. The Group Excom, with the support of the Board, was responsible for the assessment of performance and the allocation of resources for the continuing business operations during the year under review. The Group's operating segments have been identified based on the internal management reporting structure which reflects the nature of products and services within each of the Group's business lines. This is consistent with the way the Group manages the business. The six reportable operating segments, based on the principal lines of business from which the Group generates revenue.

Segment information is prepared in conformity with the measure that is reported to Group Excom. These values have been reconciled to the Annual Financial Statements. The measure reported by the Group is in accordance with the accounting policies adopted for preparing and presenting the Annual Financial Statements.

The segment assets, liabilities, revenue and expenses comprise of all assets, liabilities, revenue and expenses which are directly attributable to the segment, or can be allocated to the segment on a reasonable basis. The Group accounts for inter-segment revenues and transfers as if the transactions were with third parties at current market prices.

Capital expenditure on property and equipment and intangible assets has been allocated to the segments to which it relates.

Statements of Financial Position

as at 30 June 2025

(R'000)	Notes	Group		Company	
		2025	2024*	2025	2024*
Assets					
Goodwill	2	113,312	8,412	-	-
Owner-occupied properties	3	528,833	435,372	-	-
Intangible assets	4	1,156,224	28,856	-	-
Property and equipment	5	80,595	54,496	-	-
Investment in subsidiaries ²	11	-	-	2,549,201	311,640
Deferred tax	6	212,907	124,605	2,321	1,413
Insurance contract assets	7	5,589,563	3,173,456	-	-
Reinsurance contract assets	7	384,848	71,674	-	-
Financial assets at fair value through profit or loss	8	10,656,471	6,852,711	7,500	10,415
Financial assets at amortised cost	9	174,749	20,479	-	-
Deferred acquisition costs	10	137,269	123,499	-	-
Loans to subsidiaries	12	-	-	100,101	86,056
Inventories ²		7,187	4,722	-	-
Trade receivables	13	149,738	57,587	982	977
Current tax receivable		7,452	18,019	913	674
Cash and cash equivalents	14	875,515	317,050	30,716	3,183
Total assets		20,074,663	11,290,938	2,691,734	414,358
Equity					
Share capital	15	9,065	6,707	9,065	6,707
Share premium	15	1,978,766	389,261	1,978,766	389,261
Common control deficit	15	(220,273)	(220,273)	-	-
Total equity		1,767,558	175,695	1,987,831	395,968
Retained earnings (loss)		3,343,311	2,855,429	60,330	(22,353)
Bonus Rights Scheme Reserve	16	30,023	27,347	30,023	27,347
Non Controlling Interest: Direct Rewards		4,840	5,375	-	-
Non Distributable Reserve: Revaluation	17	107,591	68,311	-	-
Insurance Finance Reserve		656,241	150,694	-	-
Total equity and reserves		5,909,564	3,282,851	2,078,184	400,962
Liabilities					
Deferred tax	6	1,710,785	835,647	-	-
Employee benefits ²	23	168,561	96,200	-	-
Loans from Subsidiaries ²	19	-	-	570,000	10,240
Insurance contract liabilities ²	7	603,473	520,055	-	-
Reinsurance contract liabilities ²	7	423,232	-	-	-
Investment contract and other financial liabilities at fair value through profit or loss ²	19	9,820,201	5,884,738	35,602	-
Financial liabilities held at amortised cost ²	18	154,696	119,481	-	-
Loans at amortised cost	20	775,502	204,806	-	-
Financial Guarantee Liability ¹	21	4,639	2,000	4,639	2,000
Lease liabilities		17,360	-	-	-
Deferred revenue	22	227,329	227,856	-	-
Accruals and payables	24	238,691	117,304	3,309	1,156
Current tax payable		20,630	-	-	-
Total liabilities		14,165,099	8,008,087	613,550	13,396
Total equity and liabilities		20,074,663	11,290,938	2,691,734	414,358

* Represented as disclosed in footnote 2 below.

- The financial guarantee liability is in respect of guarantees issued. (Refer to the Capital and Other Commitments note on page 249).
- In the current year, the presentation of Assets and Liabilities in the Statement of Financial position has been amended to correct the order of liquidity. As a result, certain line items have been presented in a different order. The change in presentation has no impact on the total assets or liabilities or the financial position of the entity.

Statements of Comprehensive Income

for the year ended 30 June 2025

(R'000)	Notes	Group		Company	
		2025	Audited 2024	2025	2024
Insurance service result					
Insurance revenue ¹	25	3,402,751	1,931,131	-	-
Insurance service expenses	25	(2,827,923)	(1,735,895)	-	-
Income or (expense) from reinsurance contracts	25	(116,350)	(23,686)	-	-
Total insurance service result		458,478	171,550	-	-
Net investment result					
Fair value adjustments to financial assets at fair value through profit or loss	26	1,133,444	843,601	(2,252)	1,312
Change in investment contract liabilities		(949,057)	(579,536)	-	-
Finance cost on financial liabilities at amortised cost	18	(14,208)	(9,199)	-	-
Total net investment result		170,179	254,866	(2,252)	1,312
Net insurance finance expenses/income					
Insurance finance income (expense)	25	376,064	194,163	-	-
Reinsurance finance income (expense)	25	27,823	13,176	-	-
Total net insurance finance (expenses)/income		403,887	207,339	-	-
Net insurance and investment result		1,032,544	633,755	(2,252)	1,312
Revenue from contracts with customers ¹	27	393,088	380,438	-	-
Cost of Sales		(34,438)	(40,541)	-	-
Dividend revenue		-	-	662,355	420,682
Other income	29	16,682	1,597	-	-
Interest income	30	47,143	16,323	904	285
Interest income on financial assets at amortised cost	30	24,654	644	-	-
Movement in expected credit loss		(6,459)	2,477	(705)	3,303
Interest expense		(25,292)	(23,968)	-	-
Bargain purchase gain	33	403,152	-	-	-
Operating expenses	32	(551,167)	(420,696)	(11,525)	(19,405)
Net profit before tax		1,299,907	550,029	648,777	406,177
Tax	35	(240,559)	(216,120)	908	(1,215)
Net Profit for the year¹		1,059,348	333,909	649,685	404,963
Attributable to:					
Non-Controlling interest		4,610	3,972	-	-
Equity holders of the Group – ordinary shareholders		1,054,738	329,937	649,685	404,963
Net Profit for the year¹		1,059,348	333,909	649,685	404,963
Other Comprehensive Income					
Items that will not be reclassified subsequently to profit or loss					
Profit/(loss) on property revaluation		51,899	10,489	-	-
Income tax relating to property revaluation		(12,619)	(2,776)	-	-
Items that will be reclassified subsequently to profit or loss					
Movement in insurance finance reserve before tax		692,532	206,559	-	-
Tax on movement in insurance finance reserve		(186,984)	(55,771)	-	-
Total comprehensive income for the year		1,604,176	492,410	649,685	404,963
Earnings per share (cents)	37	235.07	98.39		
Diluted earnings per share (cents)	37	232.28	98.27		

1. The Insurance revenue, Revenue from contracts with customers and Net profit for the year would have been R4,142 million, R393,1 million and R1,113 million, respectively, had Emerald been acquired as at 01 July 2024.

Group Statement of Changes in Equity

for the year ended 30 June 2025

(R'000)	Share capital	Share premium	Common control deficit	Sub-total
Balance as at 1 July 2023	6,706	389,135	(220,273)	175,568
Ordinary dividends				-
Total comprehensive income	-	-	-	-
- Net profit for the for the year				-
- Other comprehensive income/(expense)				-
Shares issued ¹	1	126		127
Bonus Rights Scheme allocated				-
Non-controlling interest - Direct Rewards				-
Balance as at 30 June 2024	6,707	389,261	(220,273)	175,695
Balance as at 1 July 2024	6,707	389,261	(220,273)	175,695
Acquisition of subsidiary	-	-	-	-
Ordinary dividends	-	-	-	-
Total comprehensive income	-	-	-	-
- Net profit for the for the year	-	-	-	-
- Other comprehensive income/(expense)	-	-	-	-
Shares issued ²	2,356	1,588,156	-	1,590,512
Bonus Rights Scheme allocated ¹	2	1,349	-	1,351
Non-controlling interest - Direct Rewards	-	-	-	-
Balance as at 30 June 2025	9,065	1,978,766	(220,273)	1,767,558

1. 112,220 shares (2024:11,851) were issued during the year in terms of the Bonus Rights Scheme.

2. 117,815,756 shares were issued as part of the exchange of shares transaction that resulted in the acquisition of 1Life in the current financial year.

Group Statement of Changes in Equity *continued*
for the year ended 30 June 2025

(R'000)	Retained earnings	Bonus Rights Scheme Reserve**	Non-controlling interest	Non-distributable reserves: revaluation	Insurance finance reserve	Total
Balance as at 1 July 2023	2,945,361	27,294	3,076	60,598	(94)	3,211,803
Ordinary dividends	(419,152)		(1,470)			(420,622)
Total comprehensive income	329,937	–	3,972	7,713	150,788	492,410
– Net profit for the for the year	329,937		3,972	–		333,909
– Other comprehensive income/(expense)				7,713	150,788	158,501
Shares issued						127
Bonus Rights Scheme allocated	(126)	53				(73)
Other movements	(591)		(203)			(794)
Balance as at 30 June 2024	2,855,429	27,347	5,375	68,311	150,694	3,282,851
Balance as at 1 July 2024	2,855,429	27,347	5,375	68,311	150,694	3,282,851
Ordinary dividends	(566,449)	–	(5,145)	–	–	(571,594)
Total comprehensive income	1,054,738	–	4,610	39,280	505,547	1,604,175
– Net profit for the for the year	1,054,738	–	4,610	–	–	1,059,348
– Other comprehensive income/(expense)	–	–	–	39,280	505,547	544,827
Shares issued	–	–	–	–	–	1,590,512
Bonus Rights Scheme allocated	235	2,676	–	–	–	4,262
Other movements	(642)	–	–	–	–	(642)
Balance as at 30 June 2025	3,343,311	30,023	4,840	107,591	656,241	5,909,564

** Bonus Rights Scheme – the Clientèle Limited Bonus Rights Scheme.

Company Statement of Changes in Equity

for the year ended 30 June 2025

(R'000)	Share capital	Share premium	Retained earnings	Bonus Rights Scheme	Total
Balance as at 1 July 2023	6,706	389,135	(8,164)	27,294	414,971
Ordinary dividends			(419,152)		(419,152)
Net profit for the for the year			404,963		404,963
Shares issued ¹	1	126			127
Bonus Rights Scheme allocated				53	53
Balance as at 30 June 2024	6,707	389,261	(22,353)	27,347	400,962
Balance as at 1 July 2024	6,707	389,261	(22,353)	27,347	400,962
Ordinary dividends			(566,449)		(566,449)
Net profit for the for the year			649,685		649,685
Shares issued ²	2,356	1,588,156			1,590,512
Bonus Rights Scheme allocated ¹	2	1,349	235	2,676	4,262
Other movements			(788)		(788)
Balance as at 30 June 2025	9,065	1,978,766	60,330	30,023	2,078,184

1. 112,220 shares (2024:11,851) were issued during the year in terms of the Bonus Rights Scheme.

Statements of Cash Flows

for the year ended 30 June 2025

(R'000)	Notes	Group		Company	
		June 2025	Audited June 2024	2025	2024
Net profit before tax		1,299,907	550,029	648,777	406,177
Adjusted for non-cash items ¹	38	(1,478,248)	(680,151)	2,932	(4,615)
Separately disclosable items ²	38	(108,357)	(92,032)	(663,259)	(422,975)
Working capital changes	38	510,812	359,910	2,047	(4,622)
Acquisition of financial assets	8	(3,180,398)	(1,526,926)	-	(315)
Disposal of financial assets	8	3,861,875	6,470,913	-	44,128
Increase in financial liabilities	18, 19	2,089,276	816,175	-	-
Decrease in financial liabilities	18, 19	(1,934,337)	(5,359,845)	-	-
Cash generated from operations		1,060,531	538,073	(9,503)	17,778
Interest received		106,066	65,362	904	664
Dividends received		26,886	26,670	662,355	422,311
Interest paid		(26,846)	-	-	-
Dividends paid	28	(571,594)	(420,622)	(566,449)	(419,152)
Taxation paid	36	(181,651)	(174,110)	(239)	-
Cash flows from operating activities		413,392	35,373	87,068	21,601
Acquisition of intangible assets	4	(4,384)	(10,031)	-	-
Acquisition of property and equipment	5	(28,867)	(24,479)	-	-
Acquisition of owner-occupied properties	3	(41,561)	(2,216)	-	-
Additions to financial assets at amortised cost	9	(3,500)	(20,000)	-	-
Repayment of financial assets at amortised cost	9	3,961	420	-	-
Repayment of loans to/(from) subsidiaries				250	1,800
Increase in loans to subsidiaries				(15,000)	(35,000)
Net cash from acquisition of subsidiaries ³		(351,927)	-	(605,896)	-
Cash flows from investing activities		(426,278)	(56,306)	(620,646)	(33,200)
Proceeds from issuing of shares		1,351	127	1,351	127
Increase in loans from subsidiaries				570,000	10,240
Proceeds from loans at amortised cost		570,000	204,806	-	-
Repayment of loans from subsidiaries				(10,240)	-
Repayment of loans at amortised cost ⁴	20	-	(116,490)	-	-
Cash inflows/(outflows) from financing activities		571,351	88,443	561,111	10,367
Increase/(decrease) in cash and cash equivalents		558,465	67,510	27,533	(1,232)
Cash and cash equivalents at beginning of year		317,050	249,540	3,183	4,415
Cash and cash equivalents at end of the year		875,515	317,050	30,716	3,183

1. Adjustments for non-cash items include fair value adjustments for financial instruments, and the bargain purchase gain.

2. Interest received/paid and dividends received.

3. Refer to notes 33 and 34 containing the acquisitions of 1Life and Emerald Life, respectively.

4. Repayment of external loans for the property entities. The Group repayment for the 2024 financial year is inclusive of interest of R16 million accrued on the loan being settled.

Segment Information

as at 30 June 2025

BASIS OF SEGMENTATION

The Group's operations are analysed based on the three principal lines of business being Life Insurance, Non-life Insurance and the Rewards Business, from which the Group generates revenue.

The reportable operating segments are:

The Clientèle Life Insurance segment incorporates the sale and administration of long-term insurance risk policies (Refer to Insurance and Financial Risk Management note 4.1 on page 124).

The 1Life Insurance segment incorporates the sale and administration of long-term insurance risk policies (Refer to Insurance and Financial Risk Management note 4.1 on page 124). The 1Life Insurance segment is a new segment in the current year.

The Emerald Life Insurance segment incorporates the underwriting of funeral products (Refer to Insurance and Financial Risk Management note 4.1 on page 124). The Emerald Life Insurance segment is a new segment in the current year.

The Non-Life insurance segment incorporates the sale and administration of legal advice policies concluded under the short-term insurance license (Refer to Insurance and Financial Risk Management note 4.2 on page 128).

The CBC Rewards, Mobile and Direct Rewards segment incorporates the sale and administration of loyalty rewards contracts as well as cellular sim cards, mobile data and airtime to clients.

Clientèle is the Holding Company of the Group. The property entities incorporate transactions associated with owner-occupied properties (which transactions occur at Group level).

Segment Information *continued*

Segment Statement of Financial Position

June 2025 (R'000)	Clientèle Life Insurance	1Life Insurance	Non-life Insurance	Emerald Life Insurance	CBC Rewards, Mobile & Direct Rewards	Holding entity & Property	Consoli- dation entries	Total
Assets								
Goodwill	-	-	-	-	-	-	113,312	113,312
Owner-occupied properties	-	-	-	-	-	528,833	-	528,833
Intangible assets	10,033	-	1,005	7,050	9,109	5	1,129,022	1,156,224
Property and equipment	338,631	162,424	174,766	19,300	47,617	9,125	(671,268)	80,595
Investment in subsidiaries	109,482	-	-	-	-	2,549,201	(2,658,683)	-
Investment in associate	-	-	-	-	-	-	-	-
Deferred tax	125,129	58,813	-	-	26,644	2,321	-	212,907
Insurance contract assets	3,769,623	1,762,657	-	-	-	-	57,283	5,589,563
Reinsurance contract assets	88,685	410,302	-	6,852	-	-	(120,991)	384,848
Financial assets at fair value through profit or loss	8,089,846	2,849,713	279,412	-	-	7,500	(570,000)	10,656,471
Financial assets at amortised cost	15,540	157,472	-	1,737	-	-	-	174,749
Deferred acquisition costs	137,269	-	-	-	-	-	-	137,269
Loans to subsidiaries	-	-	-	-	-	100,101	(100,101)	-
Inventories ²	251	-	-	1,777	5,159	-	-	7,187
Trade receivables	349,380	42,073	18,193	32,809	13,514	25,163	(331,394)	149,738
Current tax receivable	-	-	4,685	694	282	1,791	-	7,452
Cash and cash equivalents	230,411	390,769	70,961	132,816	4,336	46,222	-	875,515
Total assets¹	13,264,280	5,834,223	549,022	203,035	106,661	3,270,262	(3,152,820)	20,074,663
Total equity and reserves								
Share capital	4,853	398,000	42,500	-	2,510	9,065	(447,863)	9,065
Share premium	-	-	-	-	-	1,978,766	-	1,978,766
Common control deficit	-	-	-	-	-	-	(220,273)	(220,273)
Total equity	4,853	398,000	42,500	-	2,510	1,987,831	(668,136)	1,767,558
Retained earnings	2,734,405	1,486,539	285,742	125,995	(66,428)	158,981	(1,381,923)	3,343,311
Bonus Rights Scheme Reserve	26,087	-	4,393	-	-	30,022	(30,479)	30,023
Non Controlling Interest: Direct Rewards	-	-	-	-	-	-	4,840	4,840
Non Distributable Reserve: Revaluation	-	-	-	-	-	-	107,591	107,591
Insurance Finance Reserve	490,751	236,935	(23)	-	-	-	(71,422)	656,241
Total equity	3,256,096	2,121,474	332,612	125,995	(63,918)	2,176,834	(2,039,529)	5,909,564
Liabilities								
Deferred tax	972,246	547,722	942	6,532	-	30,590	152,753	1,710,785
Employee benefits ²	96,566	57,885	14,110	-	-	-	-	168,561
Loans from Subsidiaries ²	-	-	-	-	102,997	570,000	(672,997)	-
Insurance contract liabilities ²	550,286	14,068	5,442	35,759	-	-	(2,082)	603,473
Reinsurance contract liabilities ²	4,905	12,730	-	-	-	-	405,597	423,232
Investment contract and other financial liabilities at fair value through profit or loss ²	7,022,234	2,762,365	-	-	-	35,602	-	9,820,201
Financial liabilities held at amortised cost	152,159	2,537	-	-	-	207,805	(207,805)	154,696
Loans at amortised cost	570,697	-	-	-	-	204,805	-	775,502
Financial Guarantee Liability	-	-	-	-	-	4,639	-	4,639
Lease liabilities	293,696	163,510	170,362	17,361	47,675	-	(675,244)	17,360
Deferred revenue	219,065	8,264	-	-	-	-	-	227,329
Accruals and payables	115,974	133,394	25,554	17,388	19,907	39,987	(113,513)	238,691
Current tax payable	10,356	10,274	-	-	-	-	-	20,630
Total liabilities	10,008,184	3,712,749	216,410	77,040	170,579	1,093,428	(1,113,291)	14,165,099
Total equity and liabilities	13,264,280	5,834,223	549,022	203,035	106,661	3,270,262	(3,152,820)	20,074,663

1. The Group currently operates in the South African market only. Therefore, the non-current assets other than financial assets, deferred tax assets, and rights arising under insurance contracts are not presented on a geographical basis.

2. In the current year, the presentation of Assets and Liabilities in the Statement of Financial position has been amended to correct the order of liquidity. As a result, certain line items have been presented in a different order. The change in presentation has no impact on the total assets or liabilities or the financial position of the entity.

Segment Information *continued*Segment Statement of Financial Position *continued*

June 2024* (R'000)	Clientèle Life Insurance	Non-life Insurance	CBC Rewards, Mobile & Direct Rewards	Holding entity & Property	Consoli- dation entries	Total
Assets						
Goodwill					8,412	8,412
Owner-occupied properties				435,372		435,372
Intangible assets	17,747	1,589	9,512	8		28,856
Property and equipment	133,921	42,568	138	11,557	(133,688)	54,496
Investment in subsidiaries	106,621	-	-	311,640	(418,261)	-
Investment in associate	-	-	-	-	-	-
Deferred tax	107,118	4,841	21,172	-	(8,526)	124,605
Insurance contract assets	3,173,456	-	-	-	-	3,173,456
Reinsurance contract assets	71,674	-	-	-	-	71,674
Financial assets at fair value through profit or loss	6,543,321	298,975	-	10,415	-	6,852,711
Financial assets at amortised cost	20,479	-	-	-	-	20,479
Deferred acquisition cost	123,499	-	-	-	-	123,499
Loans to subsidiaries	-	-	-	-	-	-
Inventories ²	221	-	4,501	-	-	4,722
Trade receivables	213,922	6,885	17,825	144,207	(325,252)	57,587
Current tax receivable	11,428	4,740	137	1,714	-	18,019
Cash and cash equivalents	247,317	45,957	9,577	14,199	-	317,050
Total assets¹	10,770,724	405,555	62,862	929,112	(877,315)	11,290,938
Equity						
Share capital	4,853	42,500	2,510	6,707	(49,863)	6,707
Share premium				389,261		389,261
Common control deficit					(220,273)	(220,273)
Total equity	4,853	42,500	2,510	395,968	(270,136)	175,695
Retained earnings	2,692,159	244,667	(51,057)	77,047	(107,387)	2,855,429
Bonus Rights Scheme Reserve	24,011	4,464		27,346	(28,474)	27,347
Non Controlling Interest: Direct Rewards					5,375	5,375
Non Distributable Reserve: Revaluation					68,311	68,311
Insurance Finance Reserve	150,706	(12)				150,694
Total equity and reserves	2,871,729	291,619	(48,547)	500,361	(332,311)	3,282,851
Liabilities						
Deferred tax	808,006	-	-	27,641	-	835,647
Employee benefits ²	84,519	11,681	-	-	-	96,200
Loans from Subsidiaries ²	1,336	-	93,520	189,278	(284,134)	-
Insurance contract liabilities ²	506,190	13,865	-	-	-	520,055
Reinsurance contract liabilities ²	-	-	-	-	-	-
Investment contract and other financial liabilities at fair value through profit and loss ²	5,884,738	-	-	-	-	5,884,738
Financial liabilities held at amortised cost	119,481	-	-	-	-	119,481
Loans at amortised cost	-	-	-	204,806	-	204,806
Financial Guarantee Liability ³	-	-	-	2,000	-	2,000
Lease liabilities	189,194	71,676	-	-	(260,870)	-
Deferred revenue	227,856	-	-	-	-	227,856
Accruals and payables	77,675	16,714	17,889	5,026	-	117,304
Current tax payable	-	-	-	-	-	-
Total liabilities	7,898,995	113,936	111,409	428,751	(545,004)	8,008,087
Total equity and liabilities	10,770,724	405,555	62,862	929,112	(877,315)	11,290,938

* Represented as disclosed in footnote 2 below.

1. The Group currently operates in the South African market only. Therefore, the non-current assets other than financial assets, deferred tax assets, and rights arising under insurance contracts are not presented on a geographical basis.

2. In the current year, the presentation of Assets and Liabilities in the Statement of Financial position has been amended to correct the order of liquidity. As a result, certain line items have been presented in a different order. The change in presentation has no impact on the total assets or liabilities or the financial position of the entity.

Segment Information *continued*

June 2025 (R'000)	Clientèle Life Insurance	1Life Insurance	Non-life Insurance	Emerald Life Insurance*	CBC Rewards, Mobile & Direct Rewards	Holding entity & Property	Consoli- dation entries	Total
Insurance service result								
Insurance revenue	1,436,073	1,884,598	491,942	-	-	-	(409,862)	3,402,751
Insurance service expenses	(1,271,429)	(1,785,204)	(338,637)	-	-	-	567,347	(2,827,923)
Income or expense from reinsurance contracts	(47,580)	(57,187)	-	-	-	-	(11,583)	(116,350)
Total insurance service result	117,064	42,207	153,305	-	-	-	145,902	458,478
Net investment result								
Fair value adjustments to financial assets at fair value through profit or loss	820,985	282,100	32,611	-	-	(2,252)	-	1,133,444
Fair value gain on investment on subsidiaries	2,861	-	-	-	-	-	(2,861)	-
Investment income	15,127	-	-	-	-	-	(15,127)	-
Change in investment contract liabilities	(668,473)	(280,584)	-	-	-	-	-	(949,057)
Finance cost on financial liabilities at amortised cost	(10,393)	(3,815)	-	-	-	-	-	(14,208)
Total net investment result	160,107	(2,299)	32,611	-	-	(2,252)	(17,988)	170,179
Net insurance finance expenses/income								
Insurance finance income (expense)	259,622	132,382	(2,051)	-	-	-	(13,889)	376,064
Reinsurance finance income (expense)	12,186	28,037	-	-	-	-	(12,400)	27,823
Total net insurance finance (expenses)/income	271,808	160,419	(2,051)	-	-	-	(26,289)	403,887
Net insurance and investment result	548,979	200,327	183,865	-	-	(2,252)	101,625	1,032,544
Revenue from contracts with customers ^{1,3}	196,393	32,320	-	-	245,413	-	(81,038)	393,088
Cost of Sales	-	-	-	-	(88,307)	-	53,869	(34,438)
Dividend revenue	-	-	-	-	-	662,355	(662,355)	-
Other income	96,528	17,433	38,039	-	209	81,436	(216,963)	16,682
Interest income	11,765	28,835	3,906	-	569	2,068	-	47,143
Interest income on financial assets at amortised cost	1,068	23,586	-	-	-	-	-	24,654
Movement in expected credit loss	(6,459)	-	-	-	-	(705)	705	(6,459)
Interest on lease liability	-	-	-	-	(493)	-	493	-
Interest expense	(3,414)	(1,557)	-	-	(75)	(35,373)	15,127	(25,292)
Bargain gain on purchase	-	-	-	-	-	-	403,152	403,152
Operating expenses ²	(268,326)	(119,878)	(39,457)	-	(163,270)	(59,071)	98,835	(551,167)
Net Profit before tax	576,534	181,066	186,353	-	(5,954)	648,458	(286,550)	1,299,907
Tax	(149,286)	(48,531)	(48,071)	-	1,081	(311)	4,559	(240,559)
Net Profit for the year	427,248	132,535	138,282	-	(4,873)	648,147	(281,991)	1,059,348
Attributable to:								
Non-Controlling interest	-	-	-	-	-	-	4,610	4,610
Equity holders of the Group – ordinary shareholders	427,248	132,535	138,282	-	(4,873)	648,147	(286,601)	1,054,738
Net Profit for the year	427,248	132,535	138,282	-	(4,873)	648,147	(281,991)	1,059,348
Other comprehensive income:								
Items that will not be reclassified subsequently to profit or loss								
Profit/(Loss) on property revaluation	-	-	-	-	-	-	51,899	51,899
Income tax relating property revaluation	-	-	-	-	-	-	(12,619)	(12,619)
Items that will be reclassified subsequently to profit or loss								
Movement in insurance finance reserve before tax	465,815	200,454	(14)	-	-	-	26,277	692,532
Tax on movement in insurance finance reserve	(125,770)	(54,123)	4	-	-	-	(7,095)	(186,984)
Total comprehensive income for the year	767,293	278,866	138,272	-	(4,873)	648,147	(223,529)	1,604,176

* Emerald Life Insurance was consolidated as of 30 June 2025. Therefore, Emerald Life's net profit for the year ended 30 June 2025 is not consolidated in the Group.

1. Clientèle Life Insurance segment revenue from contracts with customers consists of IFA business fees of R72.8 million (2024: R83.2 million) and deferred revenue of R123.6 million (2024: R171.2 million). The CBC Rewards, Mobile and Direct Rewards R245.4 million (2024: R179.5 million) revenue from contracts with customers consists of rewards fees of which a portion is consolidated out due to it being an inter-company transaction. 1Life Insurance segment consists of deferred revenue of R32.3 million. The remainder of the revenue is from transactions with parties external to the Group.

2. Refer to note 32.2 on page 238 for a breakdown of disclosable operating expense per segment.

3. The Group currently operates in the South African market only. Therefore, the revenues from external customers is not presented on a geographical basis.

Segment Information *continued*Segment Statement of Comprehensive Income *continued*

Audited June 2024 (R'000)	Clientèle Life Insurance	1Life Insurance	Non-life Insurance	CBC Rewards, Mobile & Direct Rewards	Holding entity & Property	Consoli- dation entries	Total
Insurance service result							
Insurance revenue	1,426,023		505,108				1,931,131
Insurance service expenses	(1,377,148)		(358,747)				(1,735,895)
Income (expense) from reinsurance contracts	(23,686)		-				(23,686)
Total insurance service result	25,189		146,361	-	-	-	171,550
Net investment result							
Fair value adjustments to financial assets at fair value through profit or loss	814,970		27,319		1,312		843,601
Fair value gain on investment on subsidiaries	(871)					871	-
Investment income	13,272					(13,272)	-
Change in investment contract liabilities	(579,536)						(579,536)
Finance cost on financial liabilities at amortised cost	(9,199)						(9,199)
Total net investment result	238,636		27,319	-	1,312	(12,401)	254,866
Net insurance finance expenses/income							
Insurance finance income (expense)	194,685		(522)				194,163
Reinsurance finance income (expense)	13,176						13,176
Total net insurance finance (expenses)/income	207,861		(522)	-	-	-	207,339
Net insurance and investment result							
	471,686		173,158	-	1,312	(12,401)	633,755
Revenue from contracts with customers ¹	254,451			179,501		(53,514)	380,438
Cost of Sales	-			(76,053)		35,512	(40,541)
Dividend revenue	-			-	420,682	(420,682)	-
Other income	(577)		128	121	85,841	(83,916)	1,597
Interest income	10,425		3,818	432	1,648		16,323
Interest income on financial assets at amortised cost	644						644
Movement in expected credit loss	2,577				3,303	(3,403)	2,477
Interest expense	(7,417)			(3)	(29,820)	13,272	(23,968)
Operating expenses ²	(292,877)		(35,874)	(130,894)	(56,344)	95,293	(420,696)
Net Profit before tax	438,912		141,230	(26,896)	426,622	(429,839)	550,029
Tax	(186,306)		(35,658)	7,475	(6,918)	5,287	(216,120)
Net Profit for the year	252,606		105,572	(19,421)	419,704	(424,552)	333,909
Attributable to:							
Non-Controlling interest	-		-	-	-	3,972	3,972
Equity holders of the Group – ordinary shareholders	252,606		105,572	(19,421)	419,704	(428,524)	329,937
Net Profit for the year	252,606		105,572	(19,421)	419,704	(424,552)	333,909
Other comprehensive income:							
Items that will not be reclassified subsequently to profit/loss							
Profit/(Loss) on property revaluation						10,489	10,489
Income tax relating property revaluation						(2,776)	(2,776)
Items that will be reclassified subsequently to profit/loss							
Movement in insurance finance reserve before tax	206,581		(22)			-	206,559
Tax on movement in insurance finance reserve	(55,777)		6			-	(55,771)
Total comprehensive income for the year	403,410		105,556	(19,421)	419,704	(416,839)	492,410

1. The Group currently operates in the South African market only. Therefore, the revenues from external customers is not presented on a geographical basis.

