OUTsurance Group Limited

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2026

OUTsurance Group Limited
Consolidated annual financial statements for the year ended 30 June 2026

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Statement of responsibility by the Board of directors

In accordance with Companies Act requirements, the directors of OUTsurance Group Limited are responsible for the preparation of the consolidated and separate financial statements which conform with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards), and fairly present the financial position of the Group and Company as at the end of the financial year and the comprehensive income and cash flows for that year.

The directors are ultimately responsible for the Group and Company's system of internal control. 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 consolidated and separate financial statements in terms of IFRS Accounting Standards and to adequately safeguard, verify and maintain accountability for Group and Company assets. Accounting policies supported by judgements, 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 and Company.

Based on the information and explanations given by management, internal audit, the Board Audit Committee and the Board Risk and Compliance Committee, the directors are of the opinion that the accounting controls are adequate and that the financial records may be relied upon for preparing the consolidated and separate financial statements in accordance with IFRS Accounting Standards and maintaining accountability for the Group and Company's assets and liabilities. Nothing has come to the attention of the directors to indicate that any breakdown in the functioning of these controls, resulting in material loss to the Group and Company, has occurred during the year and up to the date of this report.

The directors have a reasonable expectation that the Group and Company 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 consolidated and separate financial statements.

It is the responsibility of the Group and Company's independent external auditors to report on the fair presentation of the consolidated and separate financial statements. Their unmodified report appears on pages 12 to 17.

The preparation of the audited consolidated and separate financial statements for the year ended 30 June 2026 was supervised by JH Hofmeyr, Chief financial officer of OUTsurance Group Limited. The audited consolidated and separate financial statements have been audited in compliance with section 30(2)(a) of Companies Act 71 of 2008.

The audited consolidated and separate financial statements for the year ended 30 June 2026 which appear on pages 18 to 200, were approved by the Board of directors on 9 September 2026 and are signed on its behalf by:

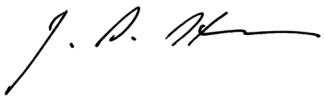
HL Bosman
Chairman
Signed: Centurion
9 September 2026

MC Visser
Group Chief Executive Officer
Signed: Centurion
9 September 2026

Certificate by the Group Secretary

for the year ended 30 June 2026

As Group Secretary, I hereby confirm, in terms of section 88(2)(e) of the Companies Act of 2008, that for the year ended 30 June 2026, the Group and Company have lodged with the Registrar of Companies all such returns as are required of a public company in terms of this Act and that all such returns are true, correct and up to date.



JS Human
Group Secretary
Signed: Centurion
9 September 2026

Internal financial controls declaration

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

- the annual financial statements set out on pages 18 to 200 fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;
- 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;
- 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 financial statements of the issuer;
- the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, and we have fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- where we are not satisfied, we have disclosed to the 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
- we are not aware of any fraud involving directors.

MC Visser
Group Chief Executive Officer
9 September 2026

JH Hofmeyr
Group Chief Financial Officer
9 September 2026

Report by the Board Audit Committee

OUTsurance Group Limited's independent Board Audit Committee (the Committee) is pleased to present its report in respect of the financial year ended 30 June 2026. The Committee performed its statutory duties in compliance with the Companies Act 71 of 2008 (Companies Act) as amended, the Insurance Act 18 of 2017, Prudential Standards issued under the Insurance Act and the JSE Listings Requirements (JSE LR). The Committee executed its duties in line with its Board-approved charter, which is reviewed annually to ensure alignment with evolving regulatory requirements and best governance practices. The Committee's responsibilities are also guided by the King IV™ Report on Corporate Governance for South Africa 2016 (King IV™*).

In fulfilling its mandate, the Committee engages with management, risk, compliance, internal audit and external audit to obtain the information required to discharge its responsibilities. It also ensures that sufficient time and oversight are allocated to all licensed entities.

Composition and meetings

During the year under review, the Committee's membership comprised four independent directors, including the Chair who is also an independent non-executive director. The Committee members were approved by the shareholders in November 2025 in accordance with Section 94(2) of the Companies Act which requires that at each annual general meeting, a public company must elect an audit committee comprising at least three independent members.

The composition, knowledge, experience, and size of the Committee complied with the requirements of Section 33 of the Insurance Act 18 of 2017 and Prudential Standard GOI 2. The Committee comprises members with technical, accounting, and actuarial skills as well as experience in both long-term and short-term insurance. All the appointed directors satisfied the requirements of section 94 (4) of the Companies Act and King IV recommendations. All members have the appropriate financial and related qualifications and experience required to discharge their responsibilities. Brief profiles of the Committee members are available on pages 60 to 62 of our 2026 integrated report.

Senior executives, including the Group Chief Executive Officer (CEO), Group Chief Financial Officer (CFO), Group Chief Risk Officer (CRO), Group Chief Audit Executive (CAE), Heads of Actuarial functions, as well as External Auditors and other assurance providers attend committee meetings by invitation. The Heads of the Control Functions meet at least quarterly with the Chair of the Committee. The Group CRO, CAE and External Auditors meet independently with the committee members as and when required.

Seven meetings were held during the reporting period, which included the meetings to approve the trading statement to be published on SENS. The membership and attendance at year end is available on page 68 of the 2026 integrated report.

Roles and responsibilities

The Committee operates within a Board approved charter. In line with the functions delegated to the Committee in terms of section 94 (7) of the Companies Act, the Committee discharged all its prescribed duties which include the following:

- Review all financial reports, the interim and annual financial statements and any announcements pertaining to the Group's financial results
- Nominate for appointment, a registered external auditor who is independent of the company in accordance with the Companies Act requirements and JSE LR
- Discuss and review with the auditor, the auditor's engagement letter, the terms, nature and procedures of engagement, and the audit fees
- Ensure the independency of the auditor by ascertaining whether the auditor has in any other capacity, other than as registered auditor received any benefit or remuneration from the Group or any other Group related entity
- Determine the nature and extent of any non-audit services that the auditor may provide to the Group
- Pre-approve any proposed agreement with the auditor for the provision of non-audit services to the Group
- Provide input to the scope of the audit work
- Recommendations to the board regarding the appointment of the heads of control functions, performance assessment, discipline and their dismissal
- Ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities
- Attend to any matters relating to accounting practices and internal audit of the Group, content or auditing of the Group's financial statements and the internal financial controls of the Group
- Make submissions to the Board on any matter concerning the Group's accounting policies, financial control, records and reporting
- Monitor, evaluate, review and approve internal audit, financial accounting and reporting practices, the internal control environment and corporate governance practices.

During the year under review, the Committee, amongst others, considered the following:

- The annual financial results and the interim financial results, together with the Interim Results Circular
- Reviewed and recommended to the Board the Financial Results presentation
- Reviewed and recommended dividends to the Board for approval
- Confirmed that there were no going concern issues within the Group
- Reviewed and approved the external audit engagement of KPMG for the 2026 financial year and considered matters related to independence, approved the audit plan and proposed audit fees
- Reviewed and considered the JSE proactive monitoring report and the investment report

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- Reviewed the accounting policies for the year ended 30 June 2026
- Approved the Internal Audit Strategy and the Internal Audit plan and budget
- Approved the Internal Financial Controls Framework.

The Committee further assisted the Board in:

- Evaluating the adequacy and effectiveness of the internal control systems, accounting practices, information systems, auditing and actuarial valuation processes applied in the day-to-day management of the business of the Group
- Facilitating and promoting communication and liaison between the Board, senior management, the external auditor and internal audit function concerning matters regarding effective governance

King IV report on Corporate Governance

The Group applied the principles of King IV by coordinating all assurance providers to enhance transparency, accountability and risk management across the Group, and to support an effective control environment that strengthens decision-making. King IV recognises the audit committee's role in providing independent oversight of, among other matters, the effectiveness of the organisation's assurance functions and services, and the integrity of its financial statements. The Committee therefore oversees the implementation of the combined assurance model to ensure that assurance activities across the various lines of assurance are combined, coordinated and aligned.

King V will apply to the Group from the next financial year; however, the Board is reviewing the amended principles to ensure alignment.

The first line of defence owns and manages risk, with line management overseeing frameworks, policies, procedures and system controls.

The second line comprises specialist functions that oversee risk management and compliance independently from day-to-day management and provide assurance to the Board.

The third line consists of independent internal assurance providers. Internal audit remains central to governance and assurance, and King IV requires the Board to consider the assurance standards expected of internal audit.

The fourth line comprises external assurance providers, such as external auditors, who provide an independent and balanced view of the effectiveness of the other lines of defence.

The fifth line comprises the Board and its committees, which oversee the effective operation of the combined assurance framework.

Annual Confirmations

1.1 Combined assurance

The Group applies a combined assurance model, which incorporates and optimises the assurance-related activities of line management, specialist functions and assurance providers to ensure the integration, and alignment of risk management and assurance activities. The model includes risk and compliance, internal audit, external audit, finance and actuarial functions.

The Combined Assurance Forum (the Forum) implements the combined assurance model, and it is chaired by the Group CAE. The membership comprises the Group CRO, Group CFO, CRO, CFO, Risk management members, Compliance, Information Security Manager and the Head of Actuarial Control Function as well as internal and external audit. The Forum met four times during the reporting period and serves to support the objectives of the combined assurance model, to accomplish the philosophy behind it and maintain an effective control environment. It provides a platform for control functions and assurance providers to discuss relevant themes including emerging and material risks.

The Committee is satisfied that the combined assurance model provides appropriate coverage of key risks and contributes to an effective control environment.