2. Refer to note 32.2 on page 238 for a breakdown of disclosable operating expenses.

Notes to the Annual Financial Statements

for the year ended 30 June 2025

1. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS USED IN APPLYING ACCOUNTING POLICIES

The Group makes use of estimates and assumptions that affect the reported amounts of its insurance and reinsurance contracts, owner-occupied properties, employee benefit obligations, intangible assets, deferred tax assets and related liabilities and unquoted financial instruments. Estimates and judgments are evaluated monthly and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, as set out below.

1.1 Insurance and reinsurance contracts

This disclosure should be read in conjunction with the valuation methodology as described in the IFRS 17 accounting policies above.

1.1.1. Classification

Assessing significance of insurance risk and discretionary amounts for investment contracts with DPF

The Group applies judgement to assess whether contracts are in scope of IFRS 17 in some product lines, such as whether payments on death are linked to an underlying pool of assets. Where the death payments on policies with no DPF have been assessed not to be significant on a present value basis, these investment contracts are in scope of IFRS 9.

VFA eligibility

The Group applies the VFA to Life insurance savings business for insurance contracts with direct participation features that are substantially investment-related. The Group applies judgement to assess on the initial recognition of the contracts, whether:

- (a) A substantial share of the fair value returns on the underlying items is expected to be paid to the policyholders; and
- (b) A substantial proportion of any change in the amounts to be paid to the policyholders is expected to vary with the change in fair value of the underlying items.

For purposes of PAA eligibility, the Group considers anything above 65% to be substantial.

The Group has applied judgement to conclude that assessments can be performed for groups of homogeneous contracts with similar contract features/terms based on readily available qualitative or quantitative information for investment contracts with DPF (with no significant insurance risk), and other market-linked savings contracts where minimum investment guarantees and/or rider benefits create significant insurance risk.

PAA eligibility

The Group applies the PAA to measure a group of insurance contracts issued or reinsurance contracts held if, at inception of the group: the coverage period of each contract in the group of insurance contracts is one year or less; or the Group reasonably expects that the PAA would produce a measurement of the liability or asset for remaining coverage for a group of insurance contracts that would not differ materially from the measurement that would be achieved by applying the requirements of the GMM.

Scenario testing is performed at least annually, by updating the projected fulfilment cash flows under reasonably expected scenarios, which would affect cash flow variability. The Group applies judgement in calibrating these scenarios for changes in market and non-market variables based on management's view of the key changes affecting cash flow and liability variability for each portfolio of insurance contracts. Judgement will be applied to define relative materiality thresholds for each portfolio based on ensuring that the combined absolute impacts of all groups of insurance contracts with coverage periods longer than a year applying the PAA, falls within an absolute measure of materiality for each future year.

1.1.1.1. Aggregation

The Group applies judgement to assess whether reasonable and supportable information is available to allocate a set of contracts to the same group of onerous contracts.

Initial contract recognition assessment is performed at an individual contract level to determine profitability and to thus allocate groups of insurance contracts to specific IFRS 17 groups.

The individual contract assessments are performed on an adjusted expense allocation basis for aggregation purposes, where expense assumptions are set based on what is determined as attributable expenses, and included in the fulfilment cash flows to a group of insurance contracts.

Notes to the Annual Financial Statements *continued*

The Group may have to apply judgement to assess whether facts and circumstances have indicated that a group of contracts has become onerous subsequent to initial recognition. This is done based on the changes to underlying assumptions set based on experience on the portfolio of policies.

1.1.1.2. Reinsurance contracts held

The initial contract recognition assessments are performed at a set-of-contracts level.

The Group's reinsurers manage pricing and profitability assessments at a reinsurance treaty level. The reinsurers price treaties to be profitable on a total basis and provide the Group with profit margins per reinsurance treaty.

Reinsurance treaties are not reasonably expected to become loss-making because their pricing and profitability are managed at the treaty level. Consequently, and consistent with the level at which the reinsurer manages the treaty, it is reasonable and supportable, that each treaty as a whole be placed in the same group. On the basis that reinsurance treaties are managed as a whole to be profitable, all reinsurance treaties held have been placed in the default group.

The Group expects all treaties to fall in the remaining bucket given that the reinsurer would not price to make a loss on a treaty.

1.1.2. Measurement

1.1.2.1. Recognition and derecognition including modifications

The initial recognition date and derecognition of insurance contracts are not areas of significant judgement for the Group.

1.1.2.2. Fulfilment cash flows

Various assumptions are used to determine the expected future cash flows of all portfolios of business. These assumptions are set based on recent experience on the portfolios.

Estimates of future cash flows

The Group includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Estimates of future cash flows incorporate in an unbiased way all reasonable and supportable information that is available without incurring undue cost or effort.

Changes in the following assumptions may change the fulfilment cash flows materially over the duration of insurance contracts: assumptions about future cash flows relating to mortality, morbidity, policyholder behaviour (i.e., frequency and severity of claims), expenses and commission, amongst others.

However, these changes would adjust the CSM and would not affect the carrying amounts of the contracts, unless they arise from onerous contracts or do not relate to future services.

Contract boundaries

The determination of the contract boundary of an insurance contract is not an area of significant judgement for the Group. For reinsurance contracts held, the Group's agreements with reinsurers typically align with the underlying product and therefore the contract boundary aligns.

Expenses

The following expense cash flows are included within the boundary of a contract:

- Acquisition cash flows that relate to the selling, underwriting and starting of a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs. This includes underwriting expenses, upfront commissions payable to intermediaries, and commissions payable in respect of policy changes; and
- Administration and other expense cash flows incurred in fulfilling the obligations under the insurance contracts, such as investment management expenses where relevant (see below for further details), claims handling costs, costs related to premium billing and maintenance commissions that are expected to be paid to intermediaries.

Both direct costs and an allocation of fixed and variable overheads are included. Attributable costs are determined using functional cost analysis techniques. The Group applies judgement by taking a broad view of attributable expenses where it is reasonable and supportable.

The other expenses relating to insurance operations, i.e. expenses not directly attributable to the fulfillment of insurance contracts such as some product development and training costs, are recognised in profit or loss as incurred and are not included in the measurement of insurance and reinsurance liabilities.

The allocation between acquisition and administration and other expense cash flows is based on functional cost analyses and reflects actual expenses incurred during the 2025 financial year. The future expense assumptions do not include any cash flows that are not directly attributable to the fulfillment of the insurance contracts. An increase in unit expenses increases the estimates of future cash flows, therefore resulting in a decrease in the CSM (all else being equal).

Expense inflation assumptions follow that of the yield curve used for discounting.

Decrements

Assumptions with regard to future mortality and other risk factors are consistent with the Group's recent experience up to 30 June 2025. An increase in mortality rates increases the estimates of future cash flows, therefore resulting in a decrease in the CSM (*ceteris paribus*).

Surrender, lapse and paid-up rates are key assumptions in the measurement of life insurance contracts (risk and savings business). Assumptions with regard to future surrender, lapse and paid-up rates are based on the Group's recent experience up to 30 June 2025. An increase in surrender or lapse rates may increase or reduce the estimates of future cash flows, therefore resulting in a decrease or increase in the CSM depending on the specific product features (all else being equal).

The Group's persistency assumptions relate to the following withdrawal decrements:

Surrenders: Occur on investment and savings products where the client elects to cancel a policy ahead of its maturity in exchange of cash payment.

Lapses: Occur in the event of 3 consecutive missed premiums.

Paid-Ups ("PUPs"): Occur when there are no premiums collected on savings policies, but there remains a unit balance.

Persistency assumptions are calibrated based on the entity, channel, policy duration and policyholder age. Reinstatements (i.e., policies that have been reinstated) are treated as negative withdrawals.

Lapse and Surrender Rates

The Group determines the "crude rates" calculated over a 12-month period by dividing the actual withdrawals by the exposure. The best estimate rates are then calibrated allowing for the following:

- An adjustment for reinstatements;
- An adjustment for policyholder age by use of age-based experience;
- Smoothing for outliers and once-off experience items; and
- Any adjustments for future conditions, if necessary.

Paid-Up Rates

The Group determines the "crude rates" calculated over a 12-month period by dividing the actual policies that go paid-up by the exposure.

Key assumptions associated with persistency

The longer a policyholder retains a policy, the less likely it is that the policy will lapse (i.e., the longer a policy is active, the more we expect that it will persist as the likelihood of withdrawal reduces over time).

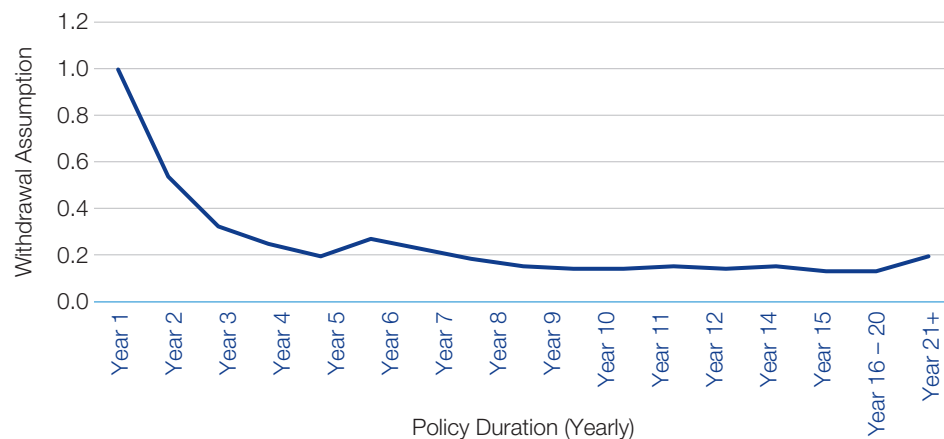
Therefore, in estimating persistency rates, the Group has selected a point in time (being month-1) and used this as a base. More specifically, the Group has looked at the withdrawal rates of month-1 and identified them as a starting point that represents 100% of the withdrawals of policies at that point in time. Having applied this starting point, the Group predicts that as policies remain active over time, the withdrawals will reduce from the starting point of 100% at month-1 as reflected below. Effectively, this implies that the withdrawal experience for each subsequent period is calculated as a proportion of the month-1 withdrawal rate, thus resulting in the withdrawal experience graph reducing over the duration of the policies issued by the Group.

Notes to the Annual Financial Statements *continued*

The withdrawal assumption per policy duration graphs that follow summarise the annual view of this methodology to illustrate the withdrawal experience over the policy duration. The x-axis reflects the number of years in-force of the sample policy and the y-axis the probability of still being in-force at that duration, as a proportion of the withdrawal rate at time 1. The graphs reflect the lapse and surrender withdrawal movements for Clientèle Life, Clientèle Legal and 1Life respectively:

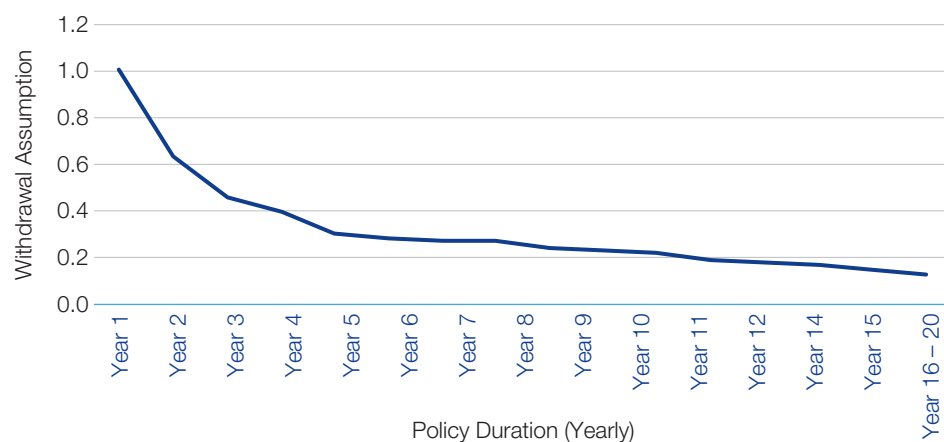
Clientèle Life

Withdrawal Assumption per policy duration



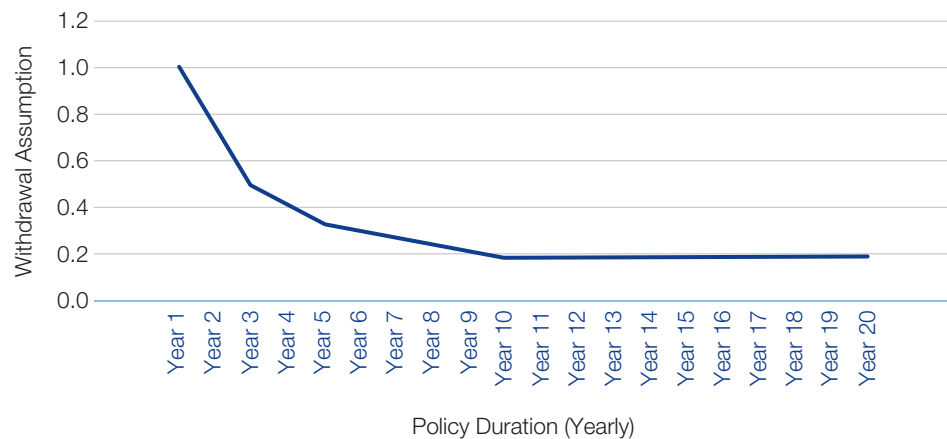
Clientèle Legal

Withdrawal Assumption per policy duration



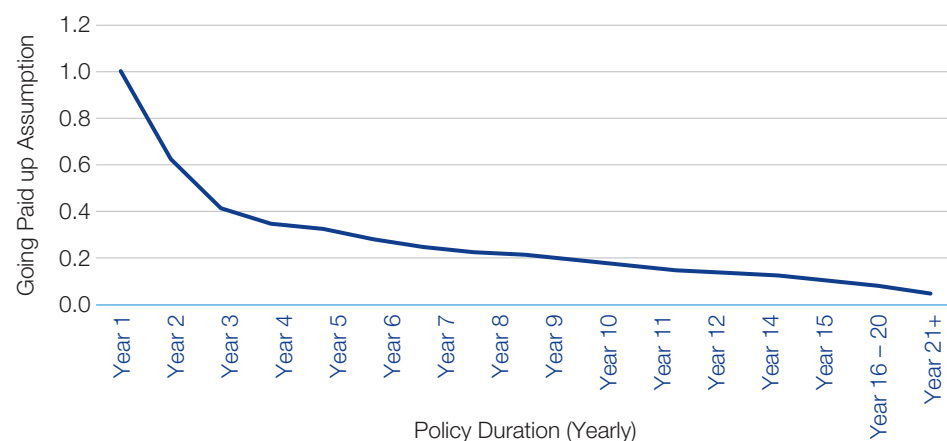
1Life

Withdrawal Assumption per policy duration



Going Paid Up assumption per policy duration

Going Paid up Assumption per policy duration



Coverage units

Judgement is required in terms of what is used as coverage units.

The Group uses the amount that it expects the policyholder to be able to validly claim in each period if an insured event occurs as the basis for the quantity of benefits. This is applicable to all measurement approaches. This will include the following:

- Sum Assured for the main life assured;
- Sum Assured for all other lives assured on a policy; and
- Sum Assured for all benefits on the policy, for example where a life assured is covered for multiple benefits such as death, disability, funeral etc.

The projection of the total value of the sum assured uses the same assumptions as those used for the projection of expected cash flows. In addition, where there are projected increases in benefits for annual contractual escalations, these are factored into the projected value of the coverage units.

The Group allows for the time value of money on the amortisation of the CSM.

For reinsurance contracts held, the CSM is released to profit or loss as services are received from the reinsurer in the period. The coverage period for these contracts is determined based on the coverage of all underlying contracts whose cash flows are included in the reinsurance contract boundary.

For the amortisation of the acquisition expenses, the number of contracts per portfolio are used, and also allow for decrements, in order to be consistent with the coverage units used for the CSM amortisation.

Economic assumptions

The Group obtains the risk-free curve and the nominal curve from the PA on a monthly basis.

All economic assumptions will be set using the above PA curves as the base, but with the following adjustments:

- The non-unit return curve is set as the risk free curve, and then subsequently allow for an LRP adjustment to the yield curve;
- The unit return curve is set as the risk free curve, with no adjustment for the LRP; and
- The inflation curve is the difference between the nominal curve and the real return curve. The modelled expenses are inflated using these curves.

It should be noted that, based on the Group performing fully retrospective calculations back to 1 July 2018 only, PA curves are available for all years required for the transition calculations.

Interest accretion will happen on gross of tax rates for all portfolios.

The yield curve to be used for the interest accretion will be slightly different depending on whether this is for Transition or Business as Usual:

- Fully Retrospective Transition calculations will use the yield curve at the end of the period; and
- For Business as Usual calculations, the Group will use the weighted average locked in curve at the end of the relevant reporting period.

Investment guarantees

There is only a small portion of the Group's savings book of policies that have an investment guarantee. These products are no longer sold.

Given that these products are no longer sold, they have been included under the Fair Value calculations for the Transition Balance Sheet.

Risk adjustment for non-financial risk

The Board has created and approved the Risk management strategy which includes the risk tolerance statement and the explicit risk level the Group accepts when writing new business. The Risk appetite statement works on the principal that the Group would accept a maximum reduction of 30% in EV based on a 1 in 7-year (or 85% percentile) event. If the risk is greater than 30%, the Group would require additional risk premiums, or it will not accept the business. If the risk of a reduction in EV is significantly higher than 30% the Group would not be able to make its targeted profits and would look to decrease its accepted risk.

The main risk items in the Group's products are interest rate risk (excluded from risk adjustment), claims risk and persistency risk. By creating a Risk Adjustment measure using the claims risk and persistency risk explicitly the Group will cover all material non-financial risk as per B89 and B90. An allowance is also made for expense risk.

Operational risk is excluded from the Risk Adjustment.

The methodology for applying the Risk Adjustment is consistent between all approaches, being the GMM, the VFA and the PAA approaches.

1.1.2.3. Contractual service margin

Premium experience adjustments

The experience adjustments arising from premiums received (including related cash flows such as insurance acquisition cash flows) that do not vary based on the returns on underlying items, adjust the CSM if related to future service, or such amounts are recognised in insurance revenue in the reporting period if related to current (or past) service. The Group applies judgement to determine whether these experience adjustments are related to current (or past) or future service.

The premium-related experience adjustments typically relate to current (or past) service. Experience adjustments relating to premiums received for future coverage are an exception to this general rule. Such an example is where the premium experience adjustments have a direct impact on the value of future benefits payable to policyholders, resulting in the experience adjustments and the changes in the estimates of the future cash flows to largely offset when adjusting the CSM.

Loss recovery component (LRECC) for reinsurance contracts held

A LRECC is deducted from the CSM at initial recognition of a group of reinsurance contracts held when underlying onerous insurance contracts are recognised, with the resulting income recognised in profit or loss offsetting the losses recognised on the underlying insurance contracts for the portion of the underlying insurance contracts being reinsured. This adjustment to the CSM of a group of reinsurance contracts held and the resulting income, is determined by multiplying:

- The loss recognised on the underlying insurance contracts (or loss component(s) of the underlying insurance contracts); and
- The percentage of claims on the underlying insurance contracts the Group expects to recover from the group of reinsurance contracts held (also referred to as the LRECC ratio).

Notes to the Annual Financial Statements *continued*

The Group applies judgement in determining the LRECC ratio. The LRECC ratio is determined as the present value of the future expected claims and reinsurance cash flows of the group of reinsurance contracts held divided by the present value of the future expected premium cash flows of the underlying insurance contracts. Subsequent to the initial recognition of a group of reinsurance contracts held, the LRECC is adjusted for changes in estimates that relate to future service based on the corresponding adjustment to the loss component(s) of the underlying group(s) of insurance contracts and the reinsured portion of these underlying insurance contracts. The Group applies judgement to assess that any unfavourable changes in the FCF of underlying insurance contracts that are not reinsured do not adjust the LRECC, unless the impact is immaterial.

If a group of reinsurance contracts held is linked to multiple groups of underlying insurance contracts (which could include onerous and non-onerous groups of contracts), the LRECC ratio is estimated based on the overall claims recoveries for the group of reinsurance contracts held and the overall claims incurred for the underlying insurance groups, applied to the sum of the loss components of the underlying insurance groups (where relevant). This determination of the LRECC therefore estimates the portion of the losses on the underlying insurance contracts being recovered in the LRECC for reinsurance contracts held, by excluding the following impacts where relevant:

- The portion of the underlying insurance contracts that are not covered by the group of reinsurance contracts held; and
- The portion of the underlying insurance contracts that are not onerous.

Changes to methods and processes

The Group has not exercised any changes to the methods and processes for estimating inputs used to measure contracts, or for the determination of future cash flows.

Disaggregation of insurance finance income or expenses into amounts presented in profit or loss and amounts presented in other comprehensive income

The Group has elected to disaggregate insurance finance income or expenses between profit or loss and other comprehensive income. The reason for this is to remove the volatile impact of movements in the yield curve on profits or loss of the Group. For further information on methods used to distinguish between profit or loss and other comprehensive income, refer to accounting policy 10.3.4 Insurance (and reinsurance) finance income and expense.

Discount rates

The estimates of future cash flows are adjusted to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of future cash flows.

The Group applies discount rates, that include the effect of inflation, to nominal cash flows (i.e., those cash flows that also include the effect of inflation, where relevant).

The discount rates applied to the estimates of the future cash flows:

- reflect the time value of money, the characteristics of the cash flows and the liquidity characteristics of the insurance contracts;
- are consistent with observable current market prices (if any) for financial instruments with cash flows whose characteristics are consistent with those of the insurance contracts, in terms of, for example, timing, currency and liquidity; and,
- exclude the effect of factors that influence such observable market prices, but do not affect the future cash flows of the insurance contracts. In order to set the discount rates to be used, the Group first obtains the liquid risk-free yield curve from the Prudential Authority ("PA"), and then subsequently allow for a Liquidity Risk Premium ("LRP") adjustment to the yield curve.

Notes to the Annual Financial Statements *continued*

In accordance with IFRS 17, paragraphs 36 and B72-B85, the discount rates used to determine the contractual service margin (CSM) are based on rate a fixed at the initial recognition of a group of insurance contracts. This "locked-in" rate is then used to accrete the CSM over the coverage period, ensuring that the CSM's measurement reflects the time value of money as at the date the contracts were issued. The "locked-in" spot rates used in the measurement of the CSM are illustrated below:

30 June 2025 (%)	1 year	5 years	10 years	20 years	30 years	30 years+
Insurance contract cash flows						
Life insurance – Risk business (GMM)	9.24% – 10.88%	11.08% – 13.22%	12.87% – 13.59%	13.70% – 13.97%	12.93% – 13.86%	13.06% – 11.15%
Life insurance – Savings business (VFA)	7.00%	8.86%	10.81%	13.00%	12.30%	12.30% – 10.36%
Reinsurance contract cash flows						
Life insurance – Risk business (GMM)	9.24% – 10.73%	11.08% – 12.78%	12.87% – 13.39%	13.97% – 13.99%	13.35% – 13.86%	13.35% – 7.31%
30 June 2024 (%)						
	1 year	5 years	10 years	20 years	30 years	30 Years+
Insurance contract cash flows						
Life insurance – Risk business (GMM)	8.0%	12.4%	16.0%	10.9%	15.0%	10.4%
Life insurance – Savings business (VFA)	8.0%	12.4%	16.0%	10.9%	15.0%	10.4%
Reinsurance contract cash flows						
Life insurance – Risk business (GMM)	8.0%	12.4%	16.0%	10.9%	15.0%	10.4%

1.2 Employee Benefits

The determination of the liabilities in respect of the Goodwill Scheme component of the Group's Bonus Scheme is dependent on estimates made by the Group. Estimates are made as to the expected VNB generated in the each of the years of a five year cycle of the Scheme, the multiple used in the formula and the expected number of participants in the Scheme. From the Cycle that commenced on 1 July 2022 onwards, the Goodwill Scheme will be based on a weighted average of the VNB created during the five-year Cycle in determining the pool.

The determination of the liabilities in respect of the EV component of the Group's Bonus Scheme is dependent on estimates made by the Group. Factors affecting the calculation are the Recurring EV earnings, the hurdle rate and the expected pool utilisation. (Refer to note 23 on pages 224 to 225).

Notes to the Annual Financial Statements *continued*

1.3 Deferred tax assets

The calculation of the deferred tax asset in respect of the existing book in the IPF of Clientèle Life of R125.1 million (2024: R107.1 million) and future utilisation of the assessed loss together with the related policyholder liability amounting to R112.5 million (2024: R92.7 million) is subject to estimates and judgements. The attrition rate is the input to which the calculation is most sensitive. Management has applied the 3% attrition rate. If the attrition rate decreased to 2% the deferred tax asset would increase to R126.1 million (2024: R109.7 million), with an additional positive impact of R0.3 million (2024: R0.1 million) on net profit after tax. If the attrition rate increased to 4%, the deferred tax asset would decrease to R124.2 million (2024: R104.6 million), with an additional negative impact of R0.3 million (2024: R0.1 million) on net profit after tax. At the reporting date the Clientèle Life IPF has an estimated tax loss of R591 million (2024: R817 million). The calculation of the deferred tax asset in respect of the existing book in the IPF of 1Life of R58.8 million is subject to estimates and judgements. At the reporting date, the 1Life IPF has an estimated tax loss of R1,452 million.

1.4 Owner-occupied Properties

The owner-occupied properties are fairly valued and the material properties are valued annually based on valuations performed by Broll Valuation and Advisory Services Proprietary Limited (part of the CB Richard Ellis Proprietary Limited network), an independent valuator. For the purpose of valuing the property, the discounted cash flow methodology was adopted, in terms of which estimated gross income is projected for a ten-year period.

Forecast expenses are then deducted from the estimated gross annual income projections, to arrive at the net annual income stream throughout the cash flow period. An amount that represents an estimate of the value of the property upon reversion at the end of the cash flow period is added to the sum of the discounted net annual value of the cash flows. The estimated value upon reversion at the end of the cash flow period is calculated as the value of the estimated net income in the forward period of 12 months immediately following the final year of the cash flow capitalised at an appropriate rate to reflect the perceived risk in the investment.

The underlying assumptions used are the lease rental rates of between R173 and R222 (2024: between R125 and R165) per square meter per month. This has then been capitalised into perpetuity at a yield of between 9.89% and 11.43% (2024: between 8.25% and 9.00%), which is appropriate given the current state of the property market and the quality of the property investments.

1.5 Financial Guarantees

1.5.1 Financial Guarantee in favour of Depfin

A Monte Carlo simulation was conducted at the end of the financial year to determine the amount of the Financial Guarantee Liability in respect of the financial guarantee issued by Clientèle Limited in favour of Depfin (a division of Nedbank Limited).

The following factors *inter alia*, were taken into consideration in calculating the Financial Guarantee Liability:

- The future share prices of Clientèle;
- The future EV per share of Clientèle;
- The probability of default;
- The exposure at default;
- The loss given default; and,
- The dates of default.

The YTI preference share funding arrangement with Depfin includes an EV per share covenant as well as a Market Value per share covenant. Both covenants need to be breached to trigger a call on additional capital.

The ECL using the above methodology amounted to R2 million (2024: R2 million).

1.5.2 Financial Guarantee in favour of Nedbank

In determining the fair value of the financial guarantees issued by Clientèle Limited to Nedbank at initial recognition, as required by IFRS 9.B2.5 (read together with IFRS 9.5.1.1), the Group opted to make use of a measurement method that quantifies the economic benefit of the financial guarantee to the holder by comparing the fair value of the underlying revolving credit facilities at the interest rates imposed by Nedbank, to the fair value of the underlying revolving credit facilities held within the subsidiaries of the Group at the estimated interest rate that the Group assumes would have been imposed on the revolving credit facilities in the absence of the financial guarantees.

The following factors, *inter alia*, were taken into consideration in calculating the Financial Guarantee Liability:

- The present value of cash flows;
- The aggregate fair value of the revolving credit facility; and
- The effective interest rate.

The Group established that the fair value attributed to the financial guarantees amounts to R1.04 million at initial recognition.

1.5.3 Financial Guarantee in favour of Investec

In determining the fair value of the financial guarantee issued to Investec at initial recognition, as required by IFRS 9.B2.5 (read together with IFRS 9.5.1.1), Clientèle Limited opted to make use of a measurement method that quantifies the Lifetime Expected Credit Loss ("ECL") on the Preference Share liability that is sitting in Clientèle Life's financial statements as a result of the issuance of the Preference Shares.

The following factors, *inter alia*, were taken into consideration in calculating the Financial Guarantee Liability:

- The fair value of the Preference Shares;
- The estimated Probability of Default ("PD") over the lifetime of the Preference Shares;
- The estimated Loss Given Default ("LGD") (i.e., the expected loss if default occurs);
- The Exposure at Default ("EAD") (i.e., the outstanding balance, including expected drawdowns) of R570 million;
- The effective interest rate on the Preference Shares.