1.2 Internal audit

The Group's internal audit function plays a key role as an independent assurance provider to the Committee and is crucial in assessing and enhancing the Group's governance, risk management and internal control processes. The internal audit function operates in terms of a Board-approved charter and provides value by contributing insight into the activities of the Group and employs a risk-based audit approach. Appropriate structures are in place to ensure the independence of the internal audit team, and the Group CAE has direct access to the Committee. The Committee approved the internal audit charter, strategy, annual plan and budget and monitored the execution thereof. The Group CAE is responsible for reporting on the findings of the internal audit work against the agreed internal audit plan to the Committee on a regular basis.

The Group Chief Audit Executive and internal audit team

In accordance with King IV requirements, the Committee assessed the performance of the Group CAE and is satisfied that he holds the appropriate skills and expertise to fulfil the obligations of the position and that the internal audit function is independent and adequately resourced with appropriate skills and expertise.

Internal audit performed an annual review of the adequacy and effectiveness of the Group's internal control environment and based on the results, confirmed to the Committee that no material weaknesses were identified in the Group's governance, risk management and internal control processes, including internal financial controls from the aspect of design, implementation or operation. This written assessment by internal audit formed the basis for the Committee's recommendation to the Board.

1.3 Internal financial control attestation

The Group continues to maintain a strong control environment that safeguards, verifies and supports accountability for its financial position performance, and reporting. The Internal Financial Control (IFC) attestation process was completed in accordance with paragraph 5.9 of the JSE LR. The Group CEO and Group Financial Director provided positive attestations under their respective names and signatures. The Committee has reviewed and evaluated the effectiveness of the Group's internal financial controls. This assessment was informed by regular reporting from management, assurance activities undertaken by internal audit and reports from the external auditors. Based on these inputs, the Committee is satisfied that the internal financial controls are operating effectively and that the financial information presented in the annual report is materially accurate, complete, and provides a fair representation of the Group's financial performance for the year ended.

1.4 Finance function

The Committee reviewed the effectiveness and adequacy of the finance function and the experience of the senior members of management and is satisfied that it is appropriately resourced with a skilled and competent team to deliver the Group's financial reporting obligations. The Committee is satisfied that the expertise and experience of the Group CFO continue to meet the requirements of the role.

1.5 External audit

KPMG serves as the Group's external auditor and was approved by shareholders at the Annual General Meeting held in November 2025. The Committee is satisfied that KPMG is independent of the Group. In consultation with executive management, the Committee approved the engagement letter, terms of engagement, audit plan and budgeted audit fees for the 2026 financial year.

The external auditor attends all Committee meetings and the Annual General Meeting and has direct access to the Chair of the Committee and the Chair of the Board. As part of the combined assurance model, external audit and internal audit collaborate effectively to identify instances where external audit can place reliance on the work performed by internal audit.

A formal process is in place to assess and approve any non-audit services proposed by the external auditor.

1.6 Independence of the external auditor

The Committee assessed the independence of the external auditor and considered details of any relationship between the Group and KPMG that may have an impact on their independence. The Committee is satisfied that the external auditor acted with unimpaired independence and have the requisite skills and expertise and observed the highest level of business and professional ethics. In reaching this conclusion, the Committee considered the following factors:

- Auditors' independence criteria specified by the Independent Regulatory Board for Auditors and international regulatory bodies as well as criteria for internal governance processes within the audit firms
- Representations and confirmations by the external auditor in respect of Section 5.7(h)(iii) of the JSE Listings Requirements
- Previous appointments of the auditor
- The extent of other non-audit services undertaken by the auditor for the Group.

The Committee meets with the auditor independently from senior management to provide an opportunity for open dialogue and feedback.

1.7 Regulatory environment

The Committee monitors the Group's compliance with evolving regulatory and legislative requirements. It is satisfied that appropriate processes are in place to ensure ongoing compliance, and that management demonstrates the necessary competence in this regard.

1.8 Going concern

The Committee has reviewed management's assessment of the Group's ability to continue as a going concern, including the supporting forecasts, liquidity analyses, and underlying assumptions. In conducting this review, the Committee considered input from both internal and external auditors. Based on this evaluation, the Committee is satisfied that the going concern basis of accounting is appropriate and accordingly recommends to the Board that it is reasonable to conclude the Group will continue to operate for the foreseeable future.

Conclusion

The Committee is satisfied that it has discharged its responsibilities in accordance with its mandate, relevant legislation and governance standards. The Committee will continue to support the Board in maintaining the integrity of financial reporting and the effectiveness of the Group's control environment.

Ms Venessa Naidoo
Board Audit Committee Chairperson

9 September 2026

Directors' report

Nature of business

OUTsurance Group Limited (OGL) is a public company listed on the Johannesburg Stock Exchange. It holds 92.8% in OUTsurance Holdings Limited (OHL), the holding company of the OUTsurance group of companies which provides short-term and life insurance products in South Africa and short-term insurance products in Australia and Ireland. OGL also holds smaller investments in Polar Star, a hedge fund manager and Prodigy Finance, an international fintech platform offering loans to postgraduate students attending top universities.

During the 2026 financial year, the following restructuring and corporate actions took place:

- OGL issued an additional 896 387 shares in exchange for 2 052 835 shares in OHL and acquired an additional 995 953 shares in OHL for R30 972 999. This increased OGL's stake in OHL from 92.75% to 92.83%.
- The Group's 45% investment in CloudBadger was classified as held for sale as at 30 June 2025. During the current financial year, the Competition Commission of Eswatini has approved the sale of CloudBadger and the transaction was concluded.
- During the current financial year, the Group concluded the sale of its 14.4% interest in Entersekt. This investment was included under financial assets valued at fair value through other comprehensive income in the comparative year.
- During the previous financial year, an agreement was reached to dispose of the Group's equity stake in Merchant Capital by way of a company share buy-back spread across four tranches. The first tranche was concluded in the previous financial year and the final three tranches were concluded in the current financial year.

The table below summarises the OGL Group's actual interest in its investee companies as at 30 June 2026 compared to 30 June 2025:

	30 June 2026	30 June 2025
OUTsurance Holdings Limited	**92.8%**	92.8%
RMI Treasury Company Limited	**100.0%**	100.0%
RMI Investment Managers Group Proprietary Limited	**100.0%**	100.0%
RMI Investment Holdings Proprietary Limited	**100.0%**	100.0%
Main Street 1353 Proprietary Limited	**51.0%**	51.0%

Further details regarding the investments are provided in note 18 to these financial statements.

Share capital

The classes of shares in terms of OGL's MOI are as follows:

Ordinary shares

The total authorised number of ordinary shares is 2 000 000 000, with a par value of R0.0001 per share. The total number of issued ordinary shares is 1 548 127 892 (2025: 1 547 231 505).

The unissued share capital is under the control of the board of directors until the forthcoming annual general meeting.

Preference shares

Cumulative, redeemable par value preference shares

The total authorised number of cumulative, redeemable par value preference shares is 100 000 000, with a par value of R0.0001 per share. There are no issued cumulative, redeemable par value preference shares.

Cumulative, redeemable no par value preference shares

The total authorised number of cumulative, redeemable no par value preference shares is 100 000 000. There are no issued cumulative, redeemable no par value preference shares.

Cumulative, redeemable no par value preference shares in terms of clause 7.1 of the MOI

The total authorised number of cumulative, redeemable no par value preference shares created in terms of the Group's debt programme and outlined in clause 7.1 of the MOI, is 100 000 000. None of these shares have been issued to date.

Shareholder analysis

Based on information disclosed by STRATE and investigations conducted on behalf of the company, the following shareholders have an interest of 5% or more in the issued ordinary share capital of the company:

	30 June 2026	30 June 2025
Remgro Limited	**30.3%**	30.3%
Royal Bafokeng Investment Holding Company	**12.7%**	12.7%
Public Investment Corporation	**10.2%**	9.6%

Earnings

Earnings attributable to ordinary shareholders for the year ended 30 June 2026 amounted to R5 623 million or 365.2 cents per share (2025: R4 707 million or 306.2 cents per share). Headline earnings amounted to R5 675 million or 368.5 cents per share (2025: R4 585 million or 298.3 cents per share).

Dividends

The following dividends were declared by OGL during the year under review:

- An ordinary interim dividend for the six months ended 31 December 2025 of 120.7 cents and a special dividend of 30.3 cents per ordinary share, declared on 10 March 2026 and paid on 20 April 2026 (31 December 2024: ordinary dividend of 88.6 cents per ordinary share, declared on 14 March 2025 and paid on 7 April 2025).
- An ordinary final dividend for the year ended 30 June 2026 of 170.8 cents and a special dividend of 87.5 cents per ordinary share, declared on 9 September 2026 and payable on 5 October 2026 (30 June 2025: ordinary dividend of 149.0 cents and special dividend of 33.1 cents per ordinary share, declared on 12 September 2025 and paid on 20 October 2025).

Directorate

The directorate comprises:

Name	Date of appointment
Non-executive directors	
HL Bosman (Chairman)	2 April 2014
JJ Durand	8 December 2010
A Kekana	6 February 2013
WT Roos	8 November 2022
Independent non-executive directors	
N Kahlon	17 August 2026
K Kroll	17 August 2026
MM Mahlare	31 March 2018
ET Moabi	8 November 2022
SV Naidoo	8 November 2022
RSM Ndlovu	8 November 2022
K Pillay (lead independent)	8 November 2022
CML Taljaard	17 August 2026
JA Teeger	31 March 2018
JE van Heerden	8 November 2022
RD Werbeloff (Govender)	17 August 2026
Executive directors	
MC Visser (CEO)	8 November 2022
JH Hofmeyr (FD)	8 November 2022
Alternate directors	
CPF Vosloo	1 February 2026
UH Lucht	3 September 2019

Mr F Knoetze retired as an alternate non-executive director on 31 January 2026 and Mr CPF Vosloo was appointed as alternate non-executive director with effect from 1 February 2026.