The Group estimated that the ECL on the Preference Shares, being the fair value attributed to the financial guarantee at initial recognition, amounts to R1.6 million.

1.6 Financial assets categorised within Level 3 of the fair value hierarchy

Fair value measurements categorised within Level 3 of the fair value hierarchy are estimated indirectly using valuation techniques or models, for which one or more of the significant inputs are assumptions (based on unobservable market inputs). The African bank stub paper has been categorised within Level 3 of the fair value hierarchy as the instruments are not traded directly on the market.

The fair value of YTI preferences share was determined using a Monte Carlo simulation. Therefore, they are categorised in Level 3 of the fair value hierarchy. The primary unobservable inputs used to determine the value of the YTI preference shares comprise of:

- A percentage of the EV as a proxy of the Clientèle share price;
- the dividend yield; and
- 75% of the prime interest rate.

Notes to the Annual Financial Statements *continued*

1.7 ECL

The ECL loss allowance is an unbiased, probability-weighted amount determined by evaluating a range of possible outcomes, that reflects reasonable and supportable information that is available without undue cost or effort of past events, current conditions and forecasts of forward-looking economic conditions. The ECL model is dependent on the availability of relevant and sufficiently accurate data to determine whether a significant increase in credit risk has occurred since initial recognition, the probability of default (PD), the loss given default (LGD) and the possible exposure at default (EAD). The Group makes use of estimates of PDs, LGDs and EADs to determine the ECL balance for financial assets at amortised cost.

The simplified approach is adopted for calculating a potential ECL provision. The provision matrix is based on the entities' historical default rates over the expected life of the trade receivable. There have been no material historical defaults on this category of assets. Additionally, forecast of forward-looking information have been considered in calculating the ECL provision. Refer to the reconciliation of expected credit losses on page 117.

1.8 Deferred Acquisition Cost (DAC)

The DAC relates to the deferral of incremental costs for the single premium business and the recurring premium saving policies. The DAC is amortised over a period of 3 years for the recurring premium saving policies and over 5 years for the single premium business.

1.9 Deferred Revenue

At inception of a single premium contract there is deferred revenue that is calculated based on the difference between the amount required to be invested in order to provide a guaranteed return to a policyholder and the amount actually received from the policyholder. This revenue is deferred and recognised in line with the costs incurred to provide the investment management services.

1.10 Acquisition of subsidiaries

In the current year, the Group acquired subsidiaries through business combinations, requiring the identification and measurement of the acquirees' identifiable assets and liabilities at fair value in accordance with IFRS 3. The fair values were determined with the assistance of independent experts, using valuation techniques that involve significant estimation uncertainty and judgement. In particular, these include assumptions regarding the selection of valuation methodologies relating to use of the income approach for certain intangible assets, GMM versus PAA measurement for insurance and reinsurance contracts and the use of quoted market prices for financial assets backing investment contract liabilities.

For the acquisition of 1Life Insurance, the consideration transferred was based on an estimated embedded value (EV) per share, resulting in a total consideration of R1.59 billion. The fair value of the identifiable net assets acquired exceeded the consideration paid, resulting in the recognition of a bargain purchase gain of R403.1 million.

For the acquisition of Emerald Life, the consideration comprised an upfront cash payment and a contingent payment due two years post-acquisition. The fair value of the contingent consideration was determined in accordance with IFRS 13, resulting in a total consideration of R641.5 million. The consideration paid exceeded the fair value of the identifiable net assets acquired, resulting in the recognition of goodwill of R104.9 million.

The determination of fair values for the identifiable assets and liabilities, as well as the measurement of contingent consideration, required the application of significant judgement and estimates, particularly in relation to the selection of valuation methodologies and key assumptions. These judgements and estimates include assumptions regarding the selection of valuation methodologies relating to use of the income approach and cost approach for certain intangible assets.

2. GOODWILL

(R'000)	Group		Company	
	2025	2024	2025	2024
Gross amount	8,412	8,412	-	-
Accumulated impairment losses	-	-	-	-
Balance at beginning of the year	8,412	8,412	-	-
Acquisitions through business combinations ¹	104,900	-	-	-
Balance at end of year	113,312	8,412	-	-

1. This amount relates to the acquisition of Emerald Life which took place on 24 June 2025. An impairment test was not performed on the amount on 30 June 2025, owing to the fact that the recoverable amount of this goodwill could not have gone below the carrying amount in the 6 days between the acquisition date and the end of the financial year. All of the goodwill that arose from this acquisition is attributed to Emerald Life. Refer to note 34.

3. OWNER-OCCUPIED PROPERTIES

(R'000)	Group					
	2025			2024		
	Land	Buildings	Total	Land	Buildings	Total
At Valuation at beginning of year	83,742	351,630	435,372	82,703	339,964	422,667
Additions at cost (buildings 1 to 7)	-	41,561	41,561	-	2,216	2,216
Revaluation	25,806	26,092	51,899	1,039	9,450	10,489
At Valuation at end of year	109,549	419,284	528,833	83,742	351,630	435,372

The land and buildings for material properties are valued annually on 30 June, in consultation with Broll Valuation and Advisory Services Proprietary Limited (part of the CB Richard Ellis Proprietary Limited Network).

In arriving at the open market value of the lettable properties, the discounted cash flow methodology is adopted and estimated gross income is projected in line with the lease term.

Forecast expenses are then deducted from the estimated gross annual income projections to arrive at the net annual income stream throughout the cash flow period. This net annual income stream is then discounted and aggregated to determine an estimated net present value of the cash flows. A discounted end of lease terminal value is added to the net present value of the cash flow.

The valuation of material properties assumes the continuation of existing use, and includes the intergroup lease agreement rates of between R173 and R222 per square meter of office space, per month and an annual escalation of 7% until the end of the lease term (30 June 2035). Forecast expenses are then deducted from the estimated gross annual income projections to arrive at the net annual income stream throughout the cash flow period. This net annual income stream is then discounted and aggregated to determine an estimated net present value of the cash flows. A discounted end of lease terminal value is added to the net present value of the cash flow.

This has been capitalised into perpetuity at the following capitalisation yields for the following buildings:

- Building 7: 9.89% (2024: 8.25%)
- Building 1 to 4: 11.43% (2024: 9.00%)
- Building 5 and 6: 11.43% (2024 9.00%)

The fair value measurement of land and buildings is a level 3 valuation in the fair value hierarchy, in accordance with IFRS 13.

The residual value exceeds the carrying amount therefore there is no depreciation charge.

Notes to the Annual Financial Statements *continued***3. OWNER-OCCUPIED PROPERTIES** *continued***Sensitivity Analysis**

The effect of changes in the discount and terminal cap rate, will have the following effect on the fair value of the properties and corresponding effect on equity:

	% change	2025 R'000	2024 R'000
Change in discount rate	+0.5	(7,161)	(11,089)
Change in discount rate	-0.5	7,435	11,530
Change in terminal Cap rate	+0.5	(3,399)	(6,338)
Change in terminal Cap rate	-0.5	3,779	7,078

The properties consist of seven contiguous office buildings and a parking structure situated on Erf 1725, Morningside Extension 71, Erf 1731, Morningside Extension 42, Portions 1, 2 and 3 of Erf 1502, Morningside Extension 71, Sandton, Gauteng. The buildings and parking structure are leased by Group companies. The properties balance also includes a property in the Zebula Golf Estate and Spa situated 093, SS Mabalingwe 12, Bela-Bela in the Limpopo province.

Register of Owner-Occupied Properties

A register containing the details of all owner-occupied properties is available for inspection at the registered office of Clientèle.

If the owner-occupied properties were stated on the historical cost basis, the net book value or historical cost would be R382.46 million at 30 June 2025 (2024: R340.90 million).

4. INTANGIBLE ASSETS

(R'000)	Group							
	2025					2024		
	Computer Software	Trade name	Distribution network	Customer relationships	Total	Computer software	Total	
Cost at beginning of year	96,778				96,778	87,481	87,481	
Additions/(Disposals)	4,383				4,383	10,031	10,031	
Assets written off					-	(734)	(734)	
Acquisition through business combinations ²	28,414	112,917	102,811	905,336	1,149,478			
Cost at end of year	129,576	112,917	102,811	905,336	1,250,640	96,778	96,778	
Accumulated amortisation at beginning of year	(67,922)				(67,922)	(54,756)	(54,756)	
Amortisation charge for the year	(13,088)	(6,552)	(6,854)		(26,494)	(13,900)	(13,900)	
Assets written off	-				-	734	734	
Accumulated amortisation at end of year	(81,010)	(6,552)	(6,854)	-	(94,416)	(67,922)	(67,922)	
Net carrying amount at end of year	48,566	106,365	95,957	905,336	1,156,224	28,856	28,856	

1. Refer to note 33 and 34.

5. PROPERTY AND EQUIPMENT**Group**

(R'000)	Leasehold improvements	Furniture and equipment	Solar plant	Computer equipment	Right-of-use asset – buildings	Motor vehicles	Total
Year ended 30 June 2025							
Cost at beginning of year	8,914	33,934	25,846	78,748	–	1,212	148,650
Additions	409	22,942	–	4,302	–	1,213	28,866
Assets written off ¹	–	–	(9,583)	–	–	–	(9,583)
Cost at end of year	9,323	56,876	16,263	83,050	–	2,425	167,938
Accumulated depreciation at beginning of year	(6,619)	(26,931)	(1,427)	(58,348)	–	(831)	(94,154)
Depreciation charge for the year	(1,263)	(4,999)	(925)	(6,125)	–	(425)	(13,736)
Assets written off ¹	–	–	1,251	–	–	–	1,251
Accumulated depreciation at end of year	(7,882)	(31,930)	(1,101)	(64,473)	–	(1,256)	(106,642)
Acquisitions through business combinations ²	529	1,445	–	1,335	15,990	–	19,299
Net carrying amount at end of year	1,970	26,391	15,163	19,912	15,990	1,169	80,595

1. Fully amortised/depreciated assets that were not in use were written off by the Group.

2. Refer to note 33 and 34.

Group

(R'000)	Leasehold improvements	Furniture and equipment	Solar plant	Computer equipment	Motor vehicles	Total
Year ended 30 June 2024						
Cost at beginning of year	8,663	29,825	10,843	75,813	1,163	126,305
Additions	254	4,276	16,584	3,136	230	24,479
Assets written off ¹	(3)	(167)	–	(201)	–	(371)
Reclassification Adjustment	–	–	(1,581)	–	(181)	(1,763)
Cost at end of year	8,914	33,934	25,846	78,748	1,212	148,650
Accumulated depreciation at beginning of year	(5,519)	(24,392)	(784)	(49,867)	(874)	(81,434)
Depreciation charge for the year	(1,103)	(2,706)	(643)	(8,682)	(138)	(13,272)
Assets written off ¹	3	167	–	201	–	371
Reversal/reclassification adjustment	–	–	–	–	181	181
Accumulated depreciation at end of year	(6,619)	(26,931)	(1,427)	(58,348)	(831)	(94,154)
Net carrying amount at end of year	2,295	7,003	24,419	20,400	381	54,496

1. Fully amortised/depreciated assets that were not in use were written off by the Group.

Notes to the Annual Financial Statements *continued*
6. DEFERRED TAX

(R'000)	Group		Company	
	2025	2024	2025	2024
Assets				
Balance at beginning of the year	124,605	199,788	1,413	2,388
Business Combination	49,464			
Non-Statement of Comprehensive Income adjustments	5,316			
Charge to the Statement of Comprehensive Income	33,522	(75,183)	908	(976)
Tax losses and credits	6,908	4,611		
Tax losses in respect of IPF assessed losses	17,310	(74,342)		
Fair value gains/losses on Financial Assets	2,965	(2,994)	973	(1,433)
Trade receivables	(470)	386	(1)	1,403
PPE & Intangibles	126	(985)		
Provisions and Accruals	(172)	1,181		
Bonus Rights Scheme	329	323	(63)	1,006
IFRS 17 Phase in	-	27		
Transfer to liability	(1,960)	3,614		
Other	(1,564)	(7,005)		
Unrealised gains on investments (IPF)	10,050	-		
Balance at end of year	212,907	124,605	2,321	1,413
Liability				
Balance at beginning of the year	835,647	781,568	-	
Business Combination	605,635			
Non-Statement of Comprehensive Income adjustments	7,539			
Charge to the Statement of Comprehensive Income	62,357	(4,475)	-	-
Tax losses and credits	(15,669)	(2,923)		
Trade receivables	56	1,499		
PPE & Intangibles	(3,665)	-		
Fair value gains/losses on Financial Assets	(3,005)	(2,469)		
IFRS 17 Phase in	1,223	2,243		
Bonus Rights Scheme	19	1,006		
Provisions and Accruals	(6,011)	-		
Net negatives zeroised (RPF)	96,442	10,296		
Transfer from asset	(1,960)	6,230		
Prepayments	371			
Solar	(121)			
Employee Benefits	(656)			
Disregarded assets for tax purposes	(13,065)	(20,633)		
Other	8,396	276		
Charge to Other Comprehensive Income	199,607	58,554		
Tax on movement in insurance finance reserve	186,988	55,777		
PPE, Intangibles & Owner-occupied	12,619	2,777		
Balance at end of year	1,710,785	835,647		

Notes to the Annual Financial Statements *continued*

6. DEFERRED TAX *continued*

(R'000)	Group		Company	
	2025	2024	2025	2024
Analysis of deferred tax balances:				
Assets				
Tax losses and credits	26,029	18,469		
Tax losses in respect of IPF assessed losses	200,779	107,770		
Fair value gains/losses on Financial Assets	(13,424)	(7,504)	3,413	2,439
Trade receivables	(22)	(49)	(22)	(21)
PPE & Intangibles	30	(1,638)		
Bonus Rights Scheme	(1,069)	1,205	(1,069)	(1,006)
Provisions and Accruals	184	5,300		
Phase-in to IFRS 17	-	27		
Other	400	1,025		
Deferred tax asset at end of the year	212,907	124,605	2,321	1,413
Liability				
Tax losses and credits	(206,013)	(121,766)		
PPE & Intangibles & Owner occupied revaluation	221,324	46,347		
Trade receivables	5,720	165		
Fair value gains/losses on Financial Assets	9,611	(6)		
Disregarded assets for tax purposes	39,635	32,085		
Net negatives zeroised (RPF)	866,417	831,557		
Bonus Rights Scheme	(5,724)	(3,532)		
Provisions and Accruals	(24,000)	(4,230)		
IFRS 17 Phase in	8,540	(10,559)		
Tax on movement in insurance finance reserve	798,494	55,741		
Other	(3,219)	9,885		
Deferred tax liability at end of the year	1,710,785	835,647		-

Policyholder taxation funds are separate tax entities which have differing tax rules applied in the South African taxation legislation for insurance companies. There are three separate policyholder funds applicable to Clientèle Life and 1Life, defined as the untaxed, IPF and risk funds. The IPF in Clientèle Life has an estimated tax loss of R0.6 billion (2024:R0.8 billion). It is currently probable that future taxable profits in the IPF will be available against which the assessed loss can be utilised. The current assessed loss of R0.6 billion is expected to be released in 2 years. There is currently an unrecognised deferred tax asset of R30 million.

The IPF in 1Life has an estimated tax loss of R1.45 billion (2024:R0). It is currently probable that future taxable profits in the IPF will be available against which the assessed loss can be utilised.

Deferred tax assets include R125.1 million (2024: R107 million) and R59 million in respect of tax losses which are expected to be utilised in the foreseeable future related to Clientèle Life's and 1Life's respective individual policyholder's tax fund ("IPF") as a result of single premium business.

(Refer to estimates and judgements note 1.3 on page 181 and tax note on page 243).

Notes to the Annual Financial Statements *continued***7. INSURANCE AND REINSURANCE CONTRACTS****7.1 Summary of insurance contract assets and liabilities issued and reinsurance contracts held**

Assets/(Liabilities) (R'000)	Group				Total
	Life insurance – Risk business (GMM)	Life insurance – Risk business (PAA)	Life insurance – Savings business (VFA)	Short-term insurance (PAA)	
Year ended 30 June 2025					
Insurance contracts issued	5,561,126	(23,431)	(546,163)	(5,442)	4,986,090
Reinsurance contracts held	(45,236)	6,852	–	–	(38,384)
Total	5,515,890	(16,579)	(546,163)	(5,442)	4,947,706
Insurance contracts issued					
Insurance contract assets	5,573,563	16,000	–	–	5,589,563
Insurance contract liabilities	(12,437)	(39,431)	(546,163)	(5,442)	(603,473)
Total	5,561,126	(23,431)	(546,163)	(5,442)	4,986,090
Reinsurance contracts held					
Reinsurance contract assets	377,997	6,852	–	–	384,848
Reinsurance contract liabilities	(423,232)	–	–	–	(423,232)
Total	(45,236)	6,852	–	–	(38,384)
Year ended 30 June 2024					
Insurance contracts issued	3,173,456	(345)	(505,845)	(13,865)	2,653,401
Reinsurance contracts held	71,674	–	–	–	71,674
Total	3,245,130	(345)	(505,845)	(13,865)	2,725,075
Insurance contracts issued					
Insurance contract assets	3,173,456	–	–	–	3,173,456
Insurance contract liabilities	–	(345)	(505,845)	(13,865)	(520,055)
Total	3,173,456	(345)	(505,845)	(13,865)	2,653,401
Reinsurance contracts held					
Reinsurance contract assets	71,674	–	–	–	71,674
Reinsurance contract liabilities	–	–	–	–	–
Total	71,674	–	–	–	71,674

Notes to the Annual Financial Statements *continued***7. INSURANCE AND REINSURANCE CONTRACTS** *continued***7.2 Reconciliation of insurance contracts: GMM****7.2.1 Life insurance – Risk business (GMM)**

Analysis by remaining coverage and incurred claims	Group							
	2025				2024 (Restated) ¹			
	Liabilities for remaining coverage				Liabilities for remaining coverage			
Assets/(Liabilities) (R'000)	Excluding loss component	Loss component	Liabilities for incurred claims	Total	Excluding loss component	Loss component	Liabilities for incurred claims	Total
Opening insurance contract assets ¹	3,971,984	(789,173)	(9,355)	3,173,456	3,629,371	(673,421)	(8,565)	2,947,384
Opening insurance contract liabilities								
Opening balance at 1 July 2024¹	3,971,984	(789,173)	(9,355)	3,173,456	3,629,371	(673,421)	(8,565)	2,947,384
Acquired Insurance contract assets – 1Life	1,792,735	(55,957)	(406,227)	1,330,552				
Acquired Insurance contract liabilities – 1Life	(225)	(11,238)	(818)	(12,280)				
Adjusted opening balance at the beginning of the year¹	5,764,494	(856,368)	(416,399)	4,491,728	3,629,371	(673,421)	(8,565)	2,947,384
Changes in statement of profit and loss and OCI								
Insurance revenue	2,424,770	-	-	2,424,770	1,352,390	-	-	1,352,390
Contracts under the fair value transition approach	1,354,843	-	-	1,354,843	370,026	-	-	370,026
Other contracts	1,069,927	-	-	1,069,927	982,364	-	-	982,364
Insurance service expenses²	(711,949)	(68,024)	(1,324,469)	(2,104,442)	(709,796)	(56,740)	(564,777)	(1,331,313)
Changes that relate to past and current services	(711,949)	193,605	(1,324,469)	(1,842,813)	(709,796)	166,773	(564,777)	(1,107,800)
Incurred insurance service expenses and claims ¹	-	193,605	(1,389,779)	(1,196,173)	-	166,773	(564,909)	(398,136)
Insurance acquisition cash flows expensed when incurred	-	-	-	-	-	-	-	-
Amortisation of insurance acquisition cash flows	(711,949)	-	-	(711,949)	(709,796)	-	-	(709,796)
Adjustment to liabilities for incurred claims	-	-	65,310	65,310	-	-	132	132
Changes that relate to future services	-	(261,630)	-	(261,630)	-	(223,513)	-	(223,513)
Losses for the net outflow recognised on initial recognition	-	(251,755)	-	(251,755)	-	(120,087)	-	(120,087)
Losses and reversal of losses on onerous contracts – subsequent measurement	-	(9,875)	-	(9,875)	-	(103,426)	-	(103,426)
Insurance service result	1,712,821	(68,024)	(1,324,469)	320,328	642,594	(56,740)	(564,777)	21,077
Insurance contracts finance income/(expenses) through profit and loss	536,838	(82,369)	(30,545)	423,925	287,518	(59,011)	-	228,507
Insurance contracts finance income/(expenses) through OCI	677,399	(16,669)	-	660,730	209,107	-	-	209,107
Total changes in statement of profit and loss and OCI	2,927,059	(167,062)	(1,355,014)	1,404,983	1,139,219	(115,751)	(564,777)	458,691
Cash flows								
Premiums and premium tax received ¹	(3,026,836)	-	-	(3,026,836)	(1,427,633)	-	-	(1,427,633)
Insurance acquisition cash flows	1,247,762	-	-	1,247,762	631,027	-	-	631,027
Claims paid including investment components ¹	-	-	1,443,489	1,443,489	-	-	563,987	563,987
Total cash flows	(1,779,074)	-	1,443,489	(335,585)	(796,606)	-	563,987	(232,619)
Net closing balance at the end of the year¹	6,912,479	(1,023,430)	(327,924)	5,561,126	3,971,984	(789,172)	(9,355)	3,173,456
Closing insurance contract assets ¹	6,912,830	(1,011,819)	(327,448)	5,573,563	3,971,984	(789,172)	(9,355)	3,173,456
Closing insurance contract liabilities	(351)	(11,611)	(476)	(12,437)				
Net closing balance at the end of the year¹	6,912,479	(1,023,430)	(327,924)	5,561,126	3,971,984	(789,172)	(9,355)	3,173,456

1. Refer to restatement note 39.

2. A casting error was identified in the total service expense line, which was previously incorrectly reported as R1,227,887.

Notes to the Annual Financial Statements *continued***7. INSURANCE AND REINSURANCE CONTRACTS** *continued***7.3 Movement in insurance contract balances: GMM****7.3.1 Life insurance – Risk business (GMM)**

Analysis by measurement component	Group									
	2025					2024 (Restated) ¹				
	Estimates of present value of future cash flows	Non-finance risk adjustment	Contractual Service Margin		Total	Estimates of present value of future cash flows	Non-finance risk adjustment	Contractual Service Margin		Total
Contracts under fair value transition approach			Other contracts	Contracts under fair value transition approach				Other contracts		
Assets/(Liabilities) (R'000)										
Opening insurance contract assets (Excluding 1Life) ¹	5,057,442	(516,365)	(736,200)	(631,421)	3,173,456	4,867,903	(490,219)	(801,712)	(628,588)	2,947,384
Opening insurance contract liabilities					-	-	-			-
Opening balance at 1 July 2024	5,057,442	(516,365)	(736,200)	(631,421)	3,173,456	4,867,903	(490,219)	(801,712)	(628,588)	2,947,384
Opening Insurance contract assets – 1Life	2,028,151	(404,732)	(292,867)	-	1,330,552					
Opening Insurance contract liabilities – 1Life	(12,035)	(245)	-	-	(12,280)					
Net opening balance at the beginning of the year¹	7,073,558	(921,342)	(1,029,067)	(631,421)	4,491,728	4,867,903	(490,219)	(801,712)	(628,588)	2,947,384
Changes in statement of profit and loss and OCI										
Changes that relate to current services	20,070	121,102	182,481	192,995	516,648	(112,591)	59,478	147,986	180,611	275,484
CSM recognised for services provided	-	-	182,481	192,995	375,476			147,986	180,611	328,597
Change in risk adjustment for non-financial risk for risk expired	-	169,021	-	-	169,021		59,478			59,478
Experience adjustments	20,070	(47,919)	-	-	(27,849)	(112,591)				(112,591)
Changes that relate to future services	325,348	(87,342)	(107,619)	(392,016)	(261,630)	(74,797)	(9,553)	(15,915)	(123,250)	(223,515)
Contracts initially recognised in the year	338,529	(176,001)	(1,002)	(413,281)	(251,755)	105,332	(116,314)		(109,107)	(120,089)
Changes in estimates that adjust the CSM	25,795	27,069	(77,442)	24,578	0	(19,293)	49,351	(15,915)	(14,143)	-
Changes in estimates that relate to losses and reversal of losses on underlying onerous contracts	(38,976)	61,589	(29,175)	(3,313)	(9,875)	(160,836)	57,410			(103,426)
Changes that relate to past services										
Experience adjustments in claims and other insurance service expenses in LIC	62,430	2,880	-	-	65,310	(30,892)				(30,892)
Insurance service result	407,848	36,640	74,862	(199,022)	320,328	(218,280)	49,925	132,071	57,361	21,077
Insurance contracts finance (income)/expenses through profit and loss	683,972	(87,143)	(95,162)	(77,741)	423,925	400,413	(45,153)	(66,559)	(60,194)	228,507
Insurance contracts finance (income)/expenses through OCI	780,324	(119,594)	-	-	660,730	240,025	(30,918)			209,107
Total changes in statement of profit and loss and OCI	1,872,144	(170,098)	(20,300)	(276,763)	1,404,983	422,158	(26,146)	65,512	(2,833)	458,691
Cash flows										
Premiums and premium tax received ¹	(3,026,836)				(3,026,836)	(1,427,633)				(1,427,633)
Insurance acquisition cash flows ^{1*}	1,247,762				1,247,762	631,027				631,027
Claims paid including investment components ^{1*}	1,443,489	-	-	-	1,443,489	563,987				563,987
Total cash flows	(335,585)	-	-	-	(335,585)	(232,619)	-	-	-	(232,619)
Net closing balance at the end of the year	8,610,117	(1,091,440)	(1,049,368)	(908,184)	5,561,126	5,057,442	(516,365)	(736,200)	(631,421)	3,173,456
Closing insurance contract assets ¹	8,622,131	(1,091,017)	(1,049,368)	(908,184)	5,573,563	5,057,442	(516,365)	(736,200)	(631,421)	3,173,456
Closing insurance contract liabilities	(12,015)	(422)	-	(0)	(12,437)					
Net closing balance at the end of the year¹	8,610,117	(1,091,440)	(1,049,368)	(908,184)	5,561,126	5,057,442	(516,365)	(736,200)	(631,421)	3,173,456

1. Refer to restatement note 39.

* A classification error was identified between the insurance acquisition cashflows line and the claims and other insurance service expenses paid including investment components line. The classification error amounted to a change between the two lines of R29,225.

Notes to the Annual Financial Statements *continued***7. INSURANCE AND REINSURANCE CONTRACTS** *continued***7.4 Reconciliation of insurance contracts: VFA****7.4.1 Life insurance – Savings business (VFA)****Group**

Analysis by remaining coverage and incurred claims	2025				2024			
	Liabilities for remaining coverage			Total	Liabilities for remaining coverage			Total
	Excluding loss component	Loss component	Liabilities for incurred claims		Excluding loss component	Loss component	Liabilities for incurred claims	
Assets/(Liabilities) (R'000)								
Opening insurance contract assets	-	-	-	-	-	-	-	-
Opening insurance contract liabilities	(479,116)	(25,921)	(808)	(505,845)	(456,215)	(29,837)	(955)	(487,007)
Net opening balance at the beginning of the year	(479,116)	(25,921)	(808)	(505,845)	(456,215)	(29,837)	(955)	(487,007)
Changes in statement of profit and loss and OCI								
Insurance revenue	56,634	-	-	56,634	70,539	-	-	70,539
Contracts under the fair value transition approach	23,067			23,067	25,313			25,313
Other contracts	33,567			33,567	45,226			45,226
Insurance service expenses	(13,909)	517	(20,880)	(34,272)	(22,855)	3,916	(24,872)	(43,811)
Changes that relate to past and current services	(13,909)	217	(20,880)	(34,572)	(22,855)	570	(24,872)	(47,157)
Incurred claims and other insurance service expenses		217	(20,163)	(19,946)		570	(24,925)	(24,355)
Amortisation of insurance acquisition cash flows	(13,909)			(13,909)	(22,855)			(22,855)
Changes that relate to past service (changes in fulfilment cash flows re LIC)			(717)	(717)			53	53
Changes that relate to future services								
Losses for the net outflow recognised on initial recognition		(984)		(984)		3,346		3,346
Losses and reversal of losses on onerous contracts – subsequent measurement		1,284		1,284				
Investment components	108,321		(108,321)	-	115,669		(115,669)	
Insurance service result	151,047	517	(129,201)	22,363	163,353	3,916	(140,541)	26,728
Insurance contracts finance income/(expenses) through profit and loss	(45,810)	-	-	(45,810)	(33,822)			(33,822)
Total changes in statement of profit and loss and OCI	105,237	517	(129,201)	(23,448)	129,531	3,916	(140,541)	(7,094)
Cash flows								
Premiums and premium tax received	(155,060)			(155,060)	(170,596)			(170,596)
Insurance acquisition cash flows	9,016			9,016	18,164			18,164
Claims paid including investment components			129,174	129,174			140,688	140,688
Other insurance service expenses paid				-				-
Total cash flows	(146,045)	-	129,174	(16,870)	(152,432)	-	140,688	(11,744)
Net closing balance at the end of the year	(519,924)	(25,404)	(835)	(546,163)	(479,116)	(25,921)	(808)	(505,845)
Closing insurance contract assets				-				-
Closing insurance contract liabilities	(519,924)	(25,404)	(835)	(546,163)	(479,116)	(25,921)	(808)	(505,845)
Net closing balance at the end of the year	(519,924)	(25,404)	(835)	(546,163)	(479,116)	(25,921)	(808)	(505,845)

Notes to the Annual Financial Statements *continued***7. INSURANCE AND REINSURANCE CONTRACTS** *continued***7.5 Movement in insurance contract balances: VFA****7.5.1 Life insurance – Savings business (VFA)**

Analysis by measurement component	Group									
	2025					2024				
	Estimates of present value of future cash flows	Non-finance risk adjustment	Contractual Service Margin			Estimates of present value of future cash flows	Non-finance risk adjustment	Contractual Service Margin		
Contracts under fair value transition approach			Other contracts	Total	Contracts under fair value transition approach			Other contracts	Total	
Assets/(Liabilities) (R'000)										
Opening insurance contract liabilities	(399,300)	(25,786)	(39,613)	(41,146)	(505,845)	(415,513)	(28,759)	(7,019)	(35,716)	(487,007)
Net opening balance at the beginning of the year	(399,300)	(25,786)	(39,613)	(41,146)	(505,845)	(415,513)	(28,759)	(7,019)	(35,716)	(487,007)
Changes in statement of profit and loss and OCI										
Changes that relate to current services	(12,943)	2,017	17,810	15,895	22,779	(8,593)	2,741	12,917	17,640	24,705
CSM recognised for services provided	-	-	17,810	15,895	33,706	-	-	12,917	17,640	30,557
Change in risk adjustment for non-financial risk for risk expired	-	2,017	-	-	2,017	-	2,741	-	-	2,741
Experience adjustments	(12,943)	-	-	-	(12,943)	(8,593)	-	-	-	(8,593)
Changes that relate to future services	52,248	(3,147)	(33,598)	(15,203)	300	71,697	232	(45,511)	(23,070)	3,348
Contracts initially recognised in the year	2,053	(2,261)	-	(776)	(984)	(5,233)	(3,998)	-	(410)	(9,641)
Changes in estimates that adjust the CSM	50,274	(2,250)	(33,598)	(14,427)	-	65,390	2,781	(45,511)	(22,660)	-
Changes in estimates that relate to losses and reversal of losses on onerous contracts	(79)	1,363	-	-	1,284	11,540	1,449	-	-	12,989
Changes that relate to past services										
Experience adjustments in claims and other insurance service expenses in LIC	(717)	-	-	-	(717)	(1,325)	-	-	-	(1,325)
Insurance service result	38,588	(1,131)	(15,788)	693	22,363	61,779	2,973	(32,594)	(5,430)	26,728
Insurance contracts finance (income)/expenses through profit and loss	(45,810)	-	-	-	(45,810)	(33,822)	-	-	-	(33,822)
Insurance contracts finance (income)/expenses through OCI	-	-	-	-	-	-	-	-	-	-
Total changes in statement of profit and loss and OCI	(7,222)	(1,131)	(15,788)	693	(23,448)	27,957	2,973	(32,594)	(5,430)	(7,094)
Cash flows										
Premiums and premium tax received	(155,060)	-	-	-	(155,060)	(170,596)	-	-	-	(170,596)
Insurance acquisition cash flows	9,016	-	-	-	9,016	18,164	-	-	-	18,164
Claims and other insurance service expenses paid, including investment components	129,174	-	-	-	129,174	140,688	-	-	-	140,688
Total cash flows	(16,870)	-	-	-	(16,870)	(11,744)	-	-	-	(11,744)
Net closing balance at the end of the year	(423,392)	(26,917)	(55,401)	(40,453)	(546,163)	(399,300)	(25,786)	(39,613)	(41,146)	(505,845)
Closing insurance contract liabilities	(423,392)	(26,917)	(55,401)	(40,453)	(546,163)	(399,300)	(25,786)	(39,613)	(41,146)	(505,845)
Net closing balance at the end of the year	(423,392)	(26,917)	(55,401)	(40,453)	(546,163)	(399,300)	(25,786)	(39,613)	(41,146)	(505,845)

Notes to the Annual Financial Statements *continued***7. INSURANCE AND REINSURANCE CONTRACTS** *continued***7.6 Reconciliation of insurance contracts: PAA****7.6.1 Life insurance – Risk business (PAA)**

Analysis by remaining coverage and incurred claims	Group							
	2025				2024			
	Liabilities for remaining coverage	Liabilities for incurred claims		Total	Liabilities for remaining coverage	Liabilities for incurred claims		Total
Estimate of present value of future cash flows		Non-finance risk adjustment	Estimate of present value of future cash flows			Non-finance risk adjustment		
Assets/(Liabilities) (R'000)								
Opening insurance contract assets		-	-	-	-	-	-	-
Opening insurance contract liabilities	(204)	(117)	(24)	(345)	(12)	(150)	(30)	(192)
Opening balance at 1 July 2024	(204)	(117)	(24)	(345)	(12)	(150)	(30)	(192)
Acquired Insurance contract assets – 1Life	12,757	(1,004)	(20)	11,733				
Acquired Insurance contract liabilities – 1Life	-	(123)	(2)	(125)				
Adjusted opening balance at the beginning of the year	12,553	(1,243)	(46)	11,264	(12)	(150)	(30)	(192)
Insurance revenue	429,404	-	-	429,404	3,094	-	-	3,094
Insurance service expenses	(45,781)	(304,180)	(611)	(350,572)	-	(1,947)	6	(1,941)
Incurring claims	-	(172,978)	(115)	(173,093)		(1,363)		(1,363)
Other insurance service expenses	-	(128,167)	-	(128,167)		(616)		(616)
Other movements related to current service	-	(3,034)	-	(3,034)				-
Amortisation of insurance acquisition cash flows	(45,781)	-	(496)	(46,277)				-
Adjustments to liabilities for incurred claims	-	-	-	-		32	6	38
Insurance service result	383,623	(304,180)	(611)	78,833	3,094	(1,947)	6	1,153
Total changes in statement of profit and loss and OCI	383,623	(304,180)	(611)	78,833	3,094	(1,947)	6	1,153
Cash flows								
Premiums and premium tax received	(422,605)	-	-	(422,605)	(3,286)			(3,286)
Claims paid including investment components	-	299,057	-	299,057		1,980		1,980
Other insurance service expenses paid	-	-	-	-				-
Insurance acquisition cash flows	45,780	-	-	45,780				-
Total cash flows	(376,824)	299,057	-	(77,767)	(3,286)	1,980	-	(1,306)
Net closing balance at the end of the year	19,352	(6,366)	(657)	12,329	(204)	(117)	(24)	(345)
Acquisition of insurance contract assets – Emerald Life	-	-	-	-				
Acquisition of insurance contract liabilities – Emerald Life	(12,145)	(20,921)	(2,693)	(35,759)				
	7,206	(27,286)	(3,350)	(23,430)				
Closing insurance contract assets	19,352	(3,214)	(137)	16,000				
Closing insurance contract liabilities	(12,145)	(24,072)	(3,213)	(39,431)	(204)	(117)	(24)	(345)
Net closing balance at the end of the year	7,206	(27,286)	(3,350)	(23,430)	(204)	(117)	(24)	(345)

Notes to the Annual Financial Statements *continued***7. INSURANCE AND REINSURANCE CONTRACTS** *continued***7.6 Reconciliation of insurance contracts: PAA** *continued***7.6.2 Short-term insurance (PAA)**

Analysis by remaining coverage and incurred claims	Group							
	2025				2024			
	Assets/(Liabilities) (R'000)	Liability for incurred claims			Total	Liability for incurred claims		
Liabilities for remaining coverage		Estimate of present value of future cash flows	Non-finance risk adjustment	Liabilities for remaining coverage		Estimate of present value of future cash flows	Non-finance risk adjustment	
Opening insurance contract liabilities	(7,331)	(6,171)	(363)	(13,865)	(12,363)	(7,072)	(421)	(19,856)
Net opening balance at the beginning of the year	(7,331)	(6,171)	(363)	(13,865)	(12,363)	(7,072)	(421)	(19,856)
Insurance revenue	491,942			491,942	505,108			505,108
Insurance service expenses	(184,518)	(154,275)	156	(338,637)	(242,966)	(115,860)	79	(358,747)
Incurring claims		(36,208)	(3,618)	(39,826)		(37,360)	(3,872)	(41,232)
Other insurance services expenses		(109,372)		(109,372)		(70,098)		(70,098)
Other movements related to current service			3,449	3,449			3,569	3,569
Amortisation of insurance acquisition cash flows	(184,518)			(184,518)	(242,966)			(242,966)
Adjustments to liabilities for incurred claims		(8,695)	325	(8,369)		(8,402)	382	(8,019)
Insurance service result	307,423	(154,275)	156	153,305	262,142	(115,860)	79	146,361
Insurance contracts finance expenses through profit and loss		(1,916)	(136)	(2,052)		(503)	(19)	(522)
Insurance contracts finance income/(expenses) through OCI		(13)	(1)	(14)		(21)	(2)	(23)
Total changes in statement of profit and loss and OCI	307,423	(156,204)	19	151,239	262,142	(116,384)	58	145,816
Cash flows								
Premiums and premium tax received	(483,724)			(483,724)	(500,076)			(500,076)
Insurance acquisition cash flows	184,518			184,518	242,966			242,966
Claims paid including investment components		156,390		156,390		117,285		117,285
Total cash flows	(299,205)	156,390	-	(142,816)	(257,110)	117,285	-	(139,825)
Net closing balance at the end of the year	887	(5,985)	(344)	(5,442)	(7,331)	(6,171)	(363)	(13,865)
Closing insurance contract liabilities	887	(5,985)	(344)	(5,442)	(7,331)	(6,171)	(363)	(13,865)
Net closing balance at the end of the year	887	(5,985)	(344)	(5,442)	(7,331)	(6,171)	(363)	(13,865)

7. INSURANCE AND REINSURANCE CONTRACTS *continued*

7.6 Reconciliation of insurance contracts: PAA *continued*

7.6.3 Claims Development: Short-term insurance

(R'000)	Claim year			Total
	2023	2024	2025	
Estimate of ultimate claim costs (undiscounted, inclusive of other directly attributable expenses related to claims management):				
Initial claims estimate	47,780	46,799	44,346	138,925
At the end of claim year	48,235	47,033	45,036	140,304
1 year later	48,741	47,116	–	95,857
2 years later	48,827	–	–	48,827
Cumulative gross claims and other directly attributable expenses paid	(48,532)	(46,751)	(41,276)	(136,559)
Gross cumulative claim liabilities – claim years from 2023 to 2025	296	365	3,760	4,421
Best estimate for unreported claims (IBNR)	–	–	–	113
Effect of discounting	–	–	–	(233)
Present Value of Expected Future Cashflows	–	–	–	1,684
Effect of the risk adjustment margin for non-financial risk				344
Gross LIC for the contracts originated				6,329

Notes to the Annual Financial Statements *continued***7. INSURANCE AND REINSURANCE CONTRACTS** *continued***7.6 Reconciliation of insurance contracts: PAA** *continued***7.6.4 Claims Development: Short-term insurance**

(R'000) – Undiscounted	2025 Expected claims payments	2024 Expected claims payments
<1 year	4,135	5,726
1 – 2 years	547	602
2 – 3 years	196	206
Cumulative gross claims paid (OCR and IBNR)	4,878	6,534
Effect of discounting	(233)	(373)
Present Value of Expected Future Cashflows	1,684	
Gross liabilities for incurred claims included in the statement of financial position	6,329	6,161

Claims Development

The table above illustrates how estimates of cumulative claims for the Group's non-life segment have developed over time on a gross and net of reinsurance basis. Each table shows how the Group's estimates of total claims for each year have developed over time and reconciles the cumulative claims to the amount included in the statement of financial position.

A Claims Development table has not been presented for life insurance contracts accounted for under the GMM and the PAA Approach. No Table is required due to the short duration of claims payment periods and as a result the contracts do not have a significant claims development risk.

Notes to the Annual Financial Statements *continued***7. INSURANCE AND REINSURANCE CONTRACTS** *continued***7.7 Reconciliation of reinsurance contracts: GMM****7.7.1 Life insurance – Risk business (GMM)**

Group

Analysis by remaining coverage and incurred claims	2025				2024			
	Assets for remaining coverage				Assets for remaining coverage			
	Excluding loss recovery component	Loss recovery component	Assets for incurred claims	Total	Excluding loss recovery component	Loss recovery component	Assets for incurred claims	Total
Assets/(Liabilities) (R'000)								
Opening reinsurance contract assets	22,958	57,578	(8,862)	71,674	28,737	45,149	(588)	73,298
Opening reinsurance contract liabilities				-	-	-	-	-
Opening balance at 1 July 2024	22,958	57,578	(8,862)	71,674	28,737	45,149	(588)	73,298
Acquired reinsurance contract assets – 1Life	124,487	23,249	116,074	263,811				
Acquired reinsurance contract liabilities – 1Life	(48,384)	13	16,311	(32,060)				
Adjusted opening balance at the beginning of the year	99,061	80,840	123,524	303,425	28,737	45,149	(588)	73,298
Changes in statement of profit and loss and OCI								
Allocation of reinsurance premiums paid	(371,019)	-	-	(371,019)	(195,833)	-	-	(195,833)
CSM recognised for services received	(39,226)	-	-	(39,226)	(59,506)	-	-	(59,506)
Change in risk adjustment for non-financial risk for risk transferred	(3,701)	-	-	(3,701)	2,492	-	-	2,492
Expected recoveries of incurred claims and other insurance service expense	(307,512)	-	-	(307,512)	(136,794)	-	-	(136,794)
Experience adjustments	(20,579)	-	-	(20,579)	(913)	-	-	(913)
Restatement and other changes	-	-	-	-	(1,112)	-	-	(1,112)
Amounts recoverable from reinsurers	-	(11,515)	265,556	254,041	-	3,859	168,288	172,147
Changes that relate to past and current services	-	(38,807)	265,720	226,913	-	(38,950)	168,288	129,338
Recoveries of incurred claims and other insurance service expenses	-	(38,807)	268,848	230,041	-	(38,950)	174,019	135,069
Adjustments to assets for incurred claims	-	-	(3,128)	(3,128)	-	-	(5,731)	(5,731)
Changes that relate to future service	-	27,292	(164)	27,128	-	42,809	-	42,809
Recoveries of losses on onerous underlying contracts on initial recognition	-	69,581	-	69,581	-	84,798	-	84,798
Recoveries and reversals of recoveries of losses on onerous underlying contracts – subsequent measurement	-	(42,289)	(164)	(42,453)	-	(41,989)	-	(41,989)
Net (income)/expenses from reinsurance contracts held	(371,019)	(11,515)	265,556	(116,978)	(195,833)	3,859	168,288	(23,686)
Reinsurance contracts finance income/(expenses) through profit and loss	11,107	12,536	4,180	27,823	4,605	8,570	-	13,175
Reinsurance contracts finance income/(expenses) through OCI	30,016	1,802	-	3,187	(2,525)	-	-	(2,525)
Total changes in statement of profit and loss and OCI	(329,896)	2,283	269,736	57,337	(193,753)	12,429	168,288	(13,036)
Cash flows								
Reinsurance premiums and premium tax paid	388,387	-	-	388,387	187,974	-	-	187,974
Amounts received from reinsurers relating to incurred claims	-	-	(300,842)	(300,842)	-	-	(176,562)	(176,562)
Total cash flows	388,387	-	(300,842)	87,545	187,974	-	(176,562)	11,412
Acquisition of reinsurance contract liabilities – Emerald	(378,868)	-	-	(378,868)	-	-	-	-
Net closing balance at the end of the year	(221,316)	83,663	92,418	(45,235)	22,958	57,578	(8,862)	71,674
Closing reinsurance contract assets	217,322	79,715	80,960	377,997	22,958	57,578	(8,862)	71,674
Closing reinsurance contract liabilities	(438,638)	3,948	11,458	(423,232)	-	-	-	-
Net closing balance at the end of the year	(221,316)	83,663	92,418	(45,235)	22,958	57,578	(8,862)	71,674

Notes to the Annual Financial Statements *continued***7. INSURANCE AND REINSURANCE CONTRACTS** *continued***7.8 Movement in reinsurance contract balances: GMM****7.8.1 Life insurance – Risk business (GMM)**

Analysis by measurement component	Group									
	2025					2024				
	Estimates of present value of future cash flows	Non-finance risk adjustment	Contractual Service Margin		Total	Estimates of present value of future cash flows	Non-finance risk adjustment	Contractual Service Margin		Total
Contracts under fair value transition approach			Other contracts	Contracts under fair value transition approach				Other contracts		
Assets/(Liabilities) (R'000)										
Opening reinsurance contract assets	(168,155)	80,362	25,162	134,305	71,674	(145,338)	69,967	25,071	123,598	73,298
Opening reinsurance contract liabilities					-	-	-	-	-	-
Opening balance at 1 July 2024	(168,155)	80,362	25,162	134,305	71,674	(145,338)	69,967	25,071	123,598	73,298
Opening reinsurance contract assets – 1Life	323,415	13,767	(73,371)	-	263,811					
Opening reinsurance contract liabilities – 1Life	(49,001)	550	16,391	-	(32,060)					
Net opening balance at the beginning of the year	106,259	94,679	(31,818)	134,305	303,425	(145,338)	69,967	25,071	123,598	73,298
Changes in statement of profit and loss and OCI										
Changes that relate to current services	(93,080)	(8,672)	12,738	(51,965)	(140,978)	9,438	(8,442)	(4,237)	(55,270)	(58,511)
CSM recognised for services received	-	-	12,738	(51,965)	(39,226)			(4,237)	(55,270)	(59,507)
Change in risk adjustment for non-financial risk for risk expired	-	(10,030)	-	-	(10,030)		(8,442)			(8,442)
Experience adjustments	(93,080)	1,358	-	-	(91,721)	9,438				9,438
Changes that relate to future services	(1,868)	20,192	(33,840)	42,644	27,128	(17,585)	7,933	2,252	50,209	42,809
Contracts initially recognised in the year	1,679	(2,294)	-	70,196	69,581	(8,992)	5,559		88,230	84,797
Changes in estimates that adjust the CSM	(42,784)	37,642	(12,800)	17,777	(164)	195,470	16,098	2,626	31,517	245,711
Changes in estimates that adjust recoveries of losses on onerous underlying contracts	39,236	(15,156)	(20,717)	2,607	5,970	(204,063)	(13,724)			(217,787)
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	(323)	(47,936)	(48,259)			(374)	(69,538)	(69,912)
Changes that relate to past services										
Experience adjustments in claims and other insurance service expenses in LIC	(3,128)				(3,128)	(7,984)				(7,984)
Net (income)/expenses from reinsurance contracts held	(98,076)	11,520	(21,102)	(9,320)	(116,978)	(16,131)	(509)	(1,985)	(5,061)	(23,686)
Reinsurance contracts finance (income)/expenses through profit and loss	5,532	8,484	(2,275)	16,082	27,823	(10,468)	5,799	2,076	15,768	13,175
Reinsurance contracts finance (income)/expenses through OCI	16,984	14,833	-	-	31,817	(7,630)	5,105			(2,525)
Total changes in statement of profit and loss and OCI	(75,560)	34,837	(23,377)	6,762	(57,337)	(34,229)	10,395	91	10,707	(13,036)
Cash flows										
Reinsurance premiums and premium tax paid	388,387	-	-	-	388,387	187,974				187,974
Amounts received from reinsurers relating to incurred claims	(300,842)	-	-	-	(300,842)	(176,562)				(176,562)
Total cash flows	87,545	-	-	-	87,545	11,412	-	-	-	11,412
Acquisition of reinsurance contract liabilities – Emerald	(421,983)	13,445	-	29,670	(378,868)	-	-	-	-	-
Net closing balance at the end of the year	(303,739)	142,961	(55,195)	170,737	(45,235)	(168,155)	80,362	25,162	134,305	71,674
Closing reinsurance contract assets	223,669	104,673	(65,245)	114,900	377,997	(168,155)	80,362	25,162	134,305	71,674
Closing reinsurance contract liabilities	(527,408)	38,288	10,051	55,837	(423,232)	-	-	-	-	-
Net closing balance at the end of the year	(303,739)	142,961	(55,195)	170,737	(45,235)	(168,155)	80,362	25,162	134,305	71,674

Notes to the Annual Financial Statements *continued***7. INSURANCE AND REINSURANCE CONTRACTS** *continued***7.9 Reconciliation of reinsurance contracts: PAA****7.9.1 Life insurance – Risk business (PAA)**

Analysis by remaining coverage and incurred claims	Group							
	2025				2024			
	Assets/(Liabilities) (R'000)	Asset for incurred claims			Total	Asset for incurred claims		
Asset for remaining coverage		Estimate of present value of future cash flows	Non-finance risk adjustment	Asset for remaining coverage		Estimate of present value of future cash flows	Non-finance risk adjustment	
Opening reinsurance contract assets	-	-	-	-	-	-	-	-
Net opening balance at the beginning of the year (June)	-	-	-	-	-	-	-	-
Changes in statement of profit and loss and OCI								
Allocation of reinsurance premiums paid:								
Post Transition	-	-	-	-	-	-	-	-
Amounts recoverable from reinsurers	-	-	-	-	-	-	-	-
Changes that relate to past and current services:	-	-	-	-	-	-	-	-
Recoveries of incurred claims and other insurance service expense			-	-			-	-
Adjustments to assets for incurred claims			-	-			-	-
Changes that relate to future service:	-	-	-	-	-	-	-	-
Recoveries of losses on onerous underlying contracts on initial recognition				-				-
Recoveries and reversals of recoveries of losses on onerous underlying contracts – subsequent measurement				-				-
Net (income)/expenses from reinsurance contracts held	-	-	-	-	-	-	-	-
Reinsurance contracts finance (income)/expenses through profit and loss				-				-
Reinsurance contracts finance (income)/expenses through OCI				-				-
Total changes in statement of profit and loss and OCI	-	-	-	-	-	-	-	-
Cash flows								
Premiums and premium tax paid	-			-				-
Amounts recovered			-	-			-	-
Total cash flows	-	-	-	-	-	-	-	-
Acquisition of Emerald Life ¹	(9,093)		15,945	6,852				-
Other non-cash movements			-	-				-
Net closing balance at the end of the year	-	-	-	-	-	-	-	-
Closing reinsurance contract assets ¹	(9,093)	-	15,945	6,852	-	-	-	-
Net closing balance at the end of the year	(9,093)	-	15,945	6,852	-	-	-	-

1. Balance of Emerald Life taken on at 30 June 2025.

Notes to the Annual Financial Statements *continued***7. INSURANCE AND REINSURANCE CONTRACTS** *continued***7.10 Effect of insurance contracts initially recognised in the year**

(Assets)/Liabilities (R'000)	Group				
	Contracts acquired through business combinations	Contracts initiated		Subtotal	Total
	Non-onerous Groups of Contracts	Onerous Groups of Contracts			
Year ended 30 June 2025					
Insurance contracts issued initially recognised in the year					
Estimates of the present value of future cash outflows:					
Insurance acquisition cash flows	(6,687,076)	(1,318,261)	(1,007,524)	(2,325,785)	(9,012,861)
Claims and other cash outflows	(11,987)	(506,600)	(673,376)	(1,179,976)	(1,191,963)
	(6,675,089)	(811,661)	(334,148)	(1,145,809)	(7,820,897)
Estimates of the present value of future cash inflows	8,699,218	1,827,328	839,039	2,666,367	11,365,584
Risk adjustment for non-financial risk	(401,003)	(94,008)	(84,255)	(178,263)	(579,266)
Contractual service margin	(292,867)	(415,058)	-	(415,058)	(707,925)
Net carrying amount of insurance contracts issued during the year	1,318,272	-	(252,739)	(252,739)	1,065,532
Year ended 30 June 2024					
Insurance contracts Issued initially recognised in the year					
Estimates of the present value of future cash outflows:					
Insurance acquisition cash flows		(345,584)	(522,978)	(868,562)	(868,562)
Claims and other cash outflows		(197,285)	(392,338)	(589,623)	(589,623)
		(148,299)	(130,640)	(278,939)	(278,939)
Estimates of the present value of future cash inflows		510,918	457,742	968,660	968,660
Risk adjustment for non-financial risk		(55,818)	(64,494)	(120,312)	(120,312)
Contractual service margin		(109,516)		(109,516)	(109,516)
Net carrying amount of insurance contracts issued during the year		-	(129,730)	(129,730)	(129,730)

Notes to the Annual Financial Statements *continued***7. INSURANCE AND REINSURANCE CONTRACTS** *continued***7.11 Effects of reinsurance contracts initially recognised in the year**

Assets/(Liabilities) (R'000)	Group				
	Contracts acquired through business combinations	Contracts initiated		Subtotal	Total
		Without loss- recovery component	With loss- recovery component		
Year ended 30 June 2025					
Reinsurance contracts held initially recognised in the year					
Estimates of the present value of future cash inflows	1,895,067	61,605	17,400	79,005	1,974,072
Estimates of the present value of future cash outflows	(2,041,305)	(61,067)	(16,259)	(77,326)	(2,118,631)
Risk adjustment for non-financial risk	26,430	(1,937)	(357)	(2,294)	24,136
Loss recovery related to losses on underlying insurance contracts at initial recognition	-	-	50,214	50,214	50,214
Contractual service margin	(27,310)	1,398	18,584	19,982	(7,328)
Net carrying amount of reinsurance contracts held during the year	(147,117)	0	69,581	69,581	(77,536)
Year ended 30 June 2024					
Reinsurance contracts held initially recognised in the year					
Estimates of present value of future cash flows		8,992	-	8,992	8,992
Risk adjustment for non-financial risk		(5,559)	-	(5,559)	(5,559)
Loss recovery related to losses on underlying insurance contracts at initial recognition		-	84,797	84,797	84,797
Net carrying amount of reinsurance contracts held during the year		3,433	84,797	88,230	88,230

7.12 Contractual service margin: insurance contracts issued

(Assets)/Liabilities (R'000)	Group											Total
	<1 year	1 – 2 years	2 – 3 years	3 – 4 years	4 – 5 years	5 – 6 years	6 – 7 years	7 – 8 years	8 – 9 years	9 – 10 years	>10 years	
	Year ended 30 June 2025											
Insurance contracts issued												
Life insurance – Risk business (GMM)	(328,442)	(263,455)	(216,383)	(180,254)	(151,054)	(126,752)	(106,560)	(89,591)	(75,156)	(63,009)	(356,895)	(1,957,551)
Life insurance – Savings business (VFA)	(25,357)	(17,390)	(13,001)	(9,937)	(7,773)	(6,037)	(4,486)	(3,328)	(2,470)	(1,827)	(4,247)	(95,854)
	(353,799)	(280,845)	(229,384)	(190,191)	(158,827)	(132,789)	(111,046)	(92,919)	(77,626)	(64,836)	(361,142)	(2,053,405)
Year ended 30 June 2024												
Insurance contracts issued												
Life insurance – Risk business (GMM)	(251,467)	(198,038)	(159,626)	(130,614)	(107,711)	(88,937)	(73,359)	(60,678)	(50,149)	(41,262)	(205,780)	(1,367,621)
Life insurance – Savings business (VFA)	(22,062)	(15,151)	(11,142)	(8,371)	(6,356)	(4,864)	(3,677)	(2,670)	(1,928)	(1,397)	(3,141)	(80,759)
	(273,529)	(213,189)	(170,768)	(138,985)	(114,067)	(93,801)	(77,036)	(63,348)	(52,077)	(42,659)	(208,921)	(1,448,380)

The CSM maturity profile has been revised to provide more detailed time periods, enhancing understandability and transparency. The underlying CSM values remain unchanged. This has resulted in a re-presentation of comparative information in accordance with IAS 1.

7.13 Contractual service margin: reinsurance contracts held

(Assets)/Liabilities (R'000)	Group											Total
	<1 year	1 – 2 years	2 – 3 years	3 – 4 years	4 – 5 years	5 – 6 years	6 – 7 years	7 – 8 years	8 – 9 years	9 – 10 years	>10 years	
	Year ended 30 June 2025											
Reinsurance contracts held												
Life insurance – Risk business (GMM)	20,518	16,829	15,612	14,583	11,505	8,000	4,042	3,467	2,983	2,556	15,448	115,543
Year ended 30 June 2024												
Reinsurance contracts held												
Life insurance – Risk business (GMM)	35,562	24,498	18,666	14,733	11,815	9,529	7,726	6,305	5,170	4,236	21,227	159,467

The CSM maturity profile has been revised to provide more detailed time periods, enhancing understandability and transparency. The underlying CSM values remain unchanged. This has resulted in a re-presentation of comparative information in accordance with IAS 1.

7. INSURANCE AND REINSURANCE CONTRACTS *continued***7.14 Composition of the investment assets backing the net carrying amount**

(R'000)	Group	
	2025	2024
Underlying items for contracts with direct participating features		
Domestic bonds	258,920	241,884
Domestic cash and funds on deposit	181,512	106,663
Domestic equity	394,229	415,225
International equity	70,434	122,602
International bonds	36,448	-
	941,544	886,374

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(R'000)	Group		Company	
	2025	2024	2025	2024
Balance at beginning of the year – mandatory ²	1,510,336	1,606,545	10,415	52,916
Balance at beginning of the year – designated ³	5,342,376	9,346,552	-	-
Movements for the year		-	-	-
– Fair value adjustments – mandatory	189,922	154,238	(2,252)	1,312
– Fair value adjustments – designated	943,522	689,363	-	-
– Additions – mandatory	737,132	179,677	-	315
– Additions – designated	2,431,202	1,347,249	-	-
– Additions – mandatory through business combinations	2,516,726			
– Disposals – mandatory	(955,910)	(430,124)	(663)	(44,129)
– Disposals – designated	(2,058,835)	(6,040,788)	-	-
Balance at the end of year – mandatory	3,998,207	1,510,336	7,500	10,415
Balance at end of year – designated	6,658,265	5,342,376	-	-
Total debt securities	9,923,888	5,933,416	-	-
Promissory notes and deposits (unquoted)	6,389,360	5,345,749	-	-
Investment Funds	1,401,551		-	-
Funds on deposit	281,878	144,612	-	-
Fixed interest securities (quoted)	1,352,094	1	-	-
Foreign bond fund	65,134	-	-	-
Government and public authority bonds (quoted)	433,871	443,054	-	-
Total equity securities	732,583	919,295	7,500	10,415
Listed on the JSE	599,857	682,380	-	-
Unlisted equities	28,850	38,983	7,500	10,415
Foreign equity fund ¹	103,876	197,932	-	-
Total instruments	10,656,471	6,852,711	7,500	10,415

1. This comprises of a fund managed by the Group's fund managers which invests in foreign equities with exposure to the United States of America, Great Britain, Hong Kong and Japan as at 30 June 2025.