Ms K Kroll, Ms N Kahlon, Ms RD Werbeloff (Govender) and Mr CML Taljaard were appointed as independent non-executive directors on 17 August 2026.

JH Hofmeyr has resigned and will be replaced by JF van Rooyen on 3 October 2026.

Interests of directors and officers

During the financial year, no contracts were entered into in which directors or officers of the company had an interest and which significantly affected 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 except to the extent that they are shareholders in OGL as disclosed in this report.

Directors' emoluments and service contracts

Directors' and prescribed officers' emoluments are disclosed in note 39 to the consolidated financial statements.

At each annual general meeting one third of the non-executive directors have to retire from office. If at the date of any annual general meeting any non-executive director has held office for a period of three years since his last election or appointment, he has to retire at such meeting. A retiring director is eligible for re-election.

The remuneration of the non-executive directors is approved annually by way of a special resolution at the annual general meeting. The company's remuneration policy is approved once every three years by way of an ordinary resolution at the annual general meeting.

Directors' participation in group share incentive schemes

OHL, Youi and OUTsurance Ireland have equity-settled share schemes. No non-executive directors have an interest in these share schemes.

Insurance

OGL has appropriate insurance cover against crime risks as well as professional indemnity.

Company secretary and registered offices

Schalk Human is the company secretary of OGL. The address of the company secretary is that of the company's registered office. The company's registered office is 1241 Embankment Road, Zwartkop Ext 7, Centurion, 0157.

Special resolutions

The following special resolutions were passed at the annual general meeting of OGL held on 25 November 2025:

- approval of non-executive directors' remuneration with effect from 1 December 2025;
- general authority to repurchase company shares;
- issue of shares, convertible securities and/or options to persons listed in section 41(1) of the Companies Act for the purposes of their participation in a reinvestment option;
- issue of shares, convertible securities and/or options to persons listed in section 41(1) of the Companies Act in connection with the settlement of eligible participants' rights under the Group's applicable share or employee incentive schemes;
- financial assistance to directors, prescribed officers and employee share scheme beneficiaries; and
- financial assistance to related or inter-related entities.

OHL passed the following special resolutions at its annual general meeting held on 25 November 2025:

- general authority to provide financial assistance to related or inter-related entities in terms of section 45 of the Companies Act; and
- approval of the remuneration of non-executive directors.

Events subsequent to reporting date

Refer to note 40 to the consolidated financial statements.

Directors' interests in ordinary shares of OGL

Directors have disclosed the following interest in the ordinary shares of OGL at 30 June 2026:

000's	Direct beneficial	Indirect beneficial	Held by related persons	Total 2026
HL Bosman	–	**1 200**	–	**1 200**
JJ Durand	–	–	–	–
JH Hofmeyr[1]	**36**	**1 074**	–	**1 110**
A Kekana	**4**	–	–	**4**
UH Lucht (alternate)	–	–	–	–
MM Mahlare	–	–	–	–
ET Moabi	**1**	–	–	**1**
SV Naidoo	–	–	–	–
RSM Ndlovu	–	–	–	–
K Pillay	–	**37**	–	**37**
WT Roos	–	**296**	–	**296**
JA Teeger[2]	**50**	**143**	–	**193**
JE van Heerden	**2**	–	–	**2**
CPF Vosloo (alternate)	–	–	–	–
MC Visser	**571**	–	–	**571**
Total interest	**664**	**2 750**	–	**3 414**

1 Mr Hofmeyr pledged 249 681 OGL shares as security for a share lending facility of R5 million.
2 Mr Teeger pledged 61 500 OGL shares (together with other shares in a portfolio) as security for a R2 million preference share arrangement.

On 17 November 2025, Mr Bosman entered into an off-market cash-settled equity derivative transaction comprising the acquisition of call options referencing OGL's shares ("Bought Call Options"), the cost of which was offset by the sale of (i) higher strike call options ("Sold Call Options") and (ii) knock-out put options ("Sold Put Options"), in each case referencing OGL's shares. The common and specific terms are set out below:

Common terms:		
Class of securities	:	Options over OGL ordinary shares
Option style	:	European
Expiry date	:	17 November 2026
Number of OGL shares provided as security/collateral	:	500 000
Bought Call Option terms:		
Number of options	:	250 000
Strike price	:	R75.10 per share
Total value of reference shares	:	R18 775 000 (based on a share price of R75.10 per share)
Sold Call Option terms:		
Number of options	:	500 000
Strike price	:	R87.30 per share
Total value of reference shares	:	R37 550 000 (based on a share price of R75.10 per share)
Sold Put Option terms:		
Number of options	:	250 000
Strike price	:	R63.84 per share
Knock-out price	:	R26.29 per share
Total value of reference shares	:	R18 775 000 (based on a share price of R75.10 per share)

Directors have disclosed the following interest in the ordinary shares of OGL at 30 June 2025:

000's	Direct beneficial	Indirect beneficial	Held by related persons	Total 2025
HL Bosman	–	1 200	–	1 200
JJ Durand	–	–	–	–
JH Hofmeyr[1]	36	1 074	–	1 110
A Kekana	4	–	–	4
F Knoetze (alternate)	–	–	–	–
UH Lucht (alternate)	–	–	–	–
MM Mahlare	–	–	–	–
ET Moabi	2	–	–	2
SV Naidoo	–	–	–	–
RSM Ndlovu	–	–	–	–
K Pillay	–	37	–	37
WT Roos	–	296	–	296
JA Teeger[2]	45	104	–	149
JE van Heerden	2	–	–	2
MC Visser	571	–	–	571
Total interest	660	2 711	–	3 371

1 Mr Hofmeyr pledged 249 681 OGL shares as security for a share lending facility of R5 million.
2 Mr Teeger pledged 32 500 OGL shares (together with other shares in a portfolio) as security for a R2 million preference share arrangement.

Since 30 June 2026 to the date of this report, the interest of directors remained unchanged.

Independent auditor's report

To the shareholders of OUTsurance Group Limited

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of OUTsurance Group Limited (the Group and Company) set out on pages 18 to 200, which comprise the consolidated and separate statements of financial position at 30 June 2026, and the consolidated and separate statements of profit or loss, 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 a summary of material accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of OUTsurance Group Limited as at 30 June 2026, 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 (IFRS Accounting Standards) 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), as applicable to audits of financial statements of public interest entities, 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' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 materialities

The scope of our audit was influenced by our application of materiality. We set quantitative thresholds and overlay qualitative considerations to help us determine the scope of our audit and the nature, timing and extent of our procedures, and in evaluating the effect of misstatements, both individually and in the aggregate, on the consolidated and separate financial statements as a whole.

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

	Consolidated financial statements	Separate financial statements
Final materiality	R384,000,000 determined as 4,4% (rounded) of Profit Before taxation (PBT)	R133,000,000 determined as 1% (rounded) of Total Assets
Rationale for the benchmark and percentage applied	We selected profit before tax (PBT) as the most appropriate benchmark because in our view, it is the metric against which the performance of the Group is most likely to be measured by users of the consolidated financial statements when evaluating the performance of an insurance group. The percentage applied of 4.4% (rounded), was based on our professional judgement after consideration of the qualitative factors that impact the Group.	We selected total assets as the most appropriate benchmark because in our view, it is the metric which best reflects the focus of the users of the Company's separate financial statements given that the Company is an investment holding company. The percentage applied of 1% (rounded), was based on our professional judgement after consideration of the qualitative factors that impact the Company.

Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

We performed risk assessment procedures to determine which of the Group's components are likely to include risks of material misstatement to the Group financial statements and which further audit procedures to perform at these components to address those risks. Our judgement included assessing the size of the components, nature of assets, liabilities and transactions within the components as well as specific risks.

In total, we identified seven (7) components.

Of those, we identified four (4) components at which further audit procedures were performed on the entire financial information of the component, either because audit evidence needed to be obtained on all or a significant proportion of the component's financial information, or that component represents a pervasive risk of material misstatement to the consolidated financial statements.

Accordingly, we performed audit procedures on four (4) components, of which we involved component auditors in performing the audit work on two (2) components.

For the remaining financial information where audit procedures were not performed, we performed an analysis at an aggregated Group level to re-examine our risk assessment to support our final determination that there is less than a reasonable possibility of a material misstatement in the remaining financial information.

Group auditor oversight

As part of establishing the overall Group audit strategy and plan, we conducted risk assessment and planning discussion meetings with component auditors to discuss the Group audit risks relevant to the respective components.

As group auditor, we engaged with the component auditors to assess the audit risks and strategy relating to their respective components. During these engagements, the results of the planning procedures and further audit procedures communicated to us were discussed in more detail, and any further audit procedures required by us was then performed by the component auditors.

We also inspected the work performed by component auditors for the purpose of the Group audit and evaluated the appropriateness of conclusions drawn from the audit evidence obtained and consistencies between communicated findings and work performed.

Key audit matter

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 and separate 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 our report on the separate financial statements.