2. Financial assets that are classified as at fair value through profit or loss on a mandatory basis consist of the Melville Douglas portfolio of financial assets. This portfolio consists of listed equities, bonds, and fixed deposits. These financial assets are managed together as a portfolio. Management evaluates the performance of this portfolio on a fair value basis, with reports of the fair value of this portfolio being presented to key management personnel on a monthly basis.

3. Financial assets that are classified as at fair value through profit or loss on a designated basis consist of the financial assets of the single premium business. Management evaluates the performance of these assets on a fair value basis, with reports of the fair value of this portfolio being presented to key management personnel on a monthly basis.

Notes to the Annual Financial Statements *continued*

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS *continued*

	Group		Company	
	%	%	%	%
Spread of equities listed on the JSE by sector				
Industrials	28.5%	32.8%	0.0%	32.8%
Resources	23.6%	15.9%	0.0%	15.9%
Financials	27.9%	33.4%	0.0%	33.4%
Real estate	6.7%	5.8%	0.0%	5.8%
Technology	13.3%	12.1%	0.0%	12.1%
	100%	100%	0.0%	100%
Current	1,457,666	460,026		-
Non-current	9,198,805	6,392,684	7,500	10,415
	10,656,471	6,852,711	7,500	10,415

A register of listed and unlisted investments is available for inspection at the Company's registered office in terms of the provisions of section 113 of the Companies Act.

9. FINANCIAL ASSETS AT AMORTISED COST

(R'000)	Group		Company	
	2025	2024	2025	2024
Balance at beginning of the year	21,739	302		-
Movements for the year				
- Interest income	24,654	644		
- Additions	15,564	23,800		
- Additions through business combination [#]	970,751			
- Repayments	(856,636)	(3,007)		
Balance at end of year before ECL provision	176,071	21,739		-
ECL provision	(1,322)	(1,260)		
Balance at end of year¹	174,749	20,479		-
Current	167,866	9,596		
Non-current	6,883	10,883		
	174,749	20,479		-
Maturity analysis				
Due within one year	169,187	10,856		
Due within two to five years	6,883	10,883		
Less: ECL	(1,322)	(1,260)		
Balance at end of year	174,749	20,479		-

1. The carrying amount of financial assets at amortised cost approximates their fair value. This is due to the interest charged and calculated being linked to the prime lending rate.

[#] Refer to note 33 and 34.

10. DEFERRED ACQUISITION COST

(R'000)	Group		Company	
	2025	2024	2025	2024
Deferred acquisition cost	137,269	123,499		
Current	51,523	40,827		
Non-Current	85,746	82,671		
Movements for the year				
– Balance at the beginning of the year	123,499	166,128		
– Recognised	57,920	15,898		
– Realised during the year	(44,150)	(58,527)		
Balance at the end of the year	137,269	123,499		

Deferred acquisition costs relate to costs to obtain contracts that are incremental commission and outsourced administration fees paid to intermediaries as a result of obtaining investment contracts.

These costs are amortised over a period of 3 years for the recurring premium saving policies and over a period of 5 years for the single premium business.

11. INVESTMENT IN SUBSIDIARIES

(R'000)	Company		
	Amount of issued share capital and share premium R	Percentage of issued share capital %	Shares held at cost R'000
2025			
Direct holdings			
Unlisted subsidiaries			
Clientèle Life ²	4,852,500	100	253,804*
Clientèle General Insurance	42,500,000	100	50,445*
CBC Rewards (Pty) Ltd	8,610	100	3,887
Clientèle Mobile (Pty) Ltd ¹	1	100	0
Emerald Life ³	100	100	641,498
1Life ³	398,000,000	100	1,590,512
Direct Rewards (Pty) Ltd	2,501,000	51	9,055
			2,549,201
2024			
Direct holdings			
Unlisted subsidiaries			
Clientèle Life ²	4,852,500	100	251,896
Clientèle General Insurance	42,500,000	100	46,802
CBC Rewards (Pty) Ltd	8,610	100	3,887
Clientèle Mobile (Pty) Ltd ¹	1	100	0
Direct Rewards (Pty) Ltd	2,501,000	51	9,055
			311,640

* Shares held increased due to bonus rights exercised.

1. Less than R1,000.

2. Clientèle Properties North, Clientèle Properties South and Clientèle Properties East are fully owned subsidiaries of Clientèle Life. Refer to page 2 for the group structure.

3. Refer to note 33 and 34.

Notes to the Annual Financial Statements *continued*

12. LOANS TO SUBSIDIARIES

(R'000)	Group		Company	
	2025	2024	2025	2024
Opening balance		–	86,056	49,453
Advances			15,000	33,500
Payments			(250)	(300)
Movement in ECL			(705)	3,403
Closing balance¹		–	100,101	86,056
Gross loans to subsidiaries			102,898	88,148
ECL closing balance		–	(2,797)	(2,092)
ECL opening balance			(2,092)	(5,495)
Movement in ECL			(705)	3,403
Closing balance		–	100,101	86,056

1. The loans are payable on demand. Therefore, the carrying amount approximates the fair value.

13. TRADE RECEIVABLES

(R'000)	Group		Company	
	2025	2024	2025	2024
Trade receivables ¹	74,179	13,564	1,000	900
Expected credit loss	(6,936)		(100)	
Prepayments ¹	82,495	44,023	82	77
	149,738	57,587	982	977
Current	133,906	56,857	82	77
Non-current	15,832	1,000	900	900
	149,738	57,857	982	977
The carrying value amounts approximate the fair value of these amounts				
Maturity analysis				
Due within one year	133,906	56,587	82	77
Due within two to five years	15,832	1,000	900	900
	149,738	57,587	982	977

1. The increase in trade receivables during the year is primarily attributable to receivables acquired through business combinations with 1Life and Emerald Life.

14. CASH AND CASH EQUIVALENTS

(R'000)	Group		Company	
	2025	2024	2025	2024
Cash in bank and at hand	875,515	317,050	30,716	3,183

15. SHARE CAPITAL AND PREMIUM

(R'000)	Group		Company	
	2025	2024	2025	2024
Authorised share capital				
750,000,000 ordinary shares of 2 cents each	15,000	15,000	15,000	15,000
Issued share capital				
2025:453,261,595 (2024: 335,333,619) ordinary shares of 2 cents each ¹	9,065	6,707	9,065	6,707
Share premium	1,978,766	389,261	1,978,766	389,261
Common control deficit ²	(220,273)	(220,273)		
	1,767,558	175,695	1,987,831	395,967

1. 112,220 shares (2024: 11,851) were issued during the period in terms of the Bonus Rights Scheme. All issued shares are fully paid. The unissued ordinary shares have been placed under the control of the Directors of the Group until the forthcoming AGM of shareholders. 117,815,756 shares were issued as part of the exchange of shares transaction that resulted in the acquisition of 1Life in the current financial year.

2. Clientèle acquired the shares in Clientèle Life and its subsidiaries with effect from 19 May 2008. As there were no changes in the beneficial shareholders, this transaction was treated as a common control transaction. This treatment resulted in a common control deficit of R220.3 million, which was the difference between the net asset value of Clientèle Life at the date of transfer and the par value of the shares issued.

16. BONUS RIGHTS SCHEME RESERVE

(R'000)	Group		Company	
	2025	2024	2025	2024
BR Scheme Reserve	30,023	27,347	30,023	27,347

Bonus rights are granted to qualifying employees, excluding Group Excom. The initial price of the bonus rights is the volume weighted average price that the ordinary share traded at on the JSE during the 30 (thirty) trading days immediately preceding the invitation date. Bonus rights are conditional on the employee staying in the employ of the Group for the vesting period. The bonus rights are exercisable starting three years from the invitation date. All bonus rights not exercised on the seventh anniversary of the invitation date will lapse, except for any bonus rights allocated for the period 1 November 2013 to 31 December 2015, where the period was extended to 10 years from the Invitation Date.

Notes to the Annual Financial Statements *continued*

16. BONUS RIGHTS SCHEME RESERVE *continued*

	2025		2024	
	Volume weighted average price on grant date (Rands)	Number of BRs granted	Volume weighted average price on grant date (Rands)	Number BRs granted
At beginning of year		14,241,226		17,019,934
Allotment	10.32	1,119,300	10.63	1,583,400
Allotment	11.77	1,008,364	10.95	1,608,600
Allotment	12.45	906,842	11.09	1,892,625
Allotment	11.82	532,000	11.59	1,479,655
Allotment	11.59	-	13.14	(719,845)
Forfeited	7.69	(65,000)	14.78	(17,316)
Forfeited	8.35	(126,449)	14.36	(110,000)
Forfeited	9.34	(48,860)	14.27	-
Forfeited	9.49	(138,380)	17.00	(283,169)
Forfeited	9.51	(73,130)	17.27	(410,896)
Forfeited	9.94	(37,150)	18.21	(435,309)
Forfeited	10.20	(39,758)	14.94	-
Forfeited	10.32	(469,350)	16.01	(318,293)
Forfeited	10.34	(1,077,781)	17.47	(618,072)
Forfeited	10.39	(127,715)	16.36	(75,627)
Forfeited	10.63	(435,750)	17.24	(152,500)
Forfeited	10.84	(87,500)	19.71	(103,500)
Forfeited	10.95	(610,400)	19.71	-
Forfeited	11.09	(747,355)	20.01	(100,000)
Forfeited	11.59	(371,070)	19.96	(102,500)
Forfeited	11.61	(184,800)	16.93	(73,000)
Forfeited	11.77	(241,892)	16.51	(288,075)
Forfeited	11.82	(70,000)	14.89	(192,575)
Forfeited	11.84	(205,356)	15.87	(169,500)
Forfeited	12.45	(299,538)	14.90	(398,000)
Forfeited	14.18	(34,600)	14.18	(137,500)
Forfeited	14.89	(39,000)	7.69	(379,000)
Forfeited	14.90	(71,750)	9.34	(165,750)
Forfeited	15.87	(20,500)	8.35	(536,115)
Forfeited	16.51	(12,550)	9.51	(174,200)
Forfeited	17.24	(70,000)	9.49	(314,600)
Forfeited	17.47	5,249	10.20	(187,475)
Forfeited	19.71	(26,500)	9.94	(146,300)
Forfeited	14.89	(6,000)	10.39	(176,295)
Forfeited	14.90	(11,000)	11.61	(182,700)
Forfeited	15.87	(3,000)	11.84	(240,240)
Forfeited	16.36	(237,976)	10.84	(308,000)
Forfeited	16.51	(4,000)	10.34	(514,231)
Forfeited	16.93	(9,500)	10.95	(392,000)
Forfeited	17.24	(193,100)	11.59	(276,850)
Forfeited	17.47	(5,249)	10.63	(396,900)
Forfeited	19.71	(11,000)	11.09	(195,160)
Forfeited	19.96	(8,831)		
Exercised	7.69	(150,200)		(51,495)
Exercised	8.35	(205,667)		
Exercised	9.34	(32,626)		
Exercised	9.49	(651)		
Exercised	10.20	(7,640)		
Exercised	10.39	(13,034)		
At end of year		11,181,373		14,241,226

6.2 million (2024: 6.05 million) of the 11.2 million (2024: 14.2 million) outstanding Bonus Rights were exercisable.

Notes to the Annual Financial Statements *continued*

16. BONUS RIGHTS SCHEME RESERVE *continued*

Bonus Rights granted have the following vesting dates at the end of the year:

Vesting Date	2025		2024	
	Average Grant Price (Rands)	Number of BRs	Average Grant Price (Rands)	Number of BRs
30 June 2023	19.71	172,751	-	-
1 July 2023	19.71	40,000	-	-
1 October 2023	19.96	94,616	-	-
1 December 2023	16.93	45,000	-	-
1 March 2024	16.51	86,050	-	-
1 July 2024	14.89	166,500	-	-
30 September 2024	-	-	16.36	237,976
1 October 2024	15.87	300,000	-	-
1 December 2024	14.90	277,750	-	-
1 March 2025	14.18	204,000	-	-
1 March 2025	7.69	200,400	-	-
1 April 2025	-	-	17.24	263,100
30 June 2025	-	-	19.71	210,250
30 June 2025	-	-	19.71	40,000
1 September 2025	9.34	142,075	-	-
1 October 2025	-	-	19.96	103,447
1 December 2025	-	-	16.93	54,500
1 March 2026	-	-	16.51	102,600
1 July 2026	-	-	14.89	211,500
1 October 2026	-	-	15.87	323,500
1 December 2026	8.35	912,587	14.90	360,500
1 March 2026	9.51	77,220	-	-
1 July 2026	9.49	163,474	-	-
30 September 2026	10.20	251,210	-	-
1 December 2026	9.94	42,000	-	-
1 March 2027	-	-	14.18	238,600
31 March 2027	10.39	336,664	-	-
1 June 2027	-	-	7.69	415,600
1 July 2027	11.61	324,800	-	-
1 September 2027	-	-	9.34	223,561
1 October 2027	11.84	368,193	-	-
1 December 2027	10.84	201,600	8.35	1,244,703
1 March 2028	-	-	9.51	150,350
1 April 2028	10.34	1,149,963	-	-
1 July 2028	10.95	606,200	9.49	302,505
30 September 2028	-	-	10.20	298,608
1 October 2028	11.59	831,735	-	-
1 December 2028	-	-	9.94	79,150
1 January 2029	10.63	750,750	-	-
31 March 2029	-	-	10.39	477,413
1 April 2029	11.09	950,110	-	-
1 July 2029	10.32	649,950	11.61	509,600
1 September 2029	-	-	11.84	573,549
1 October 2029	11.77	766,472	-	-
1 December 2029	12.45	607,304	10.84	289,100
1 March 2030	11.82	462,000	-	-
1 April 2030	-	-	10.34	2,227,744
1 June 2030	11.59	-	-	-
1 July 2030	-	-	10.95	1,216,600
1 September 2030	-	-	11.59	1,202,805
1 December 2030	-	-	10.63	1,186,500
31 March 2031	-	-	11.09	1,697,465
Total		11,181,373		14,241,226

The Statement of Comprehensive Income (SOC) charge was determined using the Black Scholes model. The IFRS 2: Share based payments cost relating to the BR Scheme amounted to R2.7 million (2024: R1.6 million). Significant inputs into the model include grant prices of Bonus Rights, the assumed dividend yield of 6% p.a., and the risk-free yield depending on the term until the assumed exercised date, assumed employee turnover of 18.4% (2024: 18.76%), contractual life of 1 to 7 years (2024: 1 to 7 years) and the potential share price growth.

Notes to the Annual Financial Statements *continued***17. NDR**

(R'000)	Group		Company	
	2025	2024	2025	2024
NDR: Revaluation	107,591	68,311		-

The revaluation reserve relates to owner-occupied land and buildings owned by the subsidiaries, Clientèle Properties North, Clientèle Properties South and Clientèle Properties East referred to in note 3 on page 184. The land and buildings have been revalued to market value through equity. Deferred tax (Refer to note 6 on pages 187 and 188) has been provided at rates appropriate to the land and buildings and resulted in a net increase of R12.62 million to the deferred tax liability (2024: R2.8 million increase).

18. FINANCIAL LIABILITIES AT AMORTISED COST

(R'000)	Group		Company	
	2025	2024	2025	2024
Balance at beginning of the year	119,481	150,742		
- Interest	14,208	9,199		
- Additions	37,338	-		
- Additions through business combinations	337,237			
- Repayments	(353,568)	(40,460)		
Balance at end of the year	154,696	119,481		-
Current	101,709	14,000		
Non-current	52,987	105,481		
	154,696	119,481		-
Maturity analysis				
Due within one year	101,709	15,106		
Due within two to five years	55,074	116,032		
Less: Discounting	(2,087)	(11,657)		
Balance at end of year	154,696	119,481		-

Financial liabilities at amortised cost comprise single premium endowment investment product liabilities. These liabilities have not been designated at fair value through profit or loss as the corresponding assets relate to inter-company balances eliminated on consolidation.

The carrying amount of financial liabilities at amortised cost approximates fair value.

19. INVESTMENT CONTRACT AND OTHER LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

(R'000)	Group		Company	
	2025	2024	2025	2024
Balance at beginning of the year	5,884,738	9,822,998		
Movements for the year				
– Fair value adjustments ¹	903,245	579,536		
– Reduction in financial liability due to the recognition of deferred fiduciary tax	(29,935)	(14,587)		
– Deposits	2,087,538	816,175		
– Acquisitions through business combinations ²	2,525,447	0	35,602	
– Withdrawals and maturities	(1,550,832)	(5,319,384)		
Balance at end of the year	9,820,201	5,884,738	35,602	–
– Loans from subsidiaries³	–		570,000	

1. The Company issues contracts that are classified as financial liabilities at fair value through profit or loss. Management elected to classify these financial liabilities as at fair value through profit or loss to avoid an accounting mismatch between the classification of the financial liabilities and the related financial assets. These financial instruments are not quoted in active markets, and their fair values are determined by using valuation techniques. All models are validated before they are used and calibrated to ensure that outputs reflect actual experience and comparable market prices. A variety of factors are considered in the Company's valuation techniques, including time value of money, credit risk (both own and counterparty), and activity in similar instruments. Changes in assumptions relating to these factors could affect the reported fair value of these financial liabilities. The extent that actual surrenders are different from the Company's estimates is a critical factor in the fair valuation process, as additional fair value gains or losses would have been recognised in the fair value of liabilities associated with these contracts. These financial liabilities are matched with assets with similar features, removing the risk of significant mismatches when surrenders are earlier than expected.

2. Refer to note 34.

3. In the current year, the Company entered into a loan agreement with Clientèle Life, in terms of which payments to Clientèle Life will be made as and when the Company receives dividends from Emerald. Based hereon, Management elected to designate the financial liability as at fair value through profit or loss at initial recognition.

20. LOANS AT AMORTISED COST

(R'000)	Group		Company	
	2025	2024	2025	2024
Balance at beginning of the year	204,806	100,000		
Advances ¹	570,000	204,806		
Interest	20,942	16,490		
Repayments	(20,246)	(116,490)		
	775,502	204,806		–
Current	42,280			
Non-current	733,222	204,806		
	775,502	204,806		–
Maturity analysis				
Due within one year	42,280			
Due within two to five years	843,925	297,576		
Less: Discounting	(110,703)	(92,770)		
Balance at end of year	775,502	204,806		–

1. In the current year, Clientèle Life issued 5,700 redeemable preference shares to AEL Investment Holdings Proprietary Limited at a total subscription price of R570 million. The subscription price was equal to the nominal value of the preference shares on the date of issuance. The preference shares accumulate interest at 69% of the prime rate per annum, with coupon payments of interest payable every six (6) months over the preference share term ending 30 June 2030. The preference shares will be redeemed at their nominal value at the end of the preference share term.

Notes to the Annual Financial Statements *continued***21. FINANCIAL GUARANTEE LIABILITY**

(R'000)	Group		Company	
	2025	2024	2025	2024
Balance at beginning of the year	2,000	2,000	2,000	2,000
Movement in estimated credit loss ¹	2,639	-	2,639	-
Balance at end of year	4,639	2,000	4,639	2,000

1. Refer to note 1.5 on page 181 for details relating to the guarantee.

22. DEFERRED REVENUE

(R'000)	Group		Company	
	2025	2024	2025	2024
Deferred revenue	227,329	227,856	-	-
Current	94,585	86,438		
Non-Current	132,744	141,418		
	227,329	227,856	-	-
Movements for the year				
- Balance at the beginning of the year	227,856	359,862		
- Increase in deferred revenue	117,562	26,579		
- Increase in deferred revenue due to business combinations ¹	9,600			
- Realised during the year	(127,690)	(158,585)		
Balance at the end of the year	227,329	227,856	-	-

1. Refer to note 33.

Revenue relating to investment management services of single premium policies is recognised over time although, the customer pays up-front for these services. A contract liability is recognised for revenue relating to the investment management services at the time of the initial sales transaction and is released over the service period.

23. EMPLOYEE BENEFITS

	Group		Company	
	2025	2024	2025	2024
Goodwill scheme (refer to note 23.1)	33,065	13,228		
Embedded value scheme (refer to note 23.2)	41,547	32,362		
Short-term bonuses (Refer to note 23.3)	93,949	50,610		
	168,561	96,200	-	-
Current	142,831	81,506		
Non-current	25,730	14,694		
	168,561	96,200	-	-
23.1 Goodwill Scheme				
Balance at beginning of year	13,228	16,005		
Payment during the year	(3,719)	(5,246)		
Provision raised/(released) (refer to note 32)	23,557	2,469		
Interest cost	2,221	1,137		
Service cost	17,370	5,319		
Net actuarial loss/(gain)	3,966	(3,987)		
Balance at end of year	33,065	13,228	-	-

The above relates to the goodwill element of the incentive bonus scheme as discussed in the Group Remuneration Report (page 42) and the accounting policies (note 18 on page 154) to the Annual Financial Statements.

The principle actuarial assumptions used for estimating the obligation that relates to the Goodwill Scheme are as follows:

	Cycle 4 (ended 30 June 2022)	
	2025	2024
VNB at end of cycle (R million)	291	291
VNB multiple	5	5
Risk free rate (%)	9.83	9.83
Pool utilisation (%)	76.30	78.90
Payment term (years)	5	5

	Cycle 5 (ending 30 June 2027)	
	2025	2024
Expected weighted VNB during the cycle (R million)*	220	343
VNB multiple	5	5
Risk free rate (%)	9.06	10.38
Expected pool utilisation (%)	100.00	90.00
Payment term (years)	5	5

* An average was used between R330.8 million for Clientèle and R110 million for 1Life.

The variables used in calculating and estimating the liability in respect of the Goodwill Scheme are subject to approval by the Group Remuneration Committee. Those variables, which are subjective in nature, have been set at levels which the Group Remuneration Committee deems to be fair and equitable to both shareholders and the participants. The variables used for Cycle 5 will change over time as circumstances, Group performance and the economic environment change.

Notes to the Annual Financial Statements *continued*

23. EMPLOYEE BENEFITS *continued*

23.2 EV Scheme

The build-up of the EV Scheme liability is as follows:

(R'000)	Group		Company	
	2025	2024	2025	2024
Balance at beginning of year	32,362	31,723		-
Provision raised (refer to note 32)	39,196	24,448		
Payment during the year	(30,011)	(23,809)		
Executives	(28,469)	(22,023)		
Management	(1,542)	(1,786)		
Balance end of year	41,547	32,362		-
The principle actuarial assumptions used for estimating the obligation that relates to the EV Scheme are as follows:				
Payment terms (years)	4	4		
Hurdle rate (%) (only applicable to Pool 2)	14.30	14.10		-
In-force participants (%)	96.30	96.07		

EV earnings are based on the EV assumptions and calculations outlined in the statement of Group EV (pages 64 to 71).

(R'000)	Group		Company	
	2025	2024	2025	2024
23.3 Short-term bonuses				
The build-up of the liability in respect of short-term bonuses is as follows:				
Balance at beginning of year	50,610	41,072		
Provision raised (refer to note 32)	87,679	46,183		
Payments during the year	(44,339)	(36,645)		
Balance end of year	93,949	50,610		-

24. ACCRUALS AND PAYABLES

(R'000)	Group		Company	
	2025	2024	2025	2024
IFA Referral fees and bonuses payable				
Trade payables*	59,396	64,196		
Accruals	104,948	39,287	2,784	675
Other payables	74,347	13,820	525	482
	238,691	117,304	3,309	1,157
Maturity analysis				
Due within one year	238,691	117,307	3,309	1,157
Due within two to five years				-
	238,691	117,307	3,309	1,157

* The carrying amount of trade payables is an approximation of their fair value.

25. INSURANCE SERVICE RESULTS

25.1 Insurance revenue

Income/(expenses) (R'000)	Group				Total
	Life insurance – Risk business (GMM)	Life insurance – Risk business (PAA)	Life insurance – Savings business (VFA)	Short-term Insurance (PAA)	
Year ended 30 June 2025					
Insurance revenue from contracts not measured under the PAA					
Amounts relating to changes in liabilities for remaining coverage	1,712,822	–	56,634	–	1,769,456
CSM recognised for services provided	375,476		33,706		409,181
Change in risk adjustment for non-financial risk for risk expired	94,291		1,912		96,204
Expected incurred claims and other insurance service expenses	1,284,824		7,108		1,291,932
Experience adjustments not related to future service	(41,769)		13,909		(27,861)
Recovery of insurance acquisition cash flows	711,948				711,948
Insurance revenue from contracts not measured under the PAA	2,424,770	–	56,634	–	2,481,405
Insurance revenue from contracts measured under the PAA		429,404		491,942	921,346
Total insurance revenue	2,424,770	429,404	56,634	491,942	3,402,751
Year ended 30 June 2024					
Insurance revenue from contracts not measured under the PAA					
Amounts relating to changes in liabilities for remaining coverage	642,595	–	47,684	–	690,279
CSM recognised for services provided	328,596		30,558		359,154
Change in risk adjustment for non-financial risk for risk expired	30,925		2,315		33,240
Expected incurred claims and other insurance service expenses	363,002		14,811		377,813
Experience adjustments not related to future service	(79,928)		–		(79,928)
Recovery of insurance acquisition cash flows	709,795		22,855		732,650
Insurance revenue from contracts not measured under the PAA	1,352,390	–	70,539	–	1,422,929
Insurance revenue from contracts measured under the PAA	–	3,094	–	505,108	508,202
Total insurance revenue	1,352,390	3,094	70,539	505,108	1,931,131

Notes to the Annual Financial Statements *continued*

25. INSURANCE SERVICE RESULTS *continued*

25.2 Insurance service expenses

Group Income/(expenses) (R'000)	Life insurance – Risk business (GMM)	Life insurance – Risk business (PAA)	Life insurance – Savings business (VFA)	Short-term insurance (PAA)	Total
Year ended 30 June 2025					
Incurring insurance service expenses	(1,196,173)	(301,260)	(19,946)	(145,749)	(1,663,128)
Claims	(723,752)	(173,093)	(4,099)	(39,826)	(940,771)
Expenses	(472,421)	(128,167)	(15,847)	(109,372)	(725,807)
Other expenses under the VFA			–		–
Other movements related to current service		–	–	3,449	3,449
Insurance acquisition cash flows expensed when incurred			–		–
Amortisation of insurance acquisition cash flows	(711,949)	(46,277)	(13,909)	(184,518)	(956,654)
Impairment Loss on Assets for Insurance Acquisition Cash Flow			–		–
Reversal of Impairment Loss on Assets for Insurance Acquisition Cash Flow			–		–
Changes that relate to past service:	65,310	(3,034)	(717)	(8,369)	53,189
Changes in estimates in LIC fulfilment cash flows	(2,659)	(3,034)	(717)	1,015	(5,395)
Experience adjustments in claims and other insurance service expenses in LIC	67,969		–	(9,384)	58,585
Changes that relate to future service:	(261,630)	–	300	–	(261,330)
Losses for the net outflow recognised on initial recognition	(251,755)		(984)		(252,739)
Losses and reversal of losses on onerous contracts – subsequent measurement	(9,875)		1,284		(8,591)
Total Insurance Service Expenses	(2,104,442)	(350,572)	(34,272)	(338,637)	(2,827,923)

Notes to the Annual Financial Statements *continued*

25. INSURANCE SERVICE RESULTS *continued*

25.2 Insurance service expenses *continued*

Group Income/(expenses) (R'000)	Group				Total
	Life insurance – Risk business (GMM)	Life insurance – Risk business (PAA)	Life insurance – Savings business (VFA)	Short-term insurance (PAA)	
Year ended 30 June 2024					
Incurring insurance service expenses	(398,136)	(1,979)	(24,355)	(107,761)	(532,231)
Claims	(220,924)	(1,363)	(4,080)	(41,232)	(267,599)
Expenses	(177,212)	(616)	(20,275)	(70,098)	(268,201)
Other expenses under the VFA	-	-	-	-	-
Other movements related to current service	-	-	-	3,569	3,569
Insurance acquisition cash flows expensed when incurred	-	(83)	-	-	(83)
Amortisation of insurance acquisition cash flows	(709,796)	-	(22,855)	(242,966)	(975,617)
Impairment Loss on Assets for Insurance Acquisition Cash Flow	132	38	53	(8,020)	(7,797)
Reversal of Impairment Loss on Assets for Insurance Acquisition Cash Flow	-	-	-	-	-
Changes that relate to past service:	132	38	53	(8,020)	(7,797)
Changes in estimates in LIC fulfilment cash flows	-	38	-	882	920
Experience adjustments in claims and other insurance service expenses in LIC	132	-	53	(8,902)	(8,717)
Changes that relate to future service:	(223,511)	-	3,346	-	(220,165)
Losses for the net outflow recognised on initial recognition	(120,087)	-	(9,641)	-	(129,728)
Losses and reversal of losses on onerous contracts – subsequent measurement	(103,424)	-	12,987	-	(90,437)
Total Insurance Service Expenses	(1,331,313)	(2,024)	(43,811)	(358,747)	(1,735,895)

Notes to the Annual Financial Statements *continued*

25. INSURANCE SERVICE RESULTS *continued*

25.3 Income/(expense) from reinsurance contracts

(R'000)	Life insurance – Risk business (GMM)
Year ended 30 June 2025	
Allocation of the premiums paid	(371,019)
Amounts recovered from reinsurance:	
Incurred insurance service expenses	230,041
Claims	249,592
Expenses	(19,551)
Changes that relate to past service (changes in fulfilment cash flows re LIC)	(3,128)
Changes in estimates in LIC fulfilment cash flows	(3,128)
Experience adjustments in claims and other insurance service expenses in LIC	
Changes that relate to future service	27,128
Loss recovery related to losses on underlying insurance contracts at initial recognition	69,581
Loss recovery and reversals of recoveries related to underlying insurance contracts losses – subsequent measurement	(42,453)
Total Net Expenses from Reinsurance Contracts	(116,978)
Year ended 30 June 2024	
Allocation of the premiums paid	(195,833)
Amounts recovered from reinsurance:	
Incurred insurance service expenses	135,069
Claims	157,246
Expenses	(22,177)
Changes that relate to past service (changes in fulfilment cash flows re LIC)	(5,731)
Changes in estimates in LIC fulfilment cash flows	–
Experience adjustments in claims and other insurance service expenses in LIC	(5,731)
Changes that relate to future service	42,809
Loss recovery related to losses on underlying insurance contracts at initial recognition	84,798
Loss recovery and reversals of recoveries related to underlying insurance contracts losses – subsequent measurement	(41,989)
Total Net Expenses from Reinsurance Contracts	(23,686)