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

Valuation of insurance contract assets and liabilities and reinsurance assets and liabilities

Refer to following notes in the consolidated financial statements:

Note 3.2 – Insurance risk management;
Note 27 – Insurance and Reinsurance contracts;
Note 41.2 – Insurance Contracts; and
Note 41.3 – Recognition and measurement of insurance contracts

Key audit matter	How the matter was addressed in our audit
As at 30 June 2026, the Group has insurance contract liabilities amounting to R19 311 million, and insurance contract assets amounting to R536 million with corresponding reinsurance liabilities of R51 million and reinsurance assets of R2 599 million. Significant judgements and estimations were applied in determining the value of the insurance and reinsurance contract assets and liabilities to be recognised in the consolidated financial statements, as the valuation process involves the selection of actuarial methods and assumptions relating to the liability for remaining coverage, liability for incurred claims (LIC), risk adjustment for non-financial risk, Contractual Service Margin (CSM) and any associated loss component. Management uses their internal actuarial team to value the insurance and reinsurance contract assets and liabilities, which is then verified by management's engaged external consultants (Head of Actuarial Function). For short-term insurance business, significant accounting estimates and judgements are involved in measuring the insurance contract liabilities under the IFRS 17, *Insurance Contracts* (IFRS 17), Premium Allocation Approach (PAA). These estimates and judgements relate to the following key IFRS 17 reserving elements: • Application of the Premium Allocation Approach ("PAA model") as described in IFRS 17; • Valuation and discounting of the liability for incurred claims; and • Determination of the risk adjustment for non-financial risk For long-term insurance business, significant accounting estimates and judgements are involved in measuring the insurance and reinsurance contract assets and liabilities under the IFRS 17, General Measurement Model (GMM). These estimates and judgements relate to the following key IFRS 17 reserving elements: • Determination of the profitability groupings • Valuation of the fulfilment cash flows • Discounting of cashflows • Determination of the risk adjustment for non-financial risk • Contractual service margin (CSM)	Through inquiries with management and inspection of underlying documentation, including reports prepared by management's Head of Actuarial Function and Internal audit, we evaluated the design and implementation of the key controls over the valuation of the Company's IFRS 17 insurance and reinsurance contract assets and liabilities. We performed the following procedures with the assistance of our own actuarial specialists: • We evaluated the professional competence and capabilities of management's actuarial team through inquiries and inspection of their qualifications. • We evaluated the professional competence, capabilities and objectivity of management's Head of Actuarial Function, through inquiries and inspection of professional qualifications and tenure in the role. • We assessed the Company's IFRS 17 valuation methodology and assumptions for compliance against the latest industry actuarial guidance, legislation and against the requirements of IFRS 17. • We assessed the appropriateness of the actuarial assumptions applied in the year-end IFRS 17 valuations by challenging the key assumptions, methodologies and processes used to determine and update those assumptions. This included a detailed analysis of the assumption investigation papers prepared by management for the year ended 30 June 2026. Our actuarial specialists evaluated the assumptions and assessed the reasonableness of the underlying projections and resulting valuation estimates by evaluating assumption changes against the established reserving methodology framework and inspecting the underlying experience investigations used as an input to the assumption setting. • We assessed the reasonability of the build-up and changes in the probability-weighted best estimate liabilities (BEL) risk adjustment (RA) and CSM. This included comparing expected changes to previous periods and unexpected changes to our knowledge of changes in the business and assumptions, based on the experience investigation results and assumption changes approved by management/governance structures. • We evaluated and recalculated the accuracy of the risk adjustment for non-financial risk, by assessing the calculation methodology and recalculating the amount released for risk that had expired during the year, in accordance with the Company's IFRS 17 accounting policies.

Valuation of insurance contract assets and liabilities and reinsurance assets and liabilities

Refer to following notes in the consolidated financial statements:

Note 3.2 – Insurance risk management;
Note 27 – Insurance and Reinsurance contracts;
Note 41.2 – Insurance Contracts; and
Note 41.3 – Recognition and measurement of insurance contracts

Key audit matter	How the matter was addressed in our audit
We considered the valuation of insurance and reinsurance contract assets and liabilities as well as the presentation and disclosure of the above to be a key audit matter in our audit of the consolidated financial statements because of the following: • Significant judgement and estimation applied by management; and • The quantitative and qualitative magnitude of the insurance and reinsurance contract assets and liabilities in relation to the consolidated financial statements.	• We tested the accuracy and completeness of the data used in the CSM calculations by reconciling data-inputs from source systems to outputs from the calculation engine and testing accuracy of key data points as reflected in modelpoint files to underlying support including policy administration data. • We challenged the assumptions applied in calculating the CSM on the reporting date by evaluating them against underlying data. The assumptions included: – the appropriateness of the coverage units used to amortise the CSM and – the impact of assumption changes unlocking the CSM. • We evaluated management's Actuarial Valuation Report and reconciled the IFRS 17 reserves to the underlying subledgers and financial statements. • For the valuation of the liability for incurred claims (LIC), we assessed management's valuations and performed the following procedures: – Independently calculated the incurred but not reported component of the BEL. – On a sample basis for outstanding claims at year-end, we agreed the claims information recorded on the underlying source system (such as loss event, claim estimate, and item being claimed) by agreeing this information to underlying supporting documentation. We further compared the claim values used by management to assessor reports to evaluate the validity of the claims. – Evaluated the discounting calculations against the requirements of IFRS 17. – Assessed the reliability, completeness and accuracy of the underlying data inputs including claims payment data used as the basis for the underlying IFRS 17 estimates and year-end valuations by inspecting and agreeing relevant data to supporting evidence such as assessor reports, evidence for claims payments and by performing independent extractions from source systems to compare against data used for reserving purposes. • We evaluated the discounting of future cashflows for IFRS 17 year-end valuation purposes by inspecting the underlying yield curves used and comparing these to independently sourced rates and performing recalculations by applying the relevant risk-free rates on the discounting of underlying cashflows. • We evaluated management's process for identifying onerous contracts through the inspection of model point files and agreeing relevant datapoints to supporting evidence as it related to the application of grouping rules. We also performed sample-based testing on contracts included in relevant cohorts to assess the reasonability of classification of contracts included in loss component and loss recovery component calculations.

Valuation of insurance contract assets and liabilities and reinsurance assets and liabilities

Refer to following notes in the consolidated financial statements:

Note 3.2 – Insurance risk management;
Note 27 – Insurance and Reinsurance contracts;
Note 41.2 – Insurance Contracts; and
Note 41.3 – Recognition and measurement of insurance contracts

Key audit matter	How the matter was addressed in our audit
	• We evaluated the appropriateness of the application of the "PAA" as applied to short term insurance contracts in accordance with IFRS 17 by assessing the eligibility on application of the PAA method requirements through inspection of underlying policy contracts. • We evaluated the presentation and disclosure related to the insurance and reinsurance contract assets and liabilities, against the requirements of IFRS 17. Based on the procedures performed above, we did not identify any matters requiring further consideration with respect to our audit of the valuation of insurance and reinsurance contract assets and liabilities

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "OUTsurance Group Limited Consolidated Annual Financial Statements for the year ended 30 June 2026" which includes the Directors' report, Report by the Board Audit Committee and the Certificate by the Group Secretary as required by the Companies Act of South Africa. The other information does not include the consolidated and 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 and separate 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 (IFRS Accounting Standards) 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 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 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 and Company'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 and 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 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.
- 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 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 KPMG Inc. has been the auditor of OUTsurance Group Limited for three years.

KPMG Inc.
Per Nishen Bikhani
Chartered Accountant (SA)
Registered Auditor
Director

85 Empire Road
Parktown
Johannesburg
2193

10 September 2026

Consolidated statement of profit or loss
for the year ended 30 June

R million	Notes	2026	2025
Insurance revenue	27	**41 487**	37 131
Insurance service expenses	27	**(33 037)**	(28 668)
Net expenses from reinsurance contracts held	27	**(376)**	(882)
Insurance service result		**8 074**	7 581
Administration and other revenue	5	**503**	450
Net investment income		**1 903**	2 177
Investment income	6	**381**	287
Interest income on financial assets using the effective interest method	6	**1 345**	1 349
Net gains from fair value adjustments on financial assets	7	**175**	515
Change in expected credit losses on financial assets	7	**2**	26
Net insurance finance expenses		**(348)**	(296)
Finance expenses from insurance contracts issued	8	**(348)**	(452)
Finance income from reinsurance contracts held	8	**–**	156
Fair value adjustment to financial liabilities	37	**(212)**	(211)
Net insurance and investment result		**9 920**	9 701
Other operating expenses	9	**(1 119)**	(2 274)
Finance costs	10	**(132)**	(136)
Equity accounted earnings	19	**26**	189
(Loss)/profit on sale of assets held for sale	24	**(5)**	35
Profit on sale of associate	19	**–**	176
Impairment of assets held for sale	24	**–**	(10)
Impairment of investments in associates	19	**(42)**	–
Profit before taxation		**8 648**	7 681
Taxation	11	**(2 468)**	(2 462)
Profit for the year		**6 180**	5 219
Profit attributable to:			
Ordinary shareholders		**5 623**	4 707
Non-controlling interests		**557**	512
Profit for the year		**6 180**	5 219
Earnings per share (cents)	12	**365.2**	306.2
Diluted earnings per share (cents)	12	**362.0**	303.3

Consolidated statement of comprehensive income
for the year ended 30 June

R million	Note	2026	2025
Profit for the year		**6 180**	5 219
Other comprehensive loss for the year			
Items that may subsequently be reclassified to profit or loss			
Exchange differences on translation of foreign operations		**(360)**	(115)
Fair value gains/(losses) on other comprehensive income financial instruments	7	**14**	(422)
Deferred tax on fair value movements on other comprehensive income financial instruments		**(3)**	16
Share of comprehensive income of associates			
Items that may subsequently be reclassified to profit or loss, after taxation		**–**	1
Other comprehensive loss for the year		**(349)**	(520)
Total comprehensive income for the year		**5 831**	4 699
Total comprehensive income attributable to:			
Ordinary shareholders		**5 309**	4 210
Non-controlling interests		**522**	489
Total comprehensive income for the year		**5 831**	4 699