Notes to the Annual Financial Statements *continued*

25. INSURANCE SERVICE RESULTS *continued*

25.4 Net investment result

Group Income/(expenses) (R'000)	Group				Total
	Life insurance – Risk business (GMM)	Life insurance – Savings business (VFA)	Short-term insurance (PAA)	Other	
Year ended 30 June 2025					
Investment income/expense on underlying assets					
Fair value adjustments to financial assets at fair value through profit or loss		69,986		1,063,459	1,133,444
Total net investment income		69,986	–	1,063,459	1,133,444
Insurance finance income/expense from insurance contracts					
The effect of time value of money and changes in the time value of money, based on the locked-in interest rates	325,857	–	(2,065)	–	323,792
Interest accreted on the carrying amount of the CSM	(172,904)		–		(172,904)
Interest accreted on present value cash flows	578,197		(1,915)		576,282
Interest accreted on risk adjustment	(79,436)		(150)		(79,586)
Interest accreted on LRC for contracts measured under the PAA			–		–
The effect of financial risk and changes in financial risk	808,436				808,436
Effect of measuring changes in estimates at current rates and adjusting the CSM at rates on initial recognition	(49,639)				(49,639)
Changes in fair value of underlying items of direct participating contracts		(45,810)			(45,810)
Total insurance finance income/(expense) from insurance contracts	1,084,654	(45,810)	(2,065)	–	1,036,779

Notes to the Annual Financial Statements *continued*
25. INSURANCE SERVICE RESULTS *continued*
25.4 Net investment result *continued*

Group Income/(expenses) (R'000)	Group				
	Life insurance – Risk business (GMM)	Life insurance – Savings business (VFA)	Short-term insurance (PAA)	Other	Total
Insurance finance income/expense from reinsurance contracts					
The effect of time value of money and changes in the time value of money, based on the locked-in interest rates	28,545		–		28,545
Interest accreted on the carrying amount of the CSM	13,808		–		13,808
Interest accreted on present value cash flows	6,821		–		6,821
Interest accreted on risk adjustment	7,916		–		7,916
The effect of financial risk and changes in financial risk	(7,430)				(7,430)
Effect of measuring changes in estimates at current rates and adjusting the CSM at rates on initial recognition	38,526				38,526
Total insurance finance income from reinsurance contracts	59,641		–		59,641
	1,144,294	(45,810)	(2,065)	–	1,096,419
Insurance finance income and expenses					
Net insurance finance income/(expense) from insurance contracts	1,084,654	(45,810)	(2,065)	–	1,036,779
Amounts recognised in statement of profit or loss	423,925	(45,810)	(2,051)		376,064
Amounts recognised in OCI	660,729	–	(14)		660,715
	1,084,654	(45,810)	(2,065)	–	1,036,779
Net insurance finance income/(expense) from reinsurance contracts	59,641	–	–		59,641
Amounts recognised in statement of profit or loss	27,823		–		27,823
Amounts recognised in OCI	31,817		–		31,817
	59,641	–	–	–	59,641

Notes to the Annual Financial Statements *continued*

25. INSURANCE SERVICE RESULTS *continued*

25.4 Net investment result *continued*

Group Income/(expenses) (R'000)	Group				
	Life insurance – Risk business (GMM)	Life insurance – Savings business (VFA)	Short-term insurance (PAA)	Other	Total
Year ended 30 June 2024					
Investment income/expense on underlying assets					
Fair value adjustments to financial assets at fair value through profit or loss	-	50,258	-	793,343	843,601
Total net investment income	-	50,258	-	793,343	843,601
Insurance finance income/expense from insurance contracts					
The effect of time value of money and changes in the time value of money, based on the locked-in interest rates	257,442	-	(514)	-	256,928
Interest accreted on the carrying amount of the CSM	(126,753)	-	-	-	(126,753)
Interest accreted on present value cash flows	432,527	-	(495)	-	432,032
Interest accreted on risk adjustment	(48,332)	-	(19)	-	(48,351)
Interest accreted on LRC for contracts measured under the PAA	-	-	-	-	-
The effect of financial risk and changes in financial risk	192,450	-	(31)	-	192,419
Effect of measuring changes in estimates at current rates and adjusting the CSM at rates on initial recognition	(12,278)	-	-	-	(12,278)
Changes in fair value of underlying items of direct participating contracts	-	(33,822)	-	-	(33,822)
Total insurance finance income/(expense) from insurance contracts	437,614	(33,822)	(545)	-	403,247

Notes to the Annual Financial Statements *continued*

25. INSURANCE SERVICE RESULTS *continued*

25.4 Net investment result *continued*

Group Income/(expenses) (R'000)	Group				
	Life insurance – Risk business (GMM)	Life insurance – Savings business (VFA)	Short-term insurance (PAA)	Other	Total
Insurance finance income/expense from reinsurance contracts					
The effect of time value of money and changes in the time value of money, based on the locked-in interest rates	12,797	–	–	–	12,797
Interest accreted on the carrying amount of the CSM	17,844	–	–	–	17,844
Interest accreted on present value cash flows	(11,291)	–	–	–	(11,291)
Interest accreted on risk adjustment	6,244	–	–	–	6,244
The effect of financial risk and changes in financial risk	(2,185)	–	–	–	(2,185)
Effect of measuring changes in estimates at current rates and adjusting the CSM at rates on initial recognition	39	–	–	–	39
Total insurance finance income/(expense) from reinsurance contracts	10,651	–	–	–	10,651
	448,265	(33,822)	(545)	–	413,898
Insurance finance income and expenses					
Net insurance finance income/(expense) from insurance contracts	437,614	(33,822)	(545)	–	403,247
Amounts recognised in statement of profit or loss	228,507	(33,822)	(522)	–	194,163
Amounts recognised in OCI	209,107	–	(23)	–	209,084
	437,614	(33,822)	(545)	–	403,247
Net insurance finance income/(expense) from reinsurance contracts	10,651	–	–	–	10,651
Amounts recognised in statement of profit or loss	13,176	–	–	–	13,176
Amounts recognised in OCI	(2,525)	–	–	–	(2,525)
	10,651	–	–	–	10,651

26. FAIR VALUE ADJUSTMENT TO FINANCIAL ASSETS, AT FAIR VALUE THROUGH PROFIT OR LOSS

(Refer to note 8 on page 214) (R'000)	Group		Company	
	2025	2024	2025	2024
Fair value adjustment – mandatory	189,922	154,238	(2,252)	1,312
Fair value adjustment – designated	943,522	689,363		
	1,133,444	843,601	(2,252)	1,312
The above fair value adjustments includes:				
– Fair value (losses)/gains	476,701	177,332	(3,682)	(785)
– Interest (unlisted)	628,480	634,877	10	380
– Dividends (listed)	28,263	31,392	1,420	1,717
	1,133,444	843,601	(2,252)	1,312
Adjustment for non-cash amounts included in the fair value expenses				
Dividend tax paid	–	(91)		–
Net non-cash amount	130,617	146,304	(3,325)	(785)

27. REVENUE FROM CONTRACTS WITH CUSTOMERS

(R'000)	Group		Company	
	2025	2024	2025	2024
IFA annuity fee	72,780	83,212		
Rewards benefits	146,246	110,539		
Non-insurance revenue	46,372	15,449		
Deferred revenue*	127,690	171,238		
	393,088	380,438		–

* The deferred revenue relates to the single premium products, where the revenue is deferred in line with investment management expenses.

28. DIVIDENDS PAID

(R'000)	Group		Company	
	2025	2024	2025	2024
Balance owing at the beginning of the year	488	488	488	488
Amount declared for the year	566,448	419,152	566,448	419,152
	566,936	419,640	566,936	419,640
Dividends paid to NCI (49.0%)	5,145	1,470		
Balance owing at the end of the year	(624)	(488)	(624)	(488)
Amount paid during the year	571,457	420,622	566,312	419,152

Notes to the Annual Financial Statements *continued*

29. OTHER INCOME

(R'000)	Group		Company	
	2025	2024	2025	2024
Other income ¹	14,239	(2,355)		
INSETA grants	2,202	2,943		
Rental income (external)	240	1,009		
	16,682	1,597		

1. Included in other income are all non-insurance and core business related income Gym membership fee income, airtime, sim and data income, discounts and income from claim admin fees and other income.

30. INTEREST INCOME

(R'000)	Group		Company	
	2025	2024	2025	2024
Financial assets at amortised cost	24,654	644		
Cash and cash equivalents	47,143	16,323	904	285
	71,797	16,967	904	285

31. DIRECTORS REMUNERATION

Year ended 30 June 2025

Non-executive Directors Group Remuneration	Months in office	Directors' fees and total emoluments Excluding VAT R'000	Directors' fees and total emoluments Including VAT R'000
GQ Routledge*	12	4,744	5,455
BA Stott*	12	2,863	3,292
HP Mayers*	12	1,366	1,571
RD Williams*	12	1,758	2,021
E Mashilwane*	12	1,699	1,954
Total emoluments		12,430	14,293

* Registered for VAT for the year.

Executive Directors Group Remuneration	Months in office	Basic salary R'000	Bonuses and performance related payments R'000	Retirement, medical and other benefits R'000	Total emoluments R'000
BW Reekie	12	8,351	13,078	995	22,424
H Louw	12	5,469	6,669	405	12,543
RDT Zwane	12	3,154	3,508	206	6,868
AC Pillay	12	4,282	3,868	342	8,492
Total emoluments		21,256	27,123	1,948	50,327

Bonuses and performance related payments include incentive bonus scheme payments and amounts payable. No BRs have been issued to Directors.

Notes to the Annual Financial Statements *continued*

31. DIRECTORS REMUNERATION *continued* Year ended 30 June 2024

Non-executive Directors Group Remuneration	Months in office	Directors' fees and total emoluments Excluding VAT R'000	Directors' fees and total emoluments Including VAT R'000
GQ Routledge ¹	12	3,801	4,371
BA Stott ¹	12	2,224	2,557
PR Gwangwa ²	1	73	73
HP Mayers ¹	12	1,094	1,259
RD Williams ¹	12	1,325	1,523
E Mashilwane ¹	7	770	886
Total emoluments		9,287	10,669

1. Registered for VAT for the year.

2. Not registered for VAT.

Executive Directors Group Remuneration	Months in office	Basic salary R'000	Bonuses and performance related payments R'000	Retirement, medical and other benefits R'000	Total emoluments R'000
BW Reekie	12	8,034	12,471	859	21,364
H Louw	12	4,969	6,040	366	11,375
RDT Zwane	12	2,623	3,030	174	5,827
AC Pillay	3	971	2,341	79	3,391
MG Cowrie	5	2,473	875	46	3,394
Total emoluments		19,070	24,757	1,524	45,351

Bonuses and performance related payments include incentive bonus scheme payments and vested amounts payable. No BRs have been issued to Directors.

Notes to the Annual Financial Statements *continued***32. OPERATING EXPENSES**

(R'000)	Group		Company	
	2025	2024	2025	2024
Acquisition and administration expenses by nature are as follows:				
Total auditors' remuneration	28,394	14,105		
Audit fees ¹	28,394	13,714	4,964	2,393
Other services	–	391		
Actuarial fees	1,120	1,249		
Computer expenses	55,659	29,818		
Consultancy fees	208,055	46,333	1,418	14,630
Employee benefits	1,093,101	620,153		
Salaries and other short-term benefits	908,181	527,729		
Defined contribution provident fund current service cost	34,488	17,735		
Goodwill Scheme expense	23,557	2,469		
EV Scheme expense	39,196	24,448		
Short-term bonuses	87,679	46,183		
BR Scheme expense	–	1,589		
Amortisation of intangible assets	26,494	13,900		
Depreciation	13,736	13,272		
Computer equipment	6,125	8,683		
Solar	925	643		
Furniture and equipment	4,999	2,706		
Leasehold improvements	1,263	1,103		
Motor vehicles	425	138		
Local travel costs	2,933	2,232		
Administration and marketing	649,494	446,302		
Agency, Broker, Funeral parlour and outsourced sales	576,490	263,533		
IFA referral fees and bonuses paid	29,968	43,128		
Property expenses	6,781	1,473		
B-BBEE guarantee costs	1,242	1,617		
Secretarial fees	1,415	2,324	1,082	859
Single Premium deferred expenses	47,236	52,393		
Other ²	160,378	39,805	4,060	1,522
	2,902,496	1,591,637	11,525	19,405
Comprising:				
Insurance service expenses	2,351,329	1,170,941		
Other operating expenses	551,167	420,696	11,525	19,405
	2,902,496	1,591,637	11,525	19,405

1. Refer to note 32.1 for a breakdown of audit fees.

2. The increase in other expenses is largely due to the acquisition of 1Life. Included in other expenses are the below expenses:
General expenses, rewards expenses, printing costs, HIV testing costs and other multiple minor expenses.

Notes to the Annual Financial Statements *continued*

32. OPERATING EXPENSES *continued*

32.1 Audit Fees*

(R'000)	2025	2024
Audit of the annual financial statements	24,950	11,197
Regulatory related audit services	2,804	2,467
Other assurance related services performed under the standard as issued by the IAASB	640	50
	28,394	13,714

* Audit fees relate to fees paid to the Group auditors, Deloitte & Touche for the statutory audit of the Annual Financial Statements.

32.2. Disclosable operating expenses

Included in the operating expenses of each segment are the following required disclosable amounts:

30 June 2025 (R'000)	Life Insurance	1Life Insurance	Non-life Insurance	CBC Rewards, Mobile & Direct Rewards	Holding entity & Property	Consoli- dation entries	Total
Depreciation	25,767	1,191	7,122	360	2,017	(22,720)	13,736
Amortisation	8,140		584	4,361	3	13,406	26,494
Administration and marketing Agency, Broker, Funeral parlour and outsourced sales	298,723	208,983	40,633	78,141	23,014		649,494
Employee benefit expense	227,363	306,089	43,038				576,490
	540,936	428,934	52,060	66,800	6,880	(2,509)	1,093,101
	1,100,929	945,197	143,437	149,662	31,914	(11,823)	2,359,315

30 June 2024*

(R'000)							
Depreciation	25,298		5,607	61	1,635	(19,329)	13,272
Amortisation	8,279		635	4,983	3		13,900
Administration and marketing Agency, Broker, Funeral parlour and outsourced sales	325,342		39,865	58,417	22,678		446,302
Employee benefit expense	221,326		42,207				263,533
	508,194		56,036	56,163	6,819	(7,059)	620,153
	1,088,439		144,350	119,624	31,135	(26,388)	1,357,160

* During the current year, the Group provided additional disclosable items relating to operating expenses on a segment basis in line with the IFRIC's 2024 agenda decision. This led to a representation of the prior year Annual Financial Statements.

Notes to the Annual Financial Statements *continued***33. ACQUISITION OF 1LIFE**

The Group entered into an exchange of shares agreement with Telesure Investment Holdings Proprietary Limited ("TIH") in respect of which it acquired 3,022,447 ordinary shares of 1Life Insurance Limited ("1Life") from TIH. 1Life is a company that is engaged in life insurance and operates in South Africa. The shares acquired from TIH constitute 100% of all the issued voting ordinary shares of 1Life. Consequently, the Group obtained control of 1Life. In accordance with the exchange of shares agreement, the Group issued 117,815,756 of Clientèle Limited's listed ordinary shares to TIH, thus making TIH a 26% shareholder in Clientèle Limited immediately after the exchange transaction.

The principal reason for this acquisition was to increase the Group's diversification and to leverage off of the improved scale that will arise from the combined expertise of both the Group and 1Life in the mass market segment, thus enhancing future value creation for all customers, employees, shareholders and other Stakeholders.

The closing date, being the acquisition date, of the transaction was determined with reference to IFRS 3 as 12 July 2024. Therefore, the Group consolidates 1Life into its financial statements as of the determined acquisition date.

Details of the acquisition are as follows:

	R'000
Consideration transferred	
Equity (117,815,756 shares)	1,590,512
Total consideration transferred	1,590,512

Equity instruments issued

The fair value of the ordinary shares issued as consideration for the 100% shareholding in 1Life was based on Level 2 inputs as per IFRS 13, as at 12 July 2024, where Management adjusted the quoted shared price of the shares for a control premium. Based hereon, the fair value of the Consideration Shares and was determined to be R13.5 per share.

Acquisition-related costs

The Group incurred acquisition-related costs of R9.74 million on legal fees, due diligence and regulatory compliance costs. The acquisition-related costs were expensed in the financial year ended 30 June 2024.

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

(R'000)	2025
Financial assets backing investment contract liabilities	2,516,726
Insurance contract assets	1,342,160
Reinsurance contract assets	263,811
Intangible assets	201,091
Financial assets at amortised cost	969,015
Inventory	26
Current tax receivable	1,757
Trade and other receivables	39,705
Cash and cash equivalents	121,153
Deferred tax ¹	(397,773)
Financial liabilities held at amortised cost	(337,236)
Investment contract liabilities	(2,525,447)
Insurance contract liabilities	(12,280)
Reinsurance contract liabilities	(32,061)
Provisions	(35,622)
Other payables ²	(121,361)
Total identifiable net assets acquired	1,993,665

1. The deferred tax liability balance is a net deferred tax liability balance that includes R49.5 million of deferred tax assets, R447.2 million of deferred tax liabilities in the separate financial statements of 1Life at the acquisition date.

2. Included in other payables is R9.6 million for Deferred revenue liability.

The amounts of insurance revenue and net profit after tax of 1Life since the acquisition date included in the Statement of Comprehensive Income for the reporting period are R1,885 million and R132.5 million, respectively.

33. ACQUISITION OF 1LIFE *continued*

Measurement of fair values

The valuation techniques used for measuring the fair values of material assets acquired and liabilities assumed were as follows:

Assets acquired and liabilities assumed	Valuation technique
Insurance and reinsurance contracts	Insurance contracts that were acquired as part of the business combination are measured based on the GMM, unless the PAA applies, at the date of acquisition. The Group determined that all contracts at the acquisition date had significant insurance risk and met the definition of insurance contracts issued.
Financial assets backing investment contract liabilities	The fair value of financial assets backing investment contract liabilities has been determined based on quoted market prices.
1Life trade name	Income approach – Relief from royalty: This valuation technique assumes that the value of an intangible asset is equal to the present value of the amount the Group would be prepared to pay to lease that asset under a contract if it did not own the asset. The valuation technique assumed a useful life of 15 years for the 1Life trade name, based on the strong brand presence in the market and its existence that spanned over 15 years on the valuation date.
Distribution network	Income approach – multi-period excess earnings (“MEEM”): This valuation model states that the value of an intangible asset is given by the present value of the earnings it generates, net of a reasonable return on other assets also contributing to that stream of earnings. In applying the valuation technique, the useful life for the distribution network intangible asset was determined to be 15 years based on Management assumptions which are in alignment with comparable transactions in the market.

Bargain purchase gain

Bargain purchase gain arising from the acquisition has been recognised as follows:

(R'000)	2025
Consideration transferred	1,590,512
Recognised amounts of identifiable net assets	(1,993,665)
Bargain purchase gain	(403,152)

The commercial exchange took place on an Embedded Value (“EV”) basis, in terms of which the EV per share of Clientèle was used as a starting point to determine the number of Clientèle shares that would be transferred to acquire 1Life. The consideration transferred, amounting to R1.59 billion, was determined by adjusting the EV of 1Life so as to calculate it on a similar basis to that used by Clientèle in its EV calculation, plus a control premium of 6.23%. This adjusted EV of 1Life was then used to determine the number of Clientèle shares that would be required to settle the acquisition transaction.

Having determined the number of shares to be transferred on this basis, the Group determined the fair value of each share to be transferred to TIH for purposes of determining the consideration transferred in accordance with IFRS 3.

The fair value of each share transferred was determined based on level 2 inputs as per IFRS 13, where the listed share price was adjusted to include a premium reflecting the significant influence that TIH will exercise over the Group as of the acquisition date. This approach is consistent with what has been done with similar recent transactions in the industry. Based hereon, the fair value of the shares transferred as consideration for the acquisition was determined to be significantly lower than embedded value of the 1Life at the acquisition date, thus resulting in bargain purchase gain.

The bargain purchase gain is presented as a separate line item in the SOCI.

The bargain purchase gain was provisionally reported as R469.1 million in the interim period ended 31 December 2025. This amount was adjusted due to further actuarial refinements and alignment of actuarial assumption bases with the Group's methodology in the measurement period, which led to a decrease insurance contract assets (R106.1 million), an increase reinsurance contract assets (R37.3 million), an increase insurance contract liabilities (R2.7 million), a decrease reinsurance contract liabilities (R24.2 million) and an increase deferred tax liabilities (R24.4 million).

The Group identifies 1Life Insurance as a separate segment for reporting purposes.

Notes to the Annual Financial Statements *continued***34. ACQUISITION OF EMERALD LIFE**

On 24 June 2025, Clientèle Limited acquired 100% of the issued share capital of Emerald Life for a total consideration of c. R641 million.

Emerald Life is a licensed micro-insurer that specialises in underwriting funeral products for social grant recipients as well as government employees in South Africa. The business services approximately 360,000 active policyholders, with strong and consistent premium inflows. Its distribution model is based on a national network of approximately 2,500 internal sales representatives, registered under Emerald's FSP license. Emerald has built a strong presence in underserved communities through its access to SASSA-linked debit orders, loyal policyholder base, and its proprietary systems.

The principal reason for the acquisition of Emerald Life is to accelerate the Group's growth in the high-growth funeral insurance market, particularly within lower-income and SASSA-linked customer segments, through immediate access to a sizable in-force book of c.360,000 active policyholders. This is expected to increase Clientèle's active policy base by approximately 25% and grow annual premium income by around 15%.

Details of the acquisition are as follows:

	R'000
Consideration transferred	
Cash consideration	605,896
Contingent consideration*	35,602
Total consideration transferred	641,498

* Following a period of 24 months post the acquisition date, the Group will pay an amount not exceeding R50,000,000 to the former owners of Emerald Life. This amount contingent on Emerald Life underwriting and successfully collecting at least one premium from a minimum of 40,000 new funeral insurance policies whose terms provide that premiums will be deducted from social grants awarded to the relevant policyholders in terms of regulation 29 of the regulations published under the Social Assistance Act, 2004.

Acquisition-related costs

The Group incurred acquisition-related costs of R7.6 million on legal fees, due diligence and regulatory compliance costs. The acquisition-related costs were expensed in the financial year ended 30 June 2025.

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

(R'000)	2025
Property, plant and equipment	3,309
Right-of-use assets	15,990
Intangible assets	948,387
Other financial assets	1,737
Deferred tax	(158,399)
Inventories	1,777
Trade and other receivables	3,832
Employee benefits	28,977
Current tax receivable	824
Cash and cash equivalents	132,816
Reinsurance assets	6,852
Lease liabilities	(17,361)
Reinsurance liabilities	(378,868)
Trade and other payables	(17,387)
Insurance liabilities	(35,759)
Current tax payable	(130)
Total identifiable net assets acquired	536,597

The amounts of insurance revenue and net profit after tax of Emerald Life since the acquisition date included in the Statement of Comprehensive Income for the reporting period are Rnil.

Notes to the Annual Financial Statements *continued*

34. ACQUISITION OF EMERALD LIFE *continued*

Measurement of fair values

The valuation techniques used for measuring the fair values of material assets acquired and liabilities assumed were as follows:

Assets acquired and liabilities assumed	Valuation technique
Emerald Life trade name	<i>Income approach – Relief from royalty:</i> This valuation approach assumes that the value of an intangible asset is equal to the present value of the amount the Group would be prepared to pay to lease that asset under a contract if it did not own the asset. The valuation technique assumed a useful life of 10 years for the Emerald Life trade name, based on the strong brand presence in the market.
Customer relationships: Existing in-force policyholders	<i>Income approach – multi-period excess earnings (“MEEM”):</i> This valuation approach states that the value of an intangible asset is given by the present value of the earnings it generates, net of a reasonable return on other assets also contributing to that stream of earnings. In applying the valuation technique, the useful life for the Customer relationships: Existing in-force policyholders intangible asset was determined to be 12 years based on Management assumptions which are in alignment with comparable transactions in the market.
Computer software	<i>Cost approach: replacement cost method:</i> This valuation approach is based on the current cost to recreate or duplicate the asset less an appropriate allowance for a decrease in value due to the passage of time or obsolescence. Incorporated in the cost approach is the economic principle of substitution, which states that an informed purchaser would pay no more for an asset than the cost of purchasing or producing a substitute asset with the same utility as the appraised asset. In applying this valuation technique, the useful life of Computer software was determined to be 7 years.
Customer-facing mobile application	<i>Cost approach: Carrying amount assumed to approximate Fair Value as at the Transaction date:</i> This valuation approach is based on the current cost to recreate or duplicate the asset less an appropriate allowance for a decrease in value due to the passage of time or obsolescence. Incorporated in the cost approach is the economic principle of substitution, which states that an informed purchaser would pay no more for an asset than the cost of purchasing or producing a substitute asset with the same utility as the appraised asset.

Goodwill

Goodwill arising from the acquisition has been recognised as follows:

(R'000)	2025
Consideration transferred	641,498
Recognised amounts of identifiable net assets	(536,597)
Goodwill	104,900

The consideration transferred was determined based on level 2 inputs as per IFRS 13, where the contingent consideration was determined by discounting the R50 million payable 24 months after the acquisition date at a rate of 18.5%, aligning with the cost of equity, to reflect the time value of money, resulting in a present value of R35.6 million included in the purchase price.

Goodwill represents the intangible assets that do not qualify for separate recognition, and reflects the anticipated synergies and future economic benefits expected from the integration of Emerald into the Group operations.

Goodwill is presented as a separate line item in the Statement of Financial Position.

The Group identifies Emerald Life as a separate segment for reporting purposes.

The fair values of the contingent consideration and the underlying assets and liabilities of Emerald Life have been prepared on a provisional basis as allowed by IFRS 3.

Notes to the Annual Financial Statements *continued*

35. TAX

(R'000)	Group		Company	
	2025	2024	2025	2024
South African normal tax	256,161	137,345	(908)	1,215
– Current year tax	206,726	150,787	–	239
– Deferred tax	49,435	(13,442)	(908)	976
Policyholder deferred tax on assessed loss in the IPF (IAS 12)	(17,310)	74,342		
South African capital gains tax	1,708	4,433		–
– Current year tax	4,388	2,691		
– Deferred tax	(2,680)	1,742		
Total tax expense	240,559	216,120	(908)	1,215
Taxation rate reconciliation				
Profit before tax	1,299,907	550,029	648,777	406,177
Tax	(240,559)	(216,120)	908	(12,515)
	%	%	%	%
Effective tax rate	18.51	39.29	(0.14)	0.3
Adjustments in respect of prior year	0.09	0.42		
Capital gains tax	0.17	0.30		0.06
Exempt income	0.13	0.47	27.62	28.08
Non-deductible items	(0.14)	(0.48)	(0.14)	(1.44)
Non-taxable income ¹	8.16			
Policyholder deferred tax asset raised in respect of IPF assessed loss	1.33	(13.52)		–
Policyholder deferred tax asset raised in respect of unrealised gains in IPF	0.77			
Deferred tax i.r.o assets disregarded in terms of S29A(16)	0.01	3.65		–
Deferred policyholder capital gains tax	–	(3.50)		–
Policyholder tax: I – E tax	(1.93)	0.95		–
Transfer tax impact of IPF I-E allowed	0.32			–
Other	(0.42)	(0.60)	(0.34)	0
Statutory tax rate	27.00	27.00	27.00	27.00

1. The non-taxable income in the 2025 financial year is due to the bargain purchase gain that arose from the acquisition of 1Life.

Policyholder taxation funds are separate tax entities which have differing tax rules as applied in the South African taxation legislation for life insurance companies.

There are three separate policyholder funds applicable to Clientèle Life and 1Life, defined as the untaxed, IPF and risk funds. The IPF in Clientèle Life has an estimated tax loss of R0.6 billion (2024:R0.8 billion). It is currently probable that future taxable profits in the IPF will be available against which the assessed loss can be utilised. The current assessed loss of R0.6 billion is expected to be released in 2 years. There is currently an unrecognised deferred tax asset of R30 million.

The IPF in 1Life has an estimated tax loss of R1.45 billion (2024:R0). It is currently probable that future taxable profits in the IPF will be available against which the assessed loss can be utilised.

36. TAXATION PAID

(R'000)	Group		Company	
	2025	2024	2025	2024
Balance owing/(receivable) at the beginning of the year	(18,019)	10,687	(674)	(913)
Amount provided for the year	211,113	145,404	-	239
	193,094	156,091	(674)	(674)
Prior year provision adjustments	(716)	-		
Acquired through business combination	2,451			
Balance (owing)/receivable at the end of the year	(13,178)	18,019	913	(674)
Amount paid during the year	181,651	174,110	239	-

37. EARNINGS PER SHARE

(R'000)	Group	
	2025	2024
Continuing operations		
Net profit for the year attributable to equity holders of the Group	1,054,738	329,937
Bargain purchase gain	(403,152)	-
Impairment of intangible assets	-	-
Loss on disposal of property and equipment	8,332	-
Headline earnings for the year	659,918	329,937
Ordinary shares in issue ('000)	453,262	335,334
Weighted ordinary shares in issue ('000)	448,692	335,326
Diluted average ordinary shares in issue ('000)	454,072	335,741
	Cents	Cents
Earnings per share	235.07	98.39
Headline earnings per share	147.08	98.39
Diluted earnings per share	232.28	98.27
Diluted headline earnings per share	145.33	98.27

Diluted earnings per share

Diluted basic earnings per share is calculated on the same basis as earnings per share, except that the weighted average number of ordinary shares in issue during the year is adjusted for the dilutive effect of the BR scheme. This potential dilutive effect is calculated using the average Clientèle share price less the sum of the estimated fair value of goods and services to be rendered by employees per BR and the strike price at grant date. This difference gives the value per share of the benefit accruing to the BR participant. The value is multiplied by the number of BRs and divided by the average Clientèle share price to measure the value as the notional number of shares.