Consolidated statement of financial position
at 30 June

R million	Notes	30 June 2026	30 June 2025
Assets			
Property and equipment	15	**1 186**	1 205
Intangible assets	16	**227**	224
Right-of-use assets	17	**378**	354
Investments in associates	19	**228**	258
Deferred income tax	20	**459**	501
Reinsurance assets	27	**2 599**	2 353
Insurance assets	27	**536**	370
Financial assets			
Fair value through profit or loss	21	**7 525**	6 758
Fair value through other comprehensive income	21	**7 995**	8 111
Measured at amortised cost	21	**16 930**	14 355
Derivative financial instrument	22	**185**	326
Other receivables	23	**934**	1 866
Taxation	36	**7**	1
Assets held for sale	24	**–**	102
Cash and cash equivalents	25	**1 633**	1 865
Total assets		**40 822**	38 649
Equity			
Share capital and premium	26	**15 915**	15 922
Other reserves		**(5 763)**	(5 603)
Retained earnings		**4 574**	4 226
Total shareholders' equity		**14 726**	14 545
Non-controlling interests	18	**1 475**	1 399
Total equity		**16 201**	15 944
Liabilities			
Reinsurance liabilities	27	**51**	35
Insurance liabilities	27	**19 311**	16 229
Derivative financial instrument	22	**140**	7
Investment contract liability	28	**1 940**	1 863
Lease liabilities	29	**430**	379
Share-based payment liability	30	**187**	1 454
Employee benefits	31	**697**	670
Deferred income tax	20	**65**	158
Financial liabilities at fair value through profit or loss	32	**136**	126
Taxation	36	**305**	350
Other payables	34	**1 359**	1 434
Total liabilities		**24 621**	22 705
Total equity and liabilities		**40 822**	38 649

Consolidated statement of changes in equity

for the year ended 30 June

R million	Share capital and premium	Equity accounted reserves	Share-based payments reserve	Other reserves[1]	Transactions with non-controlling interests	Foreign currency translation reserve	Retained earnings	Non-controlling interests	Total equity
Balance as at 30 June 2024	15 486	1	69	(99)	(5 430)	769	3 289	1 302	15 387
Profit for the year	–	–	–	–	–	–	4 707	512	5 219
Other comprehensive income/(loss) for the year	–	1	–	(406)	–	(92)	–	(23)	(520)
Additional shares issued	436	–	–	–	–	–	–	–	436
Derecognition of retained earnings on deregistration of subsidiary	–	–	–	–	–	–	(3)	–	(3)
Transactions with non-controlling interest	–	–	–	–	(535)	–	2	40	(493)
Share-based payment reserve	–	1	118	–	–	–	(55)	(2)	62
Dividends paid	–	–	–	–	–	–	(3 714)	(430)	(4 144)
Balance as at 30 June 2025	15 922	3	187	(505)	(5 965)	677	4 226	1 399	15 944
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**5 623**	**557**	**6 180**
Other comprehensive income/(loss) for the year	**–**	**–**	**–**	**10**	**–**	**(324)**	**–**	**(35)**	**(349)**
Additional shares issued	**64**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**64**
Treasury shares acquired	**(71)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(71)**
Transactions with non-controlling interest	**–**	**–**	**–**	**–**	**(93)**	**–**	**3**	**(3)**	**(93)**
Share-based payment reserve	**–**	**(3)**	**180**	**–**	**–**	**–**	**(78)**	**(2)**	**97**
Sale of financial asset at fair value through other comprehensive income	**–**	**–**	**–**	**70**	**–**	**–**	**(70)**	**–**	**–**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**–**	**(5 130)**	**(441)**	**(5 571)**
Balance as at 30 June 2026	**15 915**	**–**	**367**	**(425)**	**(6 058)**	**353**	**4 574**	**1 475**	**16 201**
Notes	26							18	

1 Included in other reserves is the comprehensive income reserve and preference share capital issued by OUTsurance Life.

Consolidated statement of cash flows
for the year ended 30 June

R million	Notes	2026	2025
Cash flows from operating activities			
Cash generated by operations	35	**9 254**	9 884
Interest received		**505**	421
Dividends received		**159**	80
Cash flows on assets backing policyholder liabilities		**130**	(314)
Purchase of financial assets[1]		**(13 593)**	(6 853)
Proceeds on disposal of financial assets[1]		**10 898**	5 292
Income tax paid	36	**(2 539)**	(2 315)
Net cash generated from operating activities		**4 814**	6 195
Cash flows from investing activities			
Property and equipment acquired to maintain and expand operations	15	**(172)**	(373)
Proceeds on disposal of property and equipment	15	**3**	191
Purchase of financial assets[2]		**(1 335)**	(1 186)
Proceeds on disposal of financial assets[2]		**1 571**	637
Dividends received from associate		**160**	59
Proceeds on disposal of associate	19	**526**	–
Proceeds on disposal of assets held for sale	24	**161**	24
Net cash inflow/(outflow) from investing activities		**914**	(648)
Cash flows from financing activities[3]			
Purchase of shares from non-controlling interest		**(47)**	(178)
Purchase of OGL treasury shares by a subsidiary		**(71)**	–
Repayment of lease liability	29	**(115)**	(120)
Borrowings repaid		**–**	(774)
Cost of funding		**(115)**	(136)
Dividends paid by subsidiaries to non-controlling interests		**(441)**	(430)
Cash dividends paid to shareholders		**(5 130)**	(3 714)
Net cash outflow from financing activities		**(5 919)**	(5 352)
Net (decrease)/increase in cash and cash equivalents for the year		**(191)**	195
Cash of associate becoming a subsidiary		**–**	2
Unrealised foreign currency translation adjustment on cash and cash equivalents		**(41)**	(24)
Cash and cash equivalents at the beginning of the year		**1 865**	1 692
Cash and cash equivalents at the end of the year		**1 633**	1 865

1 Related to the management of insurance liabilities operational cash flows and regulatory capital.
2 Related to long-term Investments of primarily shareholder capital.
3 The financial liabilities of the Group consist of the lease liabilities and the revolving credit facility . Refer to note 29 and note 33 for the reconciliations thereof.

1. General information

OUTsurance Group Limited (OGL), a listed public company incorporated in South Africa, its subsidiaries and associates (collectively referred to as the Group) is a financial services group offering insurance products. The Group has short-term insurance operations in South Africa, Australia and Ireland. The South African operation also underwrites long-term insurance products. In addition, the Group owns a portfolio of Fintech investments and an investment in an asset management entity.

2. Basis of preparation

The Group financial statements for the year ended 30 June 2026 have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards), the Financial Pronouncements as issued by the Financial Reporting Standards Council, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, JSE Listing Requirements and the Companies Act of South Africa.

The financial statements are prepared in accordance with the going concern principle using the historical cost basis except for certain financial assets and liabilities where it adopts the fair value basis of accounting. Such financial assets and liabilities include financial assets classified as fair value through other comprehensive income, financial instruments at fair value through profit or loss, including designated, and financial instruments at amortised cost.

The preparation of the financial statements necessitates the use of estimates, assumptions and judgements that affect the reported amounts in the statement of financial position and the statement of profit or loss and other comprehensive income. Where appropriate, details of estimates are presented in the accompanying notes to the consolidated financial statements. All monetary information and figures presented in these financial statements are stated in millions of Rand (R million), unless otherwise indicated.

All material accounting policies are contained in note 41. Only accounting policies relating to transactions occurring in the current and prior financial year have been included.

3. Management of risk and capital

3.1 Risk management framework

The Group has an Enterprise Risk Management framework to provide reasonable assurance that the Group's risks are being prudently and soundly managed. The framework is designed according to acceptable principles on Corporate Governance and Risk Management standards. The risk management framework outlines the key risks facing the business and how these risks are monitored and mitigated.

Risk and governance oversight is provided by the OUTsurance Group Board, OUTsurance Group Board Audit Committee (BAC), Group Board Risk and Compliance Committee (BRC), OUTsurance Holdings Asset, Liability and Capital Committee (ALCCO), OUTsurance Reinsurance Committee and the OUTsurance Holdings Risk Committee, the latter three being internal management committees.

3.2 Insurance risk management

3.2.1 Short-term insurance

(i) Terms and conditions of insurance contracts

The Group conducts short-term insurance business in different classes of short-term insurance risk. Below is a table showing the risks and the percentage insurance revenue earned per risk category.

Types of insurance contract written	South Africa		Australia			Ireland
	Personal	Commercial	Direct	BZI	CTP	Personal
Liability	–	6.4%	1.6%	6.1%	–	–
Miscellaneous	1.3%	–	–	–	–	–
Motor	66.2%	56.6%	65.7%	18.4%	–	88.0%
Personal accident	–	0.2%	–	–	100%	–
Property	32.5%	33.2%	31.8%	75.5%	–	12.0%
Transportation	–	3.6%	0.9%	–	–	–

The personal lines segment of the business provides insurance to the general public allowing them to cover their personal possessions and property. The commercial segment of the business targets medium and small businesses in South Africa. Insurance products are sold with either a monthly or an annual premium payable by the covered party or entity. The following gives a brief explanation of each risk:

Personal accident

Provides compensation arising out of death or disability directly caused by an accident occurring anywhere in the world, provided that death or disability occurs within twelve months of this accident.

Liability

Provides cover for risks relating to the incurring of a liability other than relating to a risk covered more specifically under another insurance contract.

Miscellaneous

Provides cover relating to all other risks that are not covered more specifically under another insurance contract. This class includes pet and motor warranty products as well as certain agricultural products related to livestock.

Motor

Provides indemnity cover relating to the possession, use or ownership of a motor vehicle. The cover includes comprehensive cover, third party, fire and theft and liability to other parties.

Property

Provides indemnity relating to damage to movable and immovable property caused by perils including fire, explosion, earthquakes, acts of nature, burst geysers and pipes and malicious damage.

Transportation

Provides cover to risks relating to stock in transit.

3. Management of risk and capital continued

3.2 Insurance risk management continued

3.2.1 Short-term insurance continued

(ii) Insurance risks

The primary activity of the Group relates to the assumption of possible loss arising from risks to which the Group is exposed through the sale of short-term insurance products. Insurance risks to which the Group is exposed relate to property, personal accident, liability, motor, transportation and other miscellaneous perils that may result from a contract of insurance. The Group is exposed to uncertainty regarding the timing, magnitude and frequency of such potential losses.

The theory of probability forms the core base of the risk management model. Through the continuous sale of insurance products and subsequent growth in the pool of insured risks, the Group can diversify its portfolio of risks and therefore minimise the impact of variability of insurance losses affecting that portfolio. Insurance perils are unpredictable in nature, timing and extent, which expose the Group to a risk that actual future insured losses exceed their expected values.

Along with its underwriting approach, the Group also manages its insurance risk through its reinsurance programme which is structured to protect the Group against material losses to either a single insured risk, or a group of insured risks in the case of a catastrophe where there would tend to be a concentration of insured risks. The reinsurance programme also provides protection against the occurrence of multiple natural catastrophe events.

Climate risk is an emerging risk which increases the group's insurance risk exposure to natural perils. This remains a top risk of the group as it exposes the group to more volatile earnings. This not only increases the cost of reinsurance but also the risk of availability of reinsurance to offload the risk. The Group can reprice for climate risk and it will remain a watch item as part of the underwriting and reinsurance strategy of the Group.

The underwriting of insurance risk and the passing on of risk beyond appetite to reinsurers is further described below.

Underwriting strategy

The Group aims to diversify the pool of insured perils through writing a balanced portfolio of insurance risks over a large and differentiated geographical area. Products are priced using statistical regression techniques which identify risk factors through correlations identified in past loss experiences. Risk factors would typically include factors such as age of the insured person, past loss experiences, past insurance history, type and value of asset covered, security measures taken to protect the asset, major use of the covered item, and so forth. Risks are priced and accepted on an individual basis. Insurance premiums charged for a certain pool of risks are adjusted frequently according to the normalised loss ratios experienced on that pool of risks.

Insurance risk is monitored within the Group on a daily basis to ensure that risks accepted by the Group for its own account are within the limits set by the Board of directors. Exception reporting is used to identify areas of concentration of risk so that management are able to consider the levels adopted in the reinsurance programme covering that pool of risk.

Risks are rated individually by programmes loaded onto the computer system based on information captured by staff for each risk. Conditions and exclusions are also automatically set at an individual risk level. Individual risks are only automatically accepted up to predetermined thresholds which vary by risk type. Risks with larger exposure than the thresholds are automatically referred and underwritten individually by the actuarial department. These limits are set at a substantially lower level than the reinsurance retention limits. No risks which exceed the upper limits of the reinsurance programme can be accepted without the necessary facultative cover being arranged. Non-claims bonuses which reward customers for not claiming also form part of the Group's Southern African and OUTsurance Ireland's underwriting strategy.

Multi-claimants are also monitored and managed by tightening conditions of cover or ultimately cancelling cover.

3. Management of risk and capital continued

3.2 Insurance risk management continued

3.2.1 Short-term insurance continued

(ii) Insurance risks continued

Reinsurance strategy

The Group reinsures a portion of the risk it assumes through its reinsurance programme in order to control the exposure of the Group to losses arising from insurance contracts and in order to protect the profitability of the Group and its capital. A suite of treaties is purchased in order to limit losses suffered from individual and aggregate insurance risks.

- **OUTsurance Insurance Company Limited (OUTsurance):**

OUTsurance makes use of two non-proportional reinsurance treaty arrangements, as well as facultative placements in order to mitigate risk.

Risk excess-of-loss (XL) cover is utilised for the property and liability risk classes. The deductible, layer limits and number of reinstatements for each layer vary based on class and are governed by the OUTsurance Reinsurance Policy. Additionally, advice from OUTsurance's reinsurance broker and results from internal investigations are considered. For property risks, any risk in excess of the risk XL top limit of R150 million will be placed facultatively. The same is true for liability risks over R50 million. The following key measures define OUTsurance's risk appetite when determining reinsurance for single large losses:

- Maximum Event Retention (MER)[1] (per Risk) should not exceed 0.3% of the expected annual Gross Earned Premium (GEP) for the particular treaty year;
- MER (multiple Risks) should not exceed 2% of the expected annual GEP for the particular treaty year; and
- The probability of an insufficient number of reinstatements for each layer should be less than 1%.

Limits are also placed on exposure to individual counterparties based on credit rating and jurisdiction equivalency.

Reinstatement premiums are payable to the extent that reinsurance for individual losses under the risk XL and catastrophe events under the catastrophe XL is utilised, on a pro-rata basis.

Catastrophe XL cover is utilised to help manage accumulation risk. The key classes exposing OUTsurance to catastrophe risk include property, motor and engineering of which property is the primary contributor. The deductible, layer limits and number of reinstatements are determined following intensive catastrophe modelling conducted both internally and by OUTsurance's reinsurance broker in conjunction with consideration of the OUTsurance Reinsurance Policy.

The following key measures define OUTsurance's risk appetite when determining reinsurance for catastrophes:

- MER (per catastrophe) should not exceed 3.6% of the expected annual Gross earned premium (GEP) for the particular treaty year. Catastrophe cover attaches R200 million deductible;
- MER (multiple catastrophes) should not exceed 7% of the expected annual GEP for the particular treaty year; and
- The probability of an insufficient number of reinstatements for each layer should be less than 0.5%.

Limits are also placed on exposure to individual counterparties based on credit rating and jurisdiction equivalency.

1 Maximum Event Retention (MER) is defined as the net loss after allowance for reinsurance recoveries including reinstatement premiums payable. Therefore, calculated as the shortfall between the gross claim and the top limit (if any) plus retention plus reinstatement premium.

3. Management of risk and capital continued

3.2 Insurance risk management continued

3.2.1 Short-term insurance continued

(ii) Insurance risks continued

Reinsurance strategy continued

- **Youi Pty Limited (Youi)**

Youi makes use of proportional and non-proportional reinsurance arrangements in order to limit net risk retention, mitigate earnings volatility, and provide protection against severe catastrophe and large loss events.

Quota Share reinsurance is utilised in the current financial year for Cyclone Pool reinsurance, where 100% is ceded for eligible losses from any cyclone event, as declared by the Australian Reinsurance Pool Corporation (ARPC). The SA CTP quota share treaty lapsed on 30 June 2025.

Individual risk reinsurance is purchased up to the maximum policy limits via risk excess of loss reinsurance for property and liability risk classes. The deductible, layer limits and number of reinstatements for each layer vary based on class and are governed by Youi's Reinsurance Placement Strategy and Reinsurance Management Strategy. Additionally, advice from Youi's brokers and internal assessments are considered.

For individual property (Youi Direct and BZI), no risk exceeded the risk XL top limit of A$10.0 million. The same is true for liability risks, with no risk exceeding A$20 million (Youi Direct, BZI SME and BZI Home Business Extension) or A$30 million (BZI Home and Motor). No facultative cover was used.

The following key measures define Youi's risk appetite when determining reinsurance for single large losses:

- MER (per risk) may not exceed A$2.5 million;
- Multiple reinstatements are purchased or negotiated in advance to minimise the possibility of insufficient cover for a frequency of losses. Unlimited reinstatements are provided for liability classes (including CTP);
- Reinsurer participations are determined in line with stated requirements in the Reinsurance Management Strategy, to manage counterparty credit risk and achieve the objective of having diverse and strongly rated reinsurance partners.

Catastrophe XL reinsurance is utilised to help manage accumulation risk. The key classes exposing Youi to catastrophe risk include property, SME commercial property and motor. Property is the primary contributor. The deductible, layer limits and number of reinstatements are determined following intensive catastrophe modelling conducted by Youi's broker AON and take into consideration the guidelines set by the regulator for the company's capital adequacy assessment.

The following key measures define Youi's risk appetite when determining reinsurance for catastrophes:

- MER (per catastrophe) should not exceed A$65million;
- Sufficient Catastrophe cover is purchased to cover the Company up to its 1 in 200-year event as determined by the aforementioned exposure analysis. In purchasing reinsurance, Youi buys additional cover above the 1:200 level as a buffer against, for example, greater than anticipated growth, modelling uncertainty and post loss inflation;
- A single prepaid reinstatement is negotiated for the catastrophe programme with an additional two prepaid reinstatements purchased on the first layer as a capital protection against frequency of losses;
- Limits are also placed on exposure to individual counterparties by layer and over the whole programme;
- Reinsurer participations are monitored by credit rating and APRA authorisation status; and
- Youi manages volatility, and increases capital efficiency, through the purchase of underlying third and fourth event covers and a sublayer which sits below the first and second event catastrophe programme.

3. Management of risk and capital continued

3.2 Insurance risk management continued

3.2.1 Short-term insurance continued

(ii) Insurance risks continued

Reinsurance strategy continued

- **OUTsurance Ireland DAC (OUTsurance Ireland)**

OUTsurance Ireland makes use of non-proportional reinsurance arrangements in order to mitigate risk. The company, through its reinsurance programme, controls its exposure to losses arising from insurance contracts and protects the profitability of the company and its capital. A suite of treaties is purchased in order to limit losses suffered from individual and aggregate insurance risks.

Risk excess of loss cover is utilised for the property and liability risk classes. The deductible, layer limits and number of reinstatements for each layer vary based on class and are governed by the Company's reinsurance strategy and reinsurance management strategy. Additionally, advice from the Company's reinsurance broker and internal investigations are considered.

For motor risks, in the event that any risk might exceed the risk XL retention level of EUR 1 million (risk excess) it would be covered under the XL treaty. The following key measures define the OUTsurance Ireland's risk appetite when determining reinsurance for single large losses:

- MER (per risk) may not exceed EUR 1 million;
- Per risk excess of loss cover is purchased to protect the Company's net retention under the motor XL treaty;
- Multiple reinstatements are purchased in advance to minimise the possibility of insufficient cover for a frequency of losses. Unlimited reinstatements are provided for motor liability classes; and
- On the long tail liability contract, reinsurer participations are monitored by credit rating.

Limits are also placed on exposure to individual counterparties based on credit rating and jurisdiction equivalency.

Property catastrophe excess of loss reinsurance is utilized to help manage accumulation risk. The key classes exposing OUTsurance Ireland to catastrophe risk include property and motor. Property is the primary contributor. The deductible, layer limits and the number of reinstatements are determined following intensive catastrophe modelling conducted by company's broker. The following key measures define the company's risk appetite when determining reinsurance for property catastrophes:

- Single event retention (per catastrophe) should not exceed EUR 1 million;
- Sufficient catastrophe cover is purchased to cover the Company up to its 1:200 year event as determined by the aforementioned exposure analysis;
- A single reinstatement is purchased for the catastrophe programme; and
- Limits are also placed on exposure to individual counterparties by layer and over the whole programme reinsurer participations are monitored by credit rating.

OUTsurance Ireland only enters into reinsurance agreements with reinsurers which have credit ratings above a certain threshold as approved by the Board in the Group's Reinsurance Policy. Credit rating scales are defined in note 3.3.3.

Concentrations of risk and mitigating policies

Risk concentrations are monitored by means of exception reporting. When large risks are underwritten individually, the impacts which they could have on risk concentrations are considered before they are accepted. Marketing efforts are also coordinated to attract business from a wide geographical spread. Risks which could lead to an accumulation of claims as the result of a single event are declined due to inadequate diversification and overall pool of risk covered. Attention is paid to attract large numbers of relatively small independent risks which would lead to very stable and predictable claims experience.

The table below illustrates the concentration of insurance risk in terms of sum assured to which each geographical location is exposed to. The concentration risk which arises in each insurance entity is mitigated through the catastrophe excess of loss program entered into by that entity.

The single largest geographical exposure of the insurance operations in Ireland is concentrated in the capital city, with the remaining concentration spread across the country.

3. Management of risk and capital continued

3.2 Insurance risk management continued

3.2.1 Short-term insurance continued

(ii) Insurance risks continued

Concentrations of risk and mitigating policies continued

	Gross insurance exposure	
	2026	2025
South Africa		
Gauteng	**46.0%**	46.5%
Western Cape	**26.4%**	25.2%
KwaZulu Natal	**9.1%**	9.7%
Other	**18.5%**	18.6%
Australia		
Queensland	**22.3%**	20.4%
New South Wales	**31.5%**	30.3%
Victoria	**31.7%**	32.5%
Other	**14.5%**	16.8%

Exposure to catastrophes and policies mitigating this risk

Catastrophe modelling is performed to determine the impact of different types of catastrophe events (including natural disasters) in different geographical areas, at different levels of severity and at different times of the day. Catastrophe limits are set so as to render satisfactory results to these simulations. The catastrophe cover is also placed with reinsurers with a reputable credit rating and cognisance is taken of the geographical spread of the other risks underwritten by the reinsurers in order to reduce correlation of our exposure with the balance of their exposure. These reinsurance models are run at least annually to take account of changes in the portfolio and to take the latest potential loss information into account.

Profit sharing arrangements

A profit-sharing arrangement exists between the OUTsurance Insurance Company Limited (OUTsurance) and FirstRand Bank Limited. In terms of this profit-sharing arrangement, a portion of the operating profit generated on the Homeowners' insurance business referred by FirstRand Bank Limited businesses is paid to FirstRand Bank Limited by way of a bi-annual preference dividend. Where operating losses arise, OUTsurance remains liable for such losses in full, but these losses may be offset against future profit distributions.

3. Management of risk and capital continued

3.2 Insurance risk management continued

3.2.2 Long term insurance

(i) Terms and conditions of insurance contracts

The Group conducts long-term insurance business on various classes of long-term insurance risk and manages the sale of these classes of risk between direct and partnership segments. Products are only sold to the South African retail market. The types of insurance and investment products sold are as follows:

Insurance products

- Underwritten Life;
- Life Protector; and
- Funeral Plan.

Investment products

- Endowment.

The following gives a brief explanation of each product:

Underwritten Life

The Underwritten Life Insurance product is a fully underwritten product and covers the following insurance risks:

- Death cover;
- Disability cover;
- Critical illness cover; and
- Family funeral cover.

In the event of a valid death, permanent disability (occupational disability) or critical illness claim, OUTsurance Life Insurance Company Limited (OUTsurance Life) pays the contractual sum assured.

Life Protector

The Life Protector product is a limited underwritten product and provides the following cover:

- Death cover;
- Disability cover;
- Critical illness cover;
- Retrenchment cover;
- Temporary disability cover;
- Family funeral cover; and
- Premium waiver.

In the event of a valid death, permanent disability (occupational disability) or critical illness claim OUTsurance Life pays the contractual sum assured. In the event of a valid temporary disability or retrenchment claim, OUTsurance Life undertakes to pay the policyholder a monthly instalment of a specified percentage of the sum assured as well as the premium for the specified period. The Group discontinued sales of this product.

Funeral Plan

The OUTsurance Life Funeral Plan product is a limited underwritten product and provides the following cover:

- Death cover;
- Stillborn benefit;
- Premium waiver; and
- Repatriation benefit.

Endowment

OUTsurance Life offered a linked endowment policy with a term of 5 years, which is structured as a life insurance policy. This is a pure investment product and the investment risk is referenced to a zero-coupon deposit issued by a large South African bank. The Group discontinued sales of this product when its investment in OUTvest was sold.

3. Management of risk and capital continued

3.2 Insurance risk management continued

3.2.2 Long term insurance continued

(ii) Insurance risks

Insurance risks

The primary activity of OUTsurance Life relates to the assumption of loss arising from risks to which it is exposed through the sale of long-term insurance products. It is exposed to uncertainty regarding primarily the timing, frequency and to a lesser extent, the magnitude of such potential losses.

The theory of probability forms the core base of the risk management model. Through the continuous sale of insurance products and subsequent growth in the pool of insured risks, OUTsurance Life can diversify its portfolio of risks and therefore minimise the impact of variability of insurance losses affecting that portfolio.

Along with its underwriting approach OUTsurance Life also manages its insurance risk through its quota share and excess of loss reinsurance programme which is structured to protect it against material losses on single insured risks.

Climate risk is an emerging risk which increases the OUTsurance Life's insurance risk exposure to natural perils. This remains a top risk of OUTsurance Life as it exposes the company to more volatile earnings. This not only increases the cost of reinsurance but also the risk of availability of reinsurance to offload the risk. OUTsurance Life can reprice for climate risk and it will remain a watch item as part of the underwriting and reinsurance strategy of the OUTsurance Life Company.

The underwriting of insurance risk and the passing on of risk beyond appetite to reinsurers is further described below.

The most material risk assumed by OUTsurance Life is mortality risk linked to a death benefit and arises from insurance contracts entered with the retail market. The concentration risk of the total benefit is more specific to the target market per the distribution channels. The table below provides the concentration per OUTsurance Life's distribution channels, based on the latest assumptions as at 30 June:

	2026		2025	
R million	**Gross of reinsurance**	**Net of reinsurance**	Gross of reinsurance	Net of reinsurance
Value of benefits insured				
Direct business	**20 260**	**2 026**	17 097	1 710
Partnerships	**140 280**	**80 240**	126 270	74 524

Refer to note 27.17 and note 27.19 for a sensitivity analysis of insurance contract liabilities.

Mortality and morbidity risk

Mortality risk is the risk of loss arising due to actual death rates on life insurance business being higher than expected. Morbidity risk is the risk of loss arising due to policyholder health related claims being higher than expected.

The following processes and procedures are in place to manage mortality and morbidity risk:

- Premium rates are differentiated by factors which historical experience has shown are significant determinants of mortality and morbidity claims experience such as medical history and condition, age, gender, smoker status and HIV status;
- The expertise of reinsurers is used for pricing where adequate claims history is not available; and
- Reinsurance arrangements are put in place to reduce the mortality and morbidity exposure per individual policy and provide cover in catastrophic events.

3. Management of risk and capital continued

3.2 Insurance risk management continued

3.2.2 Long term insurance continued

(ii) Insurance risks continued

Underwriting experience risk

There is a risk that actual mortality and morbidity experience is higher than expected. This could arise as a result of the number of claims or the value of the claims being higher than expected within a period. Selection risk is the risk that worse than expected risks are attracted and charged inadequate premiums. There is also a risk that the number of claims can increase due to the emergence of a new disease or pandemic. Underwriting experience risk is managed through:

- **Product design and pricing**

Rating factors are applied to different premium rates to differentiate between different levels of risk. Amongst others, premiums are differentiated by age, gender, smoking status and medical history. Premium rates are approved and reviewed by the Head of Actuarial Function.

- **Underwriting**

Underwriting ensures that only insurable risks are accepted and that premiums accurately reflect the unique circumstances of each risk. The Group has developed an advanced medical underwriting system which captures detailed information regarding the customers' medical history and condition which is used for premium adjustments and to indicate where further underwriting is required by experienced medical underwriters. To verify the accuracy of customer data, customers who select the fully underwritten product are subject to various medical tests. Quality audits are performed on the underwriting process to ensure underwriting rules are strictly followed.