Notes to the Annual Financial Statements *continued***38. CASH GENERATED BY OPERATIONS**

(R'000)	Group		Company	
	2025	2024	2025	2024
Net profit for operations	1,299,907	550,029	648,777	406,177
Adjusted for non-cash items:	(1,478,247)	(680,151)	2,932	(4,615)
– Depreciation	13,736	13,580		
– Amortisation of intangible assets	26,495	13,900		
– Impairment of reclassification of assets		1,275		
– Loss on disposal of property and plant	8,332			
– Estimated credit losses	6,459	1,361	705	(3,303)
– Bargain gain on purchase	(403,152)	–		
– Interest on financial liabilities at amortised cost	14,208	9,199		
– Fair Value Adjustment on Financial Assets	(1,133,444)	(843,601)	2,252	(1,312)
– Fair Value Adjustment on Financial Liabilities	903,245	579,535		
– Reduction in financial liability due to the recognition of deferred profit – fiduciary tax	–	(14,587)		
– Deferred acquisition costs	44,151	58,527		
– Deferred revenue	(127,754)	(158,585)		
– Insurance contract assets/liabilities	(919,204)	(375,879)		
– Reinsurance contract assets/liabilities	57,338	13,036		
– Interest on financial assets at amortised cost	(24,654)	(644)		
– Interest expense	697	16,490		
– Non-cash repayment from funeral parlours	5,545	(1,213)		
– Profit on disposal of PPE/Intangibles	–	–		
– Employee benefits	36,739	7,402		
– Non-controlling interests	–			
– Other non-cash expenses	10,340		(25)	
– BR Scheme Reserve	2,676	53		
	(178,341)	(130,122)	651,709	401,562
Separately disclosable items:	(108,357)	(92,032)	(663,259)	(422,975)
– Interest received	(106,066)	(65,362)	(904)	(664)
– Dividends received	(26,886)	(26,670)	(662,355)	(422,311)
– Interest expense	24,595			
Working capital changes:	510,812	359,910	2,047	(4,622)
– (Increase)/decrease in inventories	(662)	(402)		
– (Increase)/decrease in receivables	(26,095)	38	(5)	(4)
– Insurance contract assets/liabilities	573,038	369,366		
– Reinsurance contract assets/liabilities	(87,545)	(11,412)		
– Increase/(decrease) in provisions, accruals and payables	(7,630)	(8,360)	2,052	(4,618)
– Increase/(decrease) in deferred revenue not recognised	117,626	26,579		
– Increase/(decrease) in deferred commission and expenses not recognised	(57,920)	(15,899)		
– Increase in financial liabilities	2,089,276	816,175	–	
– Decrease in financial liabilities	(1,934,337)	(5,359,845)		
– Acquisition of financial assets	(3,180,398)	(1,526,926)		(315)
– Disposal of financial assets	3,861,875	6,470,913	–	44,128
Cash generated by operations	1,060,530	538,073	(9,503)	17,778

Notes to the Annual Financial Statements *continued*Notes to the Annual Financial Statements *continued***39. RESTATEMENT****39.1 Restatement of Insurance and Reinsurance contracts notes: Life Insurance – Risk Business (GMM)**

During the current financial year, a restatement was identified in the insurance and reinsurance contracts note: Life Insurance – Risk Business (GMM) note to the annual financial statements. This related to incorrect classification of movements in the insurance related receivables and payables between the Liability for Remaining Coverage (LFRC) and the Liability for Incurred Claims (LIC) sections of the note. This restatement is only relevant to the insurance contracts measured under the GMM measurement model in Clientèle Life. To correct this misstatement, the following amendments were made to the note:

Life insurance – Risk business (GMM)

Assets/(Liabilities) (R'000)	Restated				As previously Reported				Restatements			
	2024				2024							
	Liabilities for remaining coverage		Liabilities for incurred claims		Liabilities for remaining coverage		Liabilities for incurred claims		Liabilities for remaining coverage		Liabilities for incurred claims	
	Excluding loss component	Loss component	Liabilities for incurred claims	Total	Excluding loss component	Loss component	Liabilities for incurred claims	Total	Excluding loss component	Loss component	Liabilities for incurred claims	Total
Opening insurance contract assets	3,629,371	(673,422)	(8,565)	2,947,384	3,688,308	(702,890)	(38,034)	2,947,384	(58,937)	29,468	29,469	-
Opening insurance contract liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Opening balance at 1 July 2024	3,629,371	(673,422)	(8,565)	2,947,384	3,688,308	(702,890)	(38,034)	2,947,384	(58,937)	29,468	29,469	-
Changes in statement of profit and loss and OCI												
Insurance revenue	1,352,390	-	-	1,352,390	1,352,390	-	-	1,352,390	-	-	-	-
Contracts under the fair value transition approach	370,026	-	-	370,026	370,026	-	-	370,026	-	-	-	-
Other contracts	982,364	-	-	982,364	982,364	-	-	982,364	-	-	-	-
Insurance service expenses	(709,796)	(56,740)	(564,777)	(1,331,313)	(709,796)	(85,965)	(535,552)	(1,331,313)	-	29,225	(29,225)	-
Changes that relate to past and current services	(709,796)	166,773	(564,777)	(1,107,800)	(709,796)	137,548	(535,552)	(1,107,800)	-	29,225	(29,225)	-
Incurred insurance service expenses and claims	-	166,773	(564,909)	(398,136)	-	137,548	(535,684)	(398,136)	-	29,225	(29,225)	-
Insurance acquisition cash flows expensed when incurred	-	-	-	-	-	-	-	-	-	-	-	-
Amortisation of insurance acquisition cash flows	(709,796)	-	-	(709,796)	(709,796)	-	-	(709,796)	-	-	-	-
Adjustment to liabilities for incurred claims	-	-	132	132	-	-	132	132	-	-	-	-
Changes that relate to future services	-	(223,513)	-	(223,513)	-	(223,513)	-	(223,513)	-	-	-	-
Losses for the net outflow recognized on initial recognition	-	(120,087)	-	(120,087)	-	(120,087)	-	(120,087)	-	-	-	-
Losses and reversal of losses on onerous contracts – subsequent measurement	-	(103,426)	-	(103,426)	-	(103,426)	-	(103,426)	-	-	-	-
Investment components												
Insurance service result	642,594	(56,740)	(564,777)	21,077	642,594	(85,965)	(535,552)	21,077	-	29,225	(29,225)	-
Insurance contracts finance income/(expenses) through profit and loss	287,518	(59,011)	-	228,507	287,518	(59,011)	-	228,507	-	-	-	-
Insurance contracts finance income/(expenses) through OCI	209,107	-	-	209,107	209,107	-	-	209,107	-	-	-	-
Total changes in statement of profit and loss and OCI	1,139,219	(115,751)	(564,777)	458,691	1,139,219	(144,976)	(535,552)	458,691	-	29,225	(29,225)	-
Cash flows												
Premiums and premium tax received	(1,427,632)	-	-	(1,427,632)	(1,404,560)	-	-	(1,404,560)	(23,073)	-	-	(23,073)
Insurance acquisition cash flows	631,027	-	-	631,027	631,027	-	-	631,027	-	-	-	-
Claims paid including investment components	-	-	563,987	563,987	-	-	540,914	540,914	-	-	23,073	23,073
Other insurance service expenses paid	-	-	-	-	-	-	-	-	-	-	-	-
Total cash flows	(796,605)	-	563,987	(232,618)	(773,533)	-	540,914	(232,619)	(23,073)	-	23,073	-
Net closing balance at the end of the year	3,971,984	(789,172)	(9,355)	3,173,456	4,053,994	(847,866)	(32,672)	3,173,456	(82,010)	58,693	23,317	-
Closing insurance contract assets	3,971,984	(789,172)	(9,355)	3,173,456	4,053,994	(847,866)	(32,672)	3,173,456	(82,010)	58,693	23,317	-
Closing insurance contract liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Net closing balance at the end of the year	3,971,984	(789,172)	(9,355)	3,173,456	4,053,994	(847,866)	(32,672)	3,173,456	(82,010)	58,693	23,317	-

40. RELATED PARTIES DISCLOSURE

The Clientèle Group defines related parties as:

- The affiliate company;
- Subsidiaries and fellow subsidiaries;
- Associates; and,
- Key management personnel.

40.1 The affiliate company

Friedshelf 1577 Proprietary Limited is the affiliate Company of Clientèle and controls 44.85% (2024: 61.20%) of the issued ordinary shares via its Group companies (Refer to the Report of the Directors on page 79).

40.2 The affiliate company, subsidiaries and associates

As part of the 100% acquisition of 1Life, Clientèle Limited issued 117,927,976 shares to Telesure Investment Holdings (Pty) Ltd (TIH), which translated to TIH having a 25.99% shareholding in the Group.

In the current year, Clientèle Limited entered into a loan agreement in terms of which Clientèle Life Assurance Company Limited advanced an amount of R570 million as a loan to Clientèle Limited.

Transactions between Clientèle Limited and its subsidiaries have been eliminated on consolidation.

In the current year, 1Life incurred R174.5 million in management and support costs, and advertising and marketing costs. The costs arose from transactions with TIH and its subsidiaries. As at 30 June 2025, R1.65 million owed by TIH in respect of these costs remains outstanding, to be settled in cash in the next financial year.

40.3 Subsidiaries and fellow subsidiaries

The Group Structure has been set out on page 2 of this report. Inter-company loans between the Company and its subsidiaries have been eliminated on consolidation and are disclosed in this note.

(R'000)	Company	
	2025	2024
Balance sheet information		
The following are the transactions and balances in respect of subsidiaries:		
– Inter company loan to CBC Rewards (Pty) Limited from Clientèle*		
Opening balance	80,597	47,097
Advances	15,000	35,000
Repayments	–	(1,500)
Closing balance before ECL	95,597	80,597
ECL	(2,151)	(1,344)
Closing balance after ECL	93,446	79,253
– Inter company loan to Clientèle Mobile from Clientèle Limited		
Opening balance	7,550	7,850
Advances	–	–
Repayments	(250)	(300)
Closing balance before ECL	7,300	7,550
ECL	(646)	(747)
Closing balance after ECL	6,654	6,803
– Inter company loan from Clientèle Life to Clientèle Limited		
Opening balance	–	–
Advances	(570,000)	–
Repayments	–	–
Closing balance	(570,000)	–
– Inter company loan from East (Pty) Ltd to Clientèle		
Opening balance	10,240	–
Advances	–	10,240
Repayments	(10,240)	–
Closing balance	–	10,240

* The loan does not bear interest and has no fixed terms of repayment.

Notes to the Annual Financial Statements *continued*

40. RELATED PARTIES DISCLOSURE *continued*

40.4 Transactions with key management personnel, remuneration and other compensation:

For the purposes of IAS 24 'related party disclosures', key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any Director (whether Executive or otherwise) of the Group. Details of Directors' remuneration are disclosed in note 31 to the Annual Financial Statements. No Director had a material interest in any contract of significance with the Company or any of its subsidiaries during 2024. The Directors interests in the Group are disclosed in the Group Remuneration Report on page 58.

41. CAPITAL AND OTHER COMMITMENTS

YTI financial guarantee

Clientèle Limited has in prior years provided financial assistance resulting in a net exposure via guarantees of R200 million for the purchase of approximately 9.0% of Clientèle's issued shares ("ordinary shares") by YTI, a wholly owned subsidiary of the Hollard Foundation Trust, a B-BBEE Trust.

Depfin

A preference share funding arrangement was entered into in the 2021 financial year with Depfin Investment Proprietary Limited (a subsidiary of Nedbank Limited) which includes an Embedded Value per share covenant and a Market Value per share covenant. There were no breaches in either covenant during the period.

Nedbank guarantee

Clientèle Limited has provided a financial guarantee to Nedbank Limited on behalf of Clientèle Property East Proprietary Limited and Clientèle Property North Proprietary Limited, which are subsidiaries of Clientèle Life Assurance Company Limited.

The financial guarantees amount to R100 million and R105 million, respectively.

The Group has recognised the loans as loans at amortised cost, with a financial liability guarantee of R1.0 million at initial recognition.

Investec financial guarantee

Clientèle Limited has provided a financial guarantee to AEL Investment Holdings Proprietary Limited ("Investec") on behalf of Clientèle Life.

The financial guarantee is over preference share funding amounting to R570 million.

The Group has initially recognised the preference share funding at its fair value of R570 million, along with its related financial liability guarantee of R1.6 million at initial recognition.

42. EVENTS AFTER REPORTING DATE

Dividend

The Board declared a final gross dividend of 132.00 cents per share on 08 September 2025 for the year ended 30 June 2025. The dividend is subject to DWT.

Changes to the board

- Mr. Ian Kirk was appointed as a Non-Executive Director, effective 1 July 2025.
- Mr. Murray Alexander Raisbeck was appointed as an alternative director to Mr. Tom Creamer on the Clientèle board, effective 1 July 2025.
- Ms. Fatima Roberts resigned as Group Company Secretary, effective 11 September 2025. In the interim, Mr. Thelani Luthuli who is the Group Legal Counsel, will act as the Group Company Secretary.

Notice of Annual General Meeting

for the year ended 30 June 2025

MEETING DATE: 30 OCTOBER 2025

The Companies Act requires that a Record Date be determined by the Board for the purposes of determining who is entitled to attend and to vote at the relevant AGM.

Accordingly, for purposes of the 18th AGM of Clientèle, the Record Date is hereby set as close of business on Friday, 24 October 2025. For AGM attendance purposes, the last day to trade in the shares of Clientèle on the JSE is Tuesday, 21 October 2025.

The holders of Clientèle shares (the “shareholders”) and any persons who are not shareholders but who are entitled to exercise any voting rights in relation to the resolutions to be proposed at the AGM (irrespective of the form, title or nature of the securities to which those voting rights are attached), (collectively the “holders”) as at the Record Date are entitled to participate in and vote at the AGM in person or by proxy/ies, and may appoint a proxy to exercise voting rights attached to different securities held by the person entitled to vote. A proxy need not be a person entitled to vote at the meeting. A beneficial holder of certificated Clientèle securities may attend and vote at the AGM if:

- a. the beneficial interest includes the right to vote on the matters in this document; and,
- b. the person’s name is on the Company’s register of disclosures as the holder of the beneficial interest, or a person holds a proxy appointment in respect of the matters in this document from the registered holder of those securities.

Notice is hereby given that the 18th AGM of Clientèle will be held in the Yellowwood Boardroom, Building 7, Clientèle Office Park, corner Rivonia and Alon Roads, Morningside on 30 October 2025 at 08:00 for the following business to be transacted and for the following resolutions to be proposed, and if deemed fit, to be passed with or without modification, at the AGM or at such adjournment thereof in the manner required by the Companies Act, as read with the Listings Requirements:

ORDINARY RESOLUTION 1 – PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

To present the Annual Financial Statements of the Company and the Group for the year ended 30 June 2025 as per the attached pages 64 to 249. A copy of the Annual Financial Statements of the Company relating to the preceding financial year can be obtained from the Group Company Secretary.

ORDINARY RESOLUTION 2 – ROTATION OF A DIRECTOR – GQ ROUTLEDGE

“RESOLVED that Mr. Gavin Quentin Routledge be and is hereby re-elected as a Director of the Company with effect from 30 October 2025.”

Mr. Routledge, who retired in terms of the provisions of the MOI, is eligible and offers himself for re-election.

Gavin Quentin Routledge, 69, Independent Non-executive Chairman BA, LLB.

Mr. Gavin Routledge is based in Cape Town and is engaged in private equity for his own account and also advises companies and Executives on strategy and deal making. When required, he attends to the Group’s business in his capacity as Chairman of the Board. Previously he was responsible for many of the Hollard Group’s private equity investments in Southern Africa and prior to that he was Chief Executive of a niche investment banking company, A&R Corporate Finance, concentrating on international financial transactions and investment banking. Prior to that he was a partner at Webber Wentzel, specialising in commercial law and cross-border transactions.

Having taken into account the Director’s performance, attendance at Board and Committee meetings and having reviewed the composition of the Board against corporate governance requirements, the Board recommends the re-election of this Director. It is the view of the Board that the re-election of this candidate would enable the Company to effectively maintain a diversity of academic qualifications, technical expertise, industry knowledge and business skills relevant to the Company and balance the requirements of continuity and succession planning.

Notice of Annual General Meeting *continued*

ORDINARY RESOLUTION 3 – ROTATION OF A DIRECTOR – PG NKADIMENG

“RESOLVED that Mr. Phethedi Gideon Nkadimeng be and is hereby re-elected as a Director of the Company with effect from 30 October 2025.”

Mr. Nkadimeng who retired in terms of the provisions of the MOI, is eligible and offers himself for re-election.

Phethedi Gideon Nkadimeng, 53, Non-Executive Director, BSc (Statistics and Economics).

Mr. Gideon Nkadimeng was appointed as a Non-executive Director of Clientèle with effect from 1 March 2017. Mr. Nkadimeng is currently an Investment Executive of Yellowwoods Ventures Investments SA (Pty) Ltd and has extensive experience in the financial services industry.

Having taken into account the Director’s performance, attendance at Board and Committee meetings and having reviewed the composition of the Board against corporate governance requirements, the Board recommends the re-election of this Director. It is the view of the Board that the re-election of this candidate would enable the Company to effectively maintain a diversity of academic qualifications, technical expertise, industry knowledge and business skills relevant to the Company and balance the requirements of continuity and succession planning.

ORDINARY RESOLUTION 4 – ROTATION OF A DIRECTOR – RD WILLIAMS

“RESOLVED that Mr. Robert Donald Williams be and is hereby re-elected as a Director of the Company with effect from 30 October 2025.”

Mr. Williams, who retired in terms of the provisions of the MOI, is eligible and offers himself for re-election.

Robert Donald Williams, 69, Independent Non-executive Director, BBusSc(Hons), FASSA.

Mr. Robert Williams is a Fellow of the ASSA and his previous experience includes six years as the Executive Head of Aon Hewitt (Retirement Funding, Health Care and Actuarial Services), prior to that, he was the Managing Director of QED Actuaries and Consultants (actuarial services to life insurers, short-term insurers, retirement funds). Mr. Williams has over 25 years’ experience acting as the appointed Head of the Actuarial Function to various life insurance companies in Southern Africa.

Having taken into account the Director’s performance, attendance at Board and Committee meetings and having reviewed the composition of the Board against corporate governance requirements, the Board recommends the re-election of this Director. It is the view of the Board that the re-election of this candidate would enable the Company to effectively maintain a diversity of academic qualifications, technical expertise, industry knowledge and business skills relevant to the Company and balance the requirements of continuity and succession planning.

ORDINARY RESOLUTION 5 – ROTATION OF A DIRECTOR – HP MAYERS

“RESOLVED that Mr. Herschel Philip Mayers be and is hereby re-elected as a Director of the Company with effect from 30 October 2025.”

Mr. Mayers, who retired in terms of the provisions of the MOI, is eligible and offers himself for re-election.

Herschel Philip Mayers, 65, Independent Non-executive Director, BBusSc(Hons), FASSA.

Mr. Herschel Mayers is a Fellow of the ASSA who previously held the positions of Chief Executive Officer of Discovery Life Limited and Vitality Life Limited and has over 40 years’ of experience in the life insurance industry. Mr. Mayers joined the Group as an Independent Non-executive Director in May 2023.

Having taken into account the Director’s performance, attendance at Board and Committee meetings and having reviewed the composition of the Board against corporate governance requirements, the Board recommends the election of this Director. It is the view of the Board that the election of this candidate would enable the Company to effectively maintain a diversity of academic qualifications, technical expertise, industry knowledge and business skills relevant to the Company and balance the requirements of continuity and succession planning.

ORDINARY RESOLUTION 6 – ELECTION OF A DIRECTOR – IM KIRK

“RESOLVED that Mr. Ian Maxwell Kirk be and is hereby elected as a Director of the Company with effect from 1 July 2025.

Mr. Kirk who was appointed as a non-executive Director by the Board during the course of the year and consequently, in terms of the MOI, shall cease to hold office at the end of the AGM unless elected by shareholders as a Director, is eligible and offers himself for election.

Ian Kirk, 67, non-executive Director, CA (SA).

Mr. Kirk is a Chartered Accountant (SA) and has held many professional roles, including the position of Chief Executive at Santam Limited and Group CEO of Sanlam Limited.

He currently serves on the Boards of the JSE Limited, Pepkor Holdings Limited, Nutun Limited, Netcare Limited, SCOR (UK) Company Limited and Shriram General Insurance Company Limited (India).

ORDINARY RESOLUTION 7 – RE-APPOINTMENT OF THE EXTERNAL AUDITORS

“RESOLVED that the External Auditors be re-appointed as Independent Auditors for the financial year ending 30 June 2026 and their concomitant remuneration be approved.”

To re-appoint the External Auditors, Deloitte & Touche (South Africa), (as nominated by Clientèle’s Group Audit Committee, which has concluded that the re-appointment of Deloitte & Touche (South Africa) will comply with the requirements of the Companies Act and the Listings Requirements), as Independent Auditors for the financial year ending 30 June 2026 and their concomitant remuneration. The Designated Auditor for the year ending 30 June 2026 will be Mr. John Leon Preston Kruger, who meets the requirements of section 90(2) of the Companies Act. The Group Audit Committee has evaluated the independence, experience, and effectiveness of both Deloitte & Touche (South Africa) and Mr. Kruger and has concluded that both the firm and the individual Designated Auditor are independent of the Group in accordance with section 94(8) of the Companies Act. In compliance with the Listings Requirements (paragraph 3.94(h) (iii)) the Group Audit Committee obtained and considered all information listed in 22.15(h) of the Listings Requirements in its assessment of the suitability of Deloitte & Touche (South Africa) and Mr. Kruger for re-appointment.

ORDINARY RESOLUTION 8 – ELECTION TO THE GROUP AUDIT COMMITTEE

“RESOLVED that, subject to the passing of Ordinary Resolution 4, Mr. Robert Donald Williams, who is an Independent Non-executive Director of Clientèle, be and is hereby re-elected as a member of the Group Audit Committee effective 30 October 2025 until the conclusion of the next AGM.”

ORDINARY RESOLUTION 9 – ELECTION TO THE GROUP AUDIT COMMITTEE

“RESOLVED that, subject to the passing of Ordinary Resolution 2, Mr. Gavin Quentin Routledge, who is an Independent Non-executive Director of Clientèle and also the Chairman of the Board of Clientèle, be and is hereby re-elected as a member of the Group Audit Committee effective 30 October 2025 until the conclusion of the next AGM.”

ORDINARY RESOLUTION 10 – ELECTION TO APPOINT CHAIRPERSON OF THE GROUP AUDIT COMMITTEE

“RESOLVED that Ms. Thetele Emmarancia Mashilwane, who is an Independent Non- executive Director of Clientèle, be and is hereby elected as a member and Chairperson of the Group Audit Committee effective 30 October 2025 until the conclusion of the next AGM.”

Reason for and effect of Ordinary Resolutions Numbers 8 to 10

In terms of the Companies Act, the Group Audit Committee is a Committee elected by the shareholders and those entitled to exercise votes at the meeting when the election takes place at each AGM. In terms of the Companies Regulations, 2011, for the purposes contemplated in section 94 (5) of the Companies Act, at least one-third of the members of a Company’s Audit Committee at any particular time must have academic qualifications or experience in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resource management.

As can be seen from the condensed curriculum vitae of the proposed members (refer to pages 82 to 83 in the Report of the Directors), the proposed members all have relevant experience in audit, accounting, law and the insurance industry, amongst others.

ORDINARY RESOLUTION 11 – ELECTION TO THE SOCIAL AND ETHICS COMMITTEE

“RESOLVED that Ms. Thetele Emmarancia Mashilwane, who is an Independent Non-executive Director of Clientèle be and is hereby re-elected as a member and the Chairperson of the Social and Ethics Committee effective 30 October 2025 until the conclusion of the next AGM.”

ORDINARY RESOLUTION 12 – ELECTION TO THE SOCIAL AND ETHICS COMMITTEE

“RESOLVED that, subject to the passing of Ordinary Resolution 4, Mr. Robert Donald Williams, who is an Independent Non-executive Director of Clientèle be and is hereby re-elected as a member of the Social and Ethics Committee effective 30 October 2025 until the conclusion of the next AGM.”

ORDINARY RESOLUTION 13 – ELECTION TO THE SOCIAL AND ETHICS COMMITTEE

“RESOLVED that Ms. Ramaesela Dorcas Tshepisho Zwane, who is an Executive Director of Clientèle, be and is hereby re-elected as a member of the Social and Ethics Committee effective 30 October 2025 until the conclusion of the next AGM.”

Notice of Annual General Meeting *continued*

Reason for and effect of Ordinary Resolutions Number 11 to 13

In terms of the Companies Act section 72 and Regulation 43 of the Companies Regulations, the Group Social and Ethics Committee is a Committee elected by the shareholders and those entitled to exercise votes at the meeting when the election takes place at each AGM. For the purposes contemplated in section 72 (9A) of the Companies Act, at each annual general meeting of a public company or state-owned company, must elect a social and ethics committee, the majority of which must be directors who are not involved in the day-to-day management of the business of the company and must not have been so involved at any time during the previous three financial years.

As can be seen from the condensed curriculum vitae of the proposed members (refer to pages 82 to 83 in the Report of the Directors), the proposed members all have relevant experience in human resources and the insurance industry, amongst others.

ORDINARY RESOLUTION 14 – GENERAL APPROVAL FOR THE ISSUE OF AUTHORISED BUT UNISSUED ORDINARY SHARES

“RESOLVED that, in terms of section 38 of the Companies Act as read with Schedule 10.1 of the Listing Requirements, the entire authorised but unissued ordinary share capital of Clientèle, be and is hereby placed under the control of the Directors to allot and issue such shares on such terms and conditions as they may deem fit, but subject always to the provisions of the Companies Act and the Listings Requirements.”

Reason for and effect of Ordinary Resolution Number 14

Section 38 of the Companies Act provides that the Board has the authority to issue authorised shares of the Company except in certain circumstances and save to the extent that a Company's MOI provides otherwise. In this regard, the Company's MOI provides that the prior approval of shareholders at an AGM and the JSE is required.

This resolution is proposed in order to place the authorised but unissued ordinary shares of the Company under the control of the Board, in compliance with the requirements of the MOI and the Listings Requirements.

Ordinary resolution number 14 authorises the Board to issue authorised but unissued shares in accordance with the provisions of section 38 of the Companies Act, but subject always to the provisions of the Company's MOI, the Companies Act and the Listings Requirements.

NON-BINDING ADVISORY ENDORSEMENT 1 – ADVISORY OF THE REMUNERATION POLICY

“RESOLVED that the Company's remuneration policy be and is hereby approved by way of a non-binding advisory vote, as recommended in King IV.”

NON-BINDING ADVISORY ENDORSEMENT 2 – ADVISORY OF THE IMPLEMENTATION OF THE REMUNERATION POLICY

“RESOLVED that the implementation of the Company's remuneration policy be and is hereby approved by way of a non-binding advisory vote, as recommended in King IV.”

Explanatory note on Advisory Endorsements

In accordance with King IV, shareholder approval is sought for the Company's remuneration policy and implementation thereof by way of separate non-binding advisory votes. The non-binding votes enable shareholders to express their views on the Company's Remuneration Policy and the implementation thereof.

The detailed Group Remuneration Policy and the implementation thereof, for which approval is being sought, is set out on pages 42 to 58 of the Integrated Annual Report.

SPECIAL RESOLUTION NUMBER 1 – REMUNERATION OF NON-EXECUTIVE DIRECTORS FOR THE YEAR 1 JULY 2025 TO 30 JUNE 2026 AND 1 JULY 2026 TO 30 JUNE 2027

“RESOLVED that, in accordance with sections 65(11)(h) of the Companies Act, read with sections 66(8) and 66(9) of the Companies Act, the remuneration payable to the Non-executive Directors for their services as Directors for the period 1 July 2025 to 30 June 2026, on the basis set out hereunder, be approved.”

Non-executive Directors' Fees (R per annum)	VAT exclusive	VAT@ 15%	Year ending 30 June 2026
GQ Routledge*	5,726,147	858,922	6,585,069
BA Stott*	3,190,243	478,537	3,668,780
TE Mashilwane	2,585,227	387,784	2,973,012
RD Williams*	2,370,841	355,626	2,726,467
PG Nkadimeng	–	–	–
TJ Creamer	–	–	–
M Raisbeck	–	–	–
GK Chadwick	–	–	–
HP Mayers*	1,509,744	226,462	1,736,208
	15,382,205	2,307,331	17,689,535

* Directors registered for VAT for the full year.

This represents an increase ranging from 5% to 43.3% on the June 2025 fees. The increase in the fees is due to the extra hours required of some directors in terms of Emerald Life plus an inflation increase.

The remuneration of the Non-executive Directors, for their services as Directors, for the period 1 July 2026 to 30 June 2027 will also be increased at the higher of:

- 5%; or,
- the change in the CPI index over the year from 1 July 2026 to 30 June 2027.

The remuneration of any Non-executive Director/s to be appointed during the period 1 July 2026 to 30 June 2027 would be determined by the Group Remuneration Committee and ratified at the next AGM.

Reason for and effect of Special Resolution Number 1

In terms of section 66(8) and (9) of the Companies Act, which took effect on 1 May 2011, remuneration may only be paid to Directors for their services as Directors in accordance with a special resolution approved by the shareholders within the previous two years and if not prohibited in terms of the Company's MOI. Therefore the reason and effect of this special resolution is to approve the payment of remuneration of the Non-executive Directors for their services as Directors for the years ending 30 June 2025 and 30 June 2026, in accordance with the requirements of section 66(9) of the Companies Act.

SPECIAL RESOLUTION NUMBER 2 – FINANCIAL ASSISTANCE IN TERMS OF SECTION 45 OF THE COMPANIES ACT

“RESOLVED that, to the extent required in terms of, and subject to the provisions of, section 45 of the Companies Act No. 71 of 2008, the Board (or any person/s authorised by the Board to do so) is authorised from time to time during the period of 2 (two) years commencing on the date of this special resolution, to provide any direct or indirect financial assistance as contemplated in such section of the Companies Act to any 1 (one) or more related or inter-related companies of the Company and/or to any 1 (one) or more members of any such related or inter-related company and/or to any 1 (one) or more persons related to any such company, on such terms and conditions as the Board, or any one or more persons authorised by the Board from time to time for such purpose, deems fit, subject to the following:

Any such financial assistance shall not, in the aggregate for any particular financial year, exceed R500 million.