- **Reinsurance**

OUTsurance Life's quota share and excess of loss reinsurance programme mitigates claims volatility and risk accumulation. Reinsurers also assist with pricing and product design decisions.

OUTsurance Life makes use of proportional reinsurance in order to mitigate risk given its growing nature and exposure to multiple product lines in the early stages of development. The percentage ceded varies based on product and is determined based on various factors including maturity of the line of business as well as inherent risk exposure for each line. Certain lines of business employ surplus reinsurance over and above conventional quota share reinsurance in order to introduce an upper bound to the risk exposure faced on large policies.

There are two Key Risk Indicators (KRIs) that define the risk appetite for OUTsurance Life:

Risk Type	Key Risk Indicator
Appropriate Cover	Single Risk Loss (net of Reinsurance) should be less than 5% of net monthly premiums.
Counterparty Default Risk	Exposure to counterparties with a Credit Quality Step (CQS) higher than 4.

In order to assess the exposure that OUTsurance Life has to a single large loss, the retained exposures of the biggest risks are measured and compared to the earned monthly premium net of reinsurance.

The CQS which are prescribed by the regulator, groups the issued credit ratings per reinsurer together and has an associated probability of default per CQS. The risk appetite for reinsurer counterparties is currently a CQS of 4 and lower and this is monitored on a quarterly basis.

- **Experience monitoring**

Experience investigations are conducted and corrective action is taken where adverse experience is noted.

3. Management of risk and capital continued

3.2 Insurance risk management continued

3.2.2 Long term insurance continued

(ii) Insurance risks continued

Lapse risk

Policyholders have the right to cancel their policies at any given time during the policy duration. There is a risk of financial loss and reduced future profitability due to the lapse experience being higher than expected. Lapse risk is managed by ensuring:

- Appropriate product design and pricing;
- Providing high quality service; and
- Continuous experience monitoring.

Modelling and data risk

Modelling risk is the risk that discounted cash flow models used to calculate actuarial liabilities and valuations do not accurately project the policy cash flows into the future. Data risk is the risk that the data which is used by the above models is inaccurate relative to actual experience.

Modelling risk is mitigated by way of employing specialist actuarial software which is widely used by industry participants. The services of the Head of Actuarial Function are also employed to ensure models are accurately set up. Risk is further mitigated through periodic third line reviews.

Data risk is managed by using internal systems and data warehouse technology. Data reports are readily available and frequently used and reviewed by management to track performance and verify experience variables.

Expense risk

Expense risk is the risk that actual expenses are higher than the budgeted expenses on which premium rates are calculated. Expenses are monitored on a monthly basis against budgeted expenses. Any deviation from budget is investigated, reported and remedial action taken where necessary.

Higher than expected inflation is one potential cause of a deviation between actual and budgeted expenses. The Group therefore introduced an inflation linked derivative structure as part of the asset-liability matching strategy, where bond forward asset instruments are purchased to mitigate this risk. The aim is to provide protection against volatility in real cash flows (expenses) arising from changes in the inflation curve.

Non-claims bonus risk

Non-claims bonus risk is the risk that the future contractual bonus payments are higher than assumed in the calculation of the fulfilment cash flows or that the investment return received is lower than expected (economic risk). A decrease in the lapse rate will result in an increase in the non-claims bonus risk. This risk is managed by applying an appropriate lapse assumption to allow for uncertainty.

A decrease in interest rates would result in a lowering of the investment return achieved on the assets backing the bonus liabilities, increasing the economic risk. This risk is mitigated by a zero-coupon deposit matching strategy, where the investment return on the zero-coupon deposit matches the required investment return in both timing and amount.

Interest rate risk

Interest rate risk is managed by an asset-liability matching strategy which is executed by the use of interest rate derivative structures which are partially collateralised.

Profit-sharing arrangements

A profit-sharing arrangement has been entered into between OUTsurance Life and Shoprite Investments Limited. In terms of this profit-sharing arrangement, a portion of the operating profit generated on the funeral insurance business distributed through the Shoprite distribution network is paid to Shoprite Investments Limited by way of an annual preference dividend. Operating losses incurred are for OUTsurance Life's account. This contract is executory in nature.

3. Management of risk and capital continued

3.3 Financial risk management continued

The Group's activities expose it to a variety of financial risks: market risk (including equity price risk, interest rate risk and currency risk), credit risk and liquidity risk.

3.3.1 Financial instruments measured at fair value

The table below analyses financial instruments carried at fair value, by level of fair value hierarchy. The different levels are based on the extent that quoted prices are used in the calculation of the fair value of the financial instruments. These levels are defined as follows:

- Level 1 – fair value is based on quoted market prices (unadjusted) in active markets for identical instruments as measured on reporting date.
- Level 2 – fair value is determined through inputs, other than quoted prices included in Level 1 that are observable for the assets and liabilities, either directly (prices) or indirectly (derived from prices).
- Level 3 – fair value is determined through valuation techniques which use significant unobservable inputs.

The following table presents the Group's financial assets and liabilities that are measured at fair value:

R million	Level 1	Level 2	Level 3	Total
30 June 2026				
Financial assets				
Equity securities				
Exchange traded funds	**1 136**	**–**	**–**	**1 136**
Listed non-cumulative, non-redeemable preference shares	**143**	**–**	**–**	**143**
Collective investment schemes	**–**	**1 081**	**–**	**1 081**
Unlisted equity	**–**	**–**	**10**	**10**
Debt securities				
Collective investment schemes	**–**	**3 062**	**–**	**3 062**
Zero-coupon deposits	**–**	**1 770**	**–**	**1 770**
Government, municipal and public utility securities	**–**	**1 184**	**–**	**1 184**
Money market securities <1year	**–**	**2 184**	**–**	**2 184**
Money market securities >1 year	**–**	**2 791**	**–**	**2 791**
Zero-coupon deposits backing endowment policies	**–**	**1 940**	**–**	**1 940**
Unsecured investment in development fund	**–**	**–**	**131**	**131**
Contingent receivable	**–**	**–**	**88**	**88**
Derivative financial instruments				
Collateralised swaps	**–**	**163**	**–**	**163**
Total return swap	**–**	**16**	**–**	**16**
Bond forward	**–**	**6**	**–**	**6**
Total financial assets	**1 279**	**14 197**	**229**	**15 705**
Financial liabilities				
Debt securities				
Investment contract liability	**–**	**1 940**	**–**	**1 940**
Financial liabilities at fair value through profit or loss	**–**	**–**	**136**	**136**
Derivative financial instruments				
Interest rate swaps	**–**	**112**	**–**	**112**
Foreign exchange derivative	**–**	**28**	**–**	**28**
Total financial liabilities	**–**	**2 080**	**136**	**2 216**

3. Management of risk and capital continued

3.3 Financial risk management continued

3.3.1 Financial instruments measured at fair value continued

R million	Level 1	Level 2	Level 3	Total
30 June 2025				
Financial assets				
Equity securities				
Exchange traded funds	1 184	–	–	1 184
Listed non-cumulative, non-redeemable preference shares	227	–	–	227
Collective investment schemes		810	–	810
Unlisted equity	–	–	484	484
Debt securities				
Collective investment schemes	–	2 646	–	2 646
Zero-coupon deposits	–	1 730	–	1 730
Government, municipal and public utility securities	–	789	–	789
Money market securities <1year	–	1918	–	1918
Money market securities >1 year	–	3 046	–	3 046
Zero-coupon deposits backing endowment policies	–	1 863	–	1 863
Unsecured investment in development fund	–	–	84	84
Contingent receivable	–	–	74	74
Convertible loan	–	–	14	14
Derivative financial instruments				
Total return swap	–	249	–	249
Collateralised swaps	–	67	–	67
Foreign exchange derivative	–	10	–	10
Bond forward[1]	–	–	–	–
Total financial assets	1411	13 128	656	15 195
Financial liabilities				
Debt securities				
Investment contract liability	–	1 863	–	1 863
Financial liabilities at fair value through profit or loss	–	–	126	126
Derivative financial instruments				
Interest rate swaps	–	7	–	7
Total financial liabilities		1 870	126	1 996

1 An amount of R461 000 was excluded due to rounding.

There were no transfers between levels during the year ended 30 June 2026.

The fair values of the above instruments were determined as follows:

Level 1

The fair value of financial instruments traded in an active market is based on quoted market prices at the statement of financial position date. A market is regarded as active 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 on an arm's length basis.

- **Listed, non-cumulative, non-redeemable preference shares:** The listed preference share investments comprise instruments which are listed on a securities exchange. The fair values of these investments are calculated based on the quoted closing prices of the individual investments on reporting date. These instruments are included in Level 1 and comprise mainly equity and debt instruments classified as trading securities.
- **Exchange traded funds:** The investment in the exchange traded funds track the performance of the top fifty companies listed on the JSE.

3. Management of risk and capital continued

3.3 Financial risk management continued

3.3.1 Financial instruments measured at fair value continued

Level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are market observable, the instrument is included in Level 2.

Level 2 instruments comprise the following, with a description of their valuation techniques provided.

- **Collective investment schemes:** The Group is invested in various unit trusts that hold a diversified portfolio of assets. These instruments are fair valued monthly by multiplying the number of units held by the closing market price which is based on the most recently available observable inputs. The collective investment schemes include:
  - Money market funds: The Group utilises money market collective investment schemes for short-term cash preservation. These funds invest in a diversified portfolio of short-term, low risk debt instruments;
  - MSCI World: To increase the Group's foreign exposure it invested in MSCI world index feeder fund that invests in equities across developed markets;
  - Australian Equity Index Fund: An investment in a unit trust that tracks the performance of the top 300 companies listed on the ASX; and
  - Australian