The Board will, before making any such financial assistance available, satisfy itself that:

- Immediately after providing such financial assistance, the Company will satisfy the solvency and liquidity tests as referred to in section 45(3)(b)(i) of the Companies Act; and,
- The terms under which the financial assistance is proposed to be given are fair and reasonable to the Company as referred to in section 45(3)(b)(ii) of the Companies Act.”

Notice of Annual General Meeting *continued*

Reason and effect of special resolution Number 2

Reason for and effect of this special resolution is to grant the Board the authority to provide, at any time and from time to time during the period of 2 (two) years commencing on the date on which this special resolution number is adopted, any direct or indirect financial assistance as contemplated in section 45 of the Act to any one or more related or inter-related companies of the Company and/or to any one or more members of any such related or inter-related company and/or to any one or more persons related to any such company.

The section 45 Resolution will be effective only if and to the extent that:

- (i) immediately after providing such financial assistance, the Company will satisfy the solvency and liquidity tests as referred to in section 45(3)(b)(i) of the Companies Act; and,
- (ii) the terms under which such financial assistance is to be given are fair and reasonable to the Company as referred to in section 45(3)(b)(ii) of the Companies Act.

SPECIAL RESOLUTION NUMBER 3 – GENERAL AUTHORITY TO REPURCHASE SECURITIES (“GENERAL AUTHORITY”)

“RESOLVED that, in terms of clause 4 of the Company’s MOI that the Company be and it is hereby authorised, by way of a general authority, to repurchase up to 20% of the shares in the capital of the Company as contemplated by and in accordance with Section 48 of the Companies Act and subject to the Listings Requirements.”

So as to comply with the Companies Act and the Listings Requirements the approval of Shareholders by way of a special resolution at this AGM is required for the general authority to become effective.

Reason and effect of special resolution Number 3

The reason for this special resolution is to facilitate the repurchase, by the Company, of shares in its capital, thus allowing the Directors to effect repurchases from time to time if they believe such to be in the best interests of the Company. The effect of the special resolution is to authorise the Board to act accordingly subject to compliance with the Listings Requirements and the Companies Act.

The Listings Requirements provide *inter alia* that:

- a) any such share repurchase of the Company will be effected through the order book operated by the JSE trading system and done without prior understanding or arrangement between the Company and the counterparty (reported trades are prohibited);
- b) this general authority will only be valid until the Company’s next AGM, provided that it does not extend beyond 15 months from the date of passing this special resolution;

- c) the repurchases may not be made at a price greater than 10% above the weighted average of the market value for the securities for the five business days immediately preceding the date on which the transaction is effected;
- d) the general repurchase by the Company shall not, in the aggregate in any one financial year exceed 20% of the issued share capital of that class in that financial year;
- e) at any point, the Company may only appoint one agent to effect any repurchase/s on its behalf;
- f) a resolution by the Board of Directors be passed that it has authorised the repurchase, that the Company and its subsidiary/ies have passed the solvency and liquidity tests and that, since the tests were performed, there have been no material changes to the financial position of the Group;
- g) The Company may not repurchase its own shares during a prohibited period as defined in the Listings Requirements unless it has a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and full details of the programme have been disclosed in an announcement over SENS prior to the start of the prohibited period; and,
- h) An announcement will be published as soon as the Company has acquired shares constituting, cumulatively, 3% of the number of Company shares in issue at the time the authority is granted and for each subsequent 3% purchased, containing full details of such acquisition.

The resolution will be effective only if and to the extent that:

- (i) The Company and the Group will be able, in the ordinary course of business, to pay its debts for a period of 12 months after the date of this Integrated Annual Report;
- (ii) The assets of the Company and the Group will exceed the liabilities of the Company and the Group for a period of 12 months after the date of this Integrated Annual Report; and,
- (iii) The working capital, share capital and reserves of the Company and the Group will be adequate for a period of 12 months after the date of this Integrated Annual Report.

Other than the facts and developments noted in this Integrated Annual Report, there have been no material changes in the financial or trading position of the Company and its subsidiaries since the date of signing the audit report and up to the date of this notice of AGM.

The Listings Requirements require the following disclosures, which appear elsewhere in this Integrated Annual Report:

- Beneficial shareholders on page 81; and,
- Share capital of the Company on page 80.

Notice of Annual General Meeting *continued*

Directors' responsibility statement

The Directors of the Company, collectively and individually, accept full responsibility for the accuracy of information relating to these special resolutions and certify that, to the best of their knowledge, no facts have been omitted that would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that these special resolutions contain all information required by law and by the Listings Requirements.

VOTING AND PROXIES

A holder is entitled to appoint a proxy or proxies to attend, speak and vote or abstain from voting in his stead. A proxy need not be a holder.

Proxy forms must be returned to the Company's transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Ave, Rosebank, Johannesburg, 2196 (Private Bag X9000, Saxonwold, 2132).

The form of proxy is to be completed only by those holders who are:

- Holding shares in certificated form; or,
- Recorded on sub-register in electronic form in "own name".

Before any person may attend or participate in the AGM, the person must, in terms of section 63(1) of the Companies Act present reasonably satisfactory identification. Without limiting the generality thereof, the Company will accept the following as satisfactory means of identification:

- South African Identification document;
- Passport; and,
- Driver's licence.

Beneficial owners of dematerialised securities who wish to attend the AGM, or to be represented thereat, must contact their CSDP or broker who will furnish them with the necessary authority to attend the AGM or alternatively, should you not wish to attend the AGM, you should provide your broker or CSDP with your voting instructions.

If you have disposed of all of your securities, this document should be handed to the purchaser of such securities or to the broker, CSDP, banker, attorney, accountant or other person through whom the disposal was effected.

By order of the Board.



Mr. Thelani Luthuli
Interim Group Company Secretary

22 September 2025

Definitions and Interpretations

“1Life”	1Life Insurance (RF) Limited (Registration number 2004/027193/06), a public company incorporated in South Africa
“Actuarial Valuation”	An Actuarial Valuation is an appraisal which requires making economic and demographic assumptions in order to estimate the present value of future policyholder liabilities. The assumptions are typically based on statistical analysis
“AGM”	Annual General Meeting
“ALM”	Asset and Liability Matching
“ALSJ”	All Share Index
“ANW”	Adjusted Net Worth
“APN”	Advisory Practice Notes of the Actuarial Society of South Africa
“ASISA”	The Association for Savings and Investment South Africa
“ASSA”	The Actuarial Society of South Africa
“B-BBEE”	Broad-based Black Economic Empowerment
“BCM”	Business Continuity Management Framework
“BSA”	Business Leadership South Africa
“the Board”	The Directors of Clientèle
“BR Scheme”	The Clientèle Limited Bonus Rights Scheme, approved by shareholders at the AGM on 30 October 2012
“BR”	Bonus Right
“CAE”	The Chief Audit Executive, the head of GIA
“CAPM”	Capital Asset Pricing Model
“CBC Rewards”	CBC Rewards Proprietary Limited (Registration number 2016/195907/07), a private company incorporated in South Africa, previously known as Clientèle Benefits Company Proprietary Limited
“CGU”	Cash-generating unit
“CIS”	Center for Internet Security
“Clientèle” or “the Company”	Clientèle Limited (Registration number 2007/023806/06), a public company incorporated in South Africa
“the Clientèle App”	The Clientèle Mobile Application
“Clientèle General”	Clientèle General Insurance Limited (Registration number 2007/023821/06), a public company incorporated in South Africa
“Clientèle Group” or “the Group”	Clientèle and its subsidiaries
“Clientèle Legal”	A division of Clientèle General Insurance Limited
“Clientèle Life”	Clientèle Life Assurance Company Limited (Registration number 1973/016606/06), a public company incorporated in South Africa
“Clientèle Mobile”	Clientèle Mobile Proprietary Limited (Registration number 2007/026058/07), a private company incorporated in South Africa
“Clientèle Properties East”	Clientèle Properties East Proprietary Limited (Registration number 1992/001651/07), a private company incorporated in South Africa
“Clientèle Properties North”	Clientèle Properties North Proprietary Limited (Registration number 2001/029155/07), a private company incorporated in South Africa

Definitions and Interpretations *continued*

“Clientèle Properties South”	Clientèle Properties South Proprietary Limited (Registration number 2005/030653/07), a private company incorporated in South Africa
“CoC”	Cost of Required Capital. The Cost of Required Capital reflects the opportunity cost of restricted capital given the difference between the assumed future investment earnings rate on surplus capital and the interest rate at which this income and future capital releases are discounted to the present in the EV calculation
“CODM”	Chief Operating Decision Maker
“COFI”	Conduct of Financial Institutions
“Companies Act”	The Companies Act, Act 71 of 2008, including the Regulations
“COVID-19”	An infectious disease caused by a newly discovered coronavirus disease in 2019, a severe acute respiratory syndrome
“CPI”	Consumer Price Index
“CSAT”	Customer Satisfaction
“CSDP”	Central Securities Depository Participant
“CSI”	Corporate Social Investment
“CSM”	Contractual Service Margin
“CTC”	Cost to Company
“DAC”	Deferred Acquisition Cost
“DebiCheck”	Authenticated debit order collection mechanism
“Depfin”	Depfin Proprietary Limited, a wholly-owned subsidiary of Nedbank Limited
“Direct Rewards”	Direct Rewards Proprietary Limited (Registration number 2014/076232/07), a private company incorporated in South Africa
“DWT”	Dividend Withholding Tax
“EAD”	Exposure at Default
“ECL”	Expected Credit Loss
“EE”	Employment Equity
“Emerald Life”	Emerald Life (Pty) Limited (Registration number 2016/534835/07, a private company incorporated in South Africa
“EPS”	Earnings per Share
“ESG”	Environmental, Social and Governance
“EV”	Embedded Value
“EV Scheme”	The Embedded Value Scheme of Clientèle, a medium-term incentive scheme, in which Excom and members of management participate. Participation is based on individual performance linked to, and dependent upon, growth in Clientèle’s EV over time
“EVP”	Employee Value Proposition
“Excom”	The Executive Committee of the Group, including Life Excom and General Excom
“Executive”	Member of Excom
“EA”	External Auditors

Definitions and Interpretations *continued*

“FASSA”	Fellow of the Actuarial Society of South Africa
“FCF”	Fulfillment Cash Flows
“FSCA”	Financial Sector Conduct Authority
“FSI”	Financial Soundness Standards for Insurers
“FVOCI”	Fair Value through Other Comprehensive Income
“FVPL”	Fair value through profit or loss
“General Excom”	The Executive Committee of Clientèle General Insurance
“GHG”	Green House Gas
“GIA”	Group Internal Audit
“GMM”	General Measurement Model
“GOI”	Governance and Operational Standards for Insurers
“Group Excom”	The Group Executive Committee of Clientèle
“Goodwill Scheme”	A management incentive scheme based on the Scheme Goodwill created
“Head of the Actuarial Function”	The Internal Actuary who reviews all the Group actuarial calculations and also acts as the Head of the Actuarial Function of Clientèle Life and Clientèle General, appointed in terms of the Insurance Act
“HELP”	Health Event Life Plans
“HSBC”	HSBC Private Bank (Suisse) S.A., Geneva
“IAASB”	International Auditing and Assurance Standards Board
“IACF”	Insurance acquisition cashflows
“IAS”	International Accounting Standards
“ICC”	The Internal Controls Committee of the Group
“IESBA”	International Ethics Standards Board for Accountants
“IFA/IFAs”	Independent Field Advertisers, independent contractors to Clientèle Life
“IFCC”	The Internal Financial Controls Committee of the Group
“IFRS”	International Financial Reporting Standards as issued by the International Accounting Standards Board
“INSETA”	Insurance Sector Education and Training Authority
“Insurance Act”	Insurance Act, Act 18 of 2017
“Investment contract business”	Policies which provide, in consideration for a premium, a series of benefit payments for a defined period or which provide benefits that are fixed contractually e.g. linked or fixed benefit policies
“IPF”	Individual Policyholders Fund
“IRBA”	The Independent Regulatory Board for Auditors
“ISA”	International Standards on Auditing
“IT”	Information Technology
“JIBAR”	Johannesburg Interbank Average Rate

Definitions and Interpretations *continued*

“JSE”	JSE Limited (Registration number 2005/022939/06), a South African incorporated public company and licensed as an exchange under the Financial Markets Act, Act 19 of 2012
“King IV”	King IV Report on Corporate Governance for South Africa, 2016, effective in respect of financial years starting on or after 1 April 2017
“LC”	Loss component
“LGD”	Loss Given Default
“LIC”	Liability for incurred claims and expenses
“Life Excom”	The Executive Committee of Clientèle Life
“Listings Requirements”	The Listings Requirements of JSE Limited
“Long-term Insurance Act”	Long-term Insurance Act, Act 52 of 1998
“LRC”	Liability for remaining coverage
“LRECC”	Loss recovery component
“LRP”	Liquidity risk premium
“Melville Douglas”	Melville Douglas Investment Management Proprietary Limited, a subsidiary of the Standard Bank Group Limited
“MOI”	Memorandum of Incorporation
“NAEDO”	Non-authenticated early debit-order
“NCI”	Non-Controlling Interest
“NDR”	Non-distributable Reserves
“NPC”	Non-Profit Company
“NPO”	Non-Profit Organisation
“NPS”	Net Promoter Score, a measurement of client satisfaction in terms of agent interaction and the client’s overall perception of Clientèle
“OECD”	Organisation for Economic Co-operation and Development
“ORI”	Operational Risk Incidents
“ORSA”	Own Risk and Solvency Assessment
“PA”	Prudential Authority
“PAA”	Premium Allocation Approach
“PASA”	Payments Association of South Africa
“PD”	Probability of Default
“POPIA”	Protection of Personal Information Act, Act 4 of 2013
“PPE”	Property, plant and equipment
“PRB”	Published reporting basis
“PVIF”	Present Value of In-force business
“QED”	QED Actuaries Consultants (Pty) Ltd
“RA”	Risk adjustment

Definitions and Interpretations *continued*

“RDR”	Risk Discount Rate
“REVE”	Recurring Embedded Value Earnings is set as the EV earnings excluding the impact of assumptions changes outside of management control (Economic, tax etc.) and other once-off items. Once-off items are defined as any genuinely extraordinary expenses (e.g. approved new venture costs and the impact of discontinued operations) plus any other item that will not recur in the following year(s). For items not expected to recur in the following year, the probability should be similar to the probability of a SCR event. For example, a SCR event for listed equities would be a 43% drop in the equity value. As such, a market crash of a 43% drop in equities could be considered a once-off item. Equally an increase in 43% of the market should be treated as a once-off item
“RF”	Risk-free rate of return
“RMS”	Registered Mandate Service, as approved by the Payments Regulator during December 2019
“ROEV”	Return on EV
“RPF”	Risk Policyholders’ Fund
“RRoEV”	Recurring Return on Embedded Value is the REVE expressed as an annual rate of return on the EV or annual REVE divided by opening EV
“SAICA”	South African Institute of Chartered Accountants
“SAM”	Solvency Assessment and Management
“SARS”	The South African Revenue Service
“Scheme Goodwill”	The amount derived by applying a multiple of 5 to the weighted average VNB over a 5-year period as defined in the Goodwill Scheme
“SCR”	Solvency Capital Requirement
“SENS”	Securities Exchange News Service
“Short-term Insurance Act”	Short-term Insurance Act, Act 53 of 1998
“SMME”	Small, Medium and Micro-sized Enterprises
“SOCl”	Statement of Comprehensive Income
“SOFP”	Statement of Financial Position
“SPPI”	Solely Payments of Principal and Interest
“TCF”	Treating Customers Fairly
“TCW”	Treating Clients Well
“TEW”	Treating Employees Well
“TIH”	Telesure Investment Holdings Proprietary Limited
“UNSDG”	United Nations Sustainable Development Goals
“UPS”	Uninterrupted Power Supply
“VFA”	Variable Fee Approach
“VIF”	Value of In-force
“VNB”	Value of New Business
“YTI”	Yellowwoods Trust Investments Proprietary Limited, a 100% subsidiary of the Hollard Foundation Trust, a B-BBEE Trust

Form of proxy

(For use only by certificated and own name dematerialised shareholders)

Please use block letters

I/We of _____

being a member/s of the Company and the registered owner/s of _____

ordinary shares in the Company hereby appoint _____

or failing him/her

the Chairman of the meeting to vote for me/us and on my/our behalf at the AGM of the Company to be held at 08:00 on 30 October 2025 and at any adjournment thereof and to speak and act for me/us and on a poll, vote on my/our behalf.

My/Our proxy shall vote as follows:

(Indicate with a cross how you wish your votes to be cast. If you do not do so, the proxy may vote or abstain at his/her discretion.)

(One vote per ordinary share)

	In favour of	Against	Abstain
Ordinary resolutions:			
1. Presentation of the Annual Financial Statements			
2. Rotation of a Director: Gavin Quentin Routledge			
3. Rotation of a Director: Phethedi Gideon Nkadimeng			
4. Rotation of a Director: Robert Donald Williams			
5. Rotation of a Director: Herschel Philip Mayers			
6. Election of a Director: Ian Maxwell Kirk			
7. Re-appointment of the External Auditors			
8. Election to the Group Audit Committee: Robert Donald Williams			
9. Election to the Group Audit Committee: Gavin Quentin Routledge			
10. Election to the Group Audit Committee: Thetele Emmarancia Mashilwane			
11. Election to the Social and Ethics Committee: Thetele Emmarancia Mashilwane			
12. Election to the Social and Ethics Committee: Robert Donald Williams			
13. Election to the Social and Ethics Committee: Ramaesela Dorcas Tshepisho Zwane			
14. General approval for the issue of authorised but unissued ordinary shares			
Endorsements:			
1. Advisory endorsement of the remuneration policy			
2. Advisory endorsement of the implementation of the remuneration policy			
Special resolutions:			
1. Approval of the remuneration of Non-executive Directors for the year ending 30 June 2025 and 30 June 2026			
2. Financial assistance in terms of section 45 of the Companies Act			
3. Approval of general authority to repurchase securities			

Dated this day of _____

2025

Signature _____

Notes to the Form of proxy

Please refer to section 58 of the Companies Act

1. A form of proxy is only to be completed by those shareholders (“holders”) who are:

- Holding securities in certificated form; or,
- Recorded on sub-register electronic form in “own name”.

All other beneficial owners who have dematerialised their shares through a CSDP or broker and wish to attend the AGM, must instruct their CSDP or broker to provide them with the required Letter of Representation.

Beneficial owners who have dematerialised their shares through a CSDP or broker who do not wish to attend the AGM, must provide the CSDP or broker by the time of the commencement of the AGM with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.

2. A holder entitled to attend and vote may insert the name of a proxy or the names of two alternative proxies of the holder’s choice in the space provided, with or without deleting “the Chairman of the AGM”.

A proxy need not be a holder of Company securities. The person whose name stands first on the form of proxy and who is present at the meeting will be entitled to act as proxy to the exclusion of those whose names follow.

3. A holder is entitled to one vote on a show of hands and, on a poll, one vote in respect of each ordinary share held in terms of section 58 of the Companies Act. A holder’s instructions to the proxy must be indicated by inserting a cross in the appropriate box(es). Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the general meeting as he deems fit in respect of all of the holder’s votes.

A vote given in terms of an instrument of proxy shall be valid in relation to the general meeting notwithstanding the death of the person granting it, or the revocation of the proxy, or the transfer of the ordinary shares in respect of which the vote is given.

4. If a holder does not indicate on this form that the holder or his/her proxy is to vote in favour or against any resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution(s) or any amendment(s) which may be properly put before the general meeting be proposed, the proxy shall be entitled to vote as he/she thinks fit.

5. The Chairman of the general meeting may reject or accept any form of proxy which is completed and/or received other than in compliance with these notes.

6. The completion and lodging of this form of proxy will not preclude the relevant holder from attending the meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such holder wish to do so.

7. Documentary evidence establishing the authority of a person signing the proxy form in a representative capacity must be attached to this form of proxy, unless previously recorded by the Company or unless this requirement is waived by the Chairman of the AGM.

8. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered with the Company.

9. Where there are joint holders of ordinary securities: Any one holder may sign the form of proxy;

The vote(s) of the most senior (for that purpose seniority will be determined by the order in which the names of shareholders appear in the Company’s register of shareholders) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint holder(s).

10. Forms of proxy should be lodged with, or posted, to the Company’s transfer secretaries, Computershare Investor Services Proprietary Limited:

Hand deliveries:
Rosebank Towers
15 Biermann Ave
Rosebank
Johannesburg
2196

Postal deliveries:
Private Bag X9000
Saxonwold
2132

Corporate Information

COMPANY REGISTRATION NUMBER

2007/023806/06

REGISTERED OFFICE

Clientèle Office Park
Corner Rivonia and Alon Roads
Morningside, 2196
Telephone: +27 (0)11 320-3333
Website: www.Clientele.co.za
E-mail: info@Clientele.co.za

TRANSFER SECRETARIES

Computershare Investor Services
Proprietary Limited
First floor, Rosebank Towers,
Biermann Avenue, Rosebank, 2196
(Private Bag X9000, Saxonwold, 2132)

AUDITORS

Deloitte & Touche
5 Magwa Crescent
Waterfall City, Waterfall, 2090
(Private Bag X6, Gallo Manor, 2052)

SPONSORS

PricewaterhouseCoopers Corporate
Finance (Proprietary) Limited
4 Lisbon Lane
Waterfall City, Jukskei View, 2090
(Private Bag X36, Sunninghill, 2157)

CLIENTÈLE HEAD OFFICE

Telephone: +27 (0)11 320 3000
Fax: +27 (0)11 320 3133
E-mail: services@Clientele.co.za

Physical Address

Clientèle Office Park
Corner Rivonia and Alon Roads
Morningside, 2196

COMPANY SECRETARY

Thelani Luthuli
E-mail: groupcompanysecretary@clientele.co.za
Telephone: +27 (0)11 320 3000

Shareholders' calendar

30

**JUNE
2025**

Financial
year-end

26

**SEPTEMBER
2025**

Publication of
Integrated
Annual Report

8

**SEPTEMBER
2025**

Dividend
declaration

29

**SEPTEMBER
2025**

Dividend
payment date

8

**SEPTEMBER
2025**

Condensed
results
announcement

24

**OCTOBER
2025**

AGM record
date

26

**SEPTEMBER
2025**

Dividend record
date

30

**OCTOBER
2025**

AGM



2025 Clientèle Integrated Annual Report

011 320 3000

services@clientele.co.za

Cnr Alon and Rivonia Road, Morningside, 2196

www.clientele.co.za

Clientèle Limited is a licensed controlling company of the Clientèle Insurance Group.
Clientèle Life Assurance Company Limited is a licensed life insurer and an authorised Financial Services Provider, FSP no. 15268.
Clientèle General Insurance Limited is a licensed non-life insurer and an authorised Financial Services Provider, FSP no. 34655.
1Life Insurance (RF) Limited is a licensed life insurer and an authorised Financial Services Provider, FSP no. 24769.
Emerald Life (Proprietary) Limited is a licensed insurer and an authorised financial service provider, FSP no 44962.

Reclassifications to the 2025 Condensed Group Results ("Reclassifications")

The reclassifications highlight the change between the Audited Annual Financial Statements and the 2025 Condensed Group Results published on 8 September 2025. These changes had no impact on earnings per share, headline earnings per share, net asset value, tangible net asset value, and/or the amounts presented in the Statement of Financial Position and Statement of Comprehensive Income. The changes are all disclosure in nature and primarily relates to IFRS 17 disclosure and arises from the consolidation of 1Life into the Group results. These changes are summarised below:

1. Statement of Cash Flows

To correctly report on the Separately Disclosable Items on the Statement of Cash Flows for the items below:

R'000 Group Cash Flow Statement*	Reported in the Condensed Results	Correction	Reported in the Integrated Annual Report
Adjusted for non-cash items	- 1 192 030	- 286 218	- 1 478 248
Working capital changes	224 594	286 218	510 812
Acquisition of financial assets	- 2 682 160	- 498 237	- 3 180 398
Disposal of financial assets	3 363 639	498 237	3 861 875
Cash generated from operations	1 060 531	-	1 060 531

*For ease of references only the total lines and impacted columns have been disclosed.

2. Insurance and re-insurance contract disclosure

2.1 Reconciliation of insurance contracts – GMM (note: 7.2.1)

The reclassification between the Excluding Loss Component and Liabilities for Incurred Claims for the disclosure of the Analysis by Remaining Coverage and Incurred Claims.

R'000	Reported in the Condensed Results			Correction			Reported in the Integrated Annual Report		
	Assets for remaining coverage			Assets for remaining coverage			Assets for remaining coverage		
	Excluding Loss	Liabilities for incurred claims	Total	Excluding Loss	Liabilities for incurred claims	Total	Excluding Loss	Liabilities for incurred claims	Total
Analysis by remaining coverage and incurred claims*	Component	claims	Total	Component	claims	Total	Component	claims	Total
Total changes in the statement of profit and loss and OCI									
insurance revenue	2 017 444	- 445 397	1 404 984	909 615	- 909 637	-	2 927 059	- 1 355 034	1 404 983
Total cash flows	- 798 504	462 918	- 335 586	- 980 571	980 571	-	- 1 779 074	1 443 489	- 335 585
Net closing balance at the end of the year	6 983 435	- 398 879	5 561 125	- 70 957	70 957	-	6 912 480	- 327 922	5 561 126

*For ease of references only the total lines and impacted columns have been disclosed.

2.2 Reconciliation of insurance contracts – PAA (note 7.6.1)

The reclassification between the Liabilities for Remaining Coverage and the Estimate of Present Value of Future Cash Flows for the disclosure of the Analysis by Coverage and Incurred Claims.

R'000	Reported in the Condensed Results			Correction			Reported in the Integrated Annual Report		
	Reconciliation of insurance contracts Life Insurance Risk Business (PAA)								
	Estimate of			Estimate of			Estimate of		
	Liabilities for remaining coverage	present value of future cash flows	Total	Liabilities for remaining coverage	present value of future cash flows	Total	Liabilities for remaining coverage	present value of future cash flows	Total
Analysis by remaining coverage and incurred claims*									
Total changes in the statement of profit and loss and OCI									
insurance revenue	206 933	- 127 490	78 833	176 690	- 176 690	-	383 623	- 304 180	78 833
Total cash flows	- 200 133	122 367	- 77 996	- 176 462	176 690	228	- 376 826	299 057	- 77 767
Net closing balance at the end of the year	7 207	- 27 286	- 23 429	-	-	-	7 207	- 27 286	- 23 430

*For ease of references only the total lines and impacted columns have been disclosed.

2.3 Reconciliation of reinsurance contracts – GMM (note 7.7.1)

The reclassification of disclosure between the Excluding Loss Component and Liabilities for Incurred Claims for the analysis by Remaining Coverage and Incurred Claims.

R'000	Reported in the Condensed Results			Correction			Reported in the Integrated Annual Report		
	Reconciliation of reinsurance contracts Life Insurance Risk Business (GMM)								
	Assets for remaining coverage			Assets for remaining coverage			Assets for remaining coverage		
	Excluding Loss Component	Liabilities for incurred claims	Total	Excluding Loss Component	Liabilities for incurred claims	Total	Excluding Loss Component	Liabilities for incurred claims	Total
Analysis by remaining coverage and incurred claims*									
Net (income)/expenses from reinsurance contracts held	- 209 840	- 181 840	- 403 195	- 161 179	447 396	286 217	- 371 019	265 556	- 116 978
Total cash flows	227 044	146 718	373 762	161 343	- 447 560	- 286 217	388 387	- 300 842	87 545
Net closing balance at the end of the year	- 221 480	92 582	- 45 237	164	- 164	-	- 221 316	92 418	- 45 235

*For ease of references only the total lines and impacted columns have been disclosed.

3 Asset hierarchy (section 3.2: Insurance and financial risk management)

Reclassification into the correct asset classification categories for the 1Life assets.

R'000	Reported in the Condensed Results			Correction			Reported in the Integrated Annual Report		
	Asset Hierarchy								
Assets*	Level 1	Level 2	Total	Level 1	Level 2	Total	Level 1	Level 2	Total
Listed equity securities	645 043		645 043	45 186	-	45 186	599 857		599 857
Promissory notes and fixed deposits		7 670 808	7 670 808	-	1 281 448	1 281 448		6 389 360	6 389 360
Investment funds				-	1 401 551	1 401 551		1 401 551	1 401 551
Funds on deposit		401 979	401 979	-	120 101	120 101		281 878	281 878
Government and public authority	388 685		388 685	45 186	-	45 186	433 871		433 871
Total Assets	1 202 738	9 424 883	10 656 471	-	-	-	1 202 738	9 424 883	10 656 472

*For ease of references only the total lines and impacted columns have been disclosed.

4 1Life on acquisition note 33

To correctly disclose the insurance contract assets and liabilities of 1Life at the date of acquisition to ensure internal consistency within the Annual Financial Statements. This correction did not have an impact on the determination of the bargain purchase gain.

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

	Reported in the Condensed Results	Correction	Reported in the Integrated Annual Report
Insurance contract assets	1 414 054	(71 894)	1 342 160
Insurance contract liabilities	(84 303)	72 023	(12 280)
Other payables	(121 232)	(129)	(121 361)
Total identifiable net assets acquired	1 993 665	-	1 993 665

*for ease of references only the total lines and impacted columns have been disclosed.

5 Segment Statement of Financial Position

To disaggregate from Investment Contract Liabilities the Loan from Subsidiary which eliminates at a Group level.

R'000	Reported in the Condensed Results		Correction		Reported in the Integrated Annual Report	
	Holding entity and property	Total	Holding entity and property	Total	Holding entity and property	Total
Segment statement of Financial Position*						
Loans from Subsidiaries	-	-	570 000	-	570 000	-
Investment Contract Liabilities	605 602	9 820 201	-	570 000	35 602	9 820 201
Total Liabilities	1 093 428	14 165 099	-	-	1 093 428	14 165 099

*For ease of references only the total lines and impacted columns have been disclosed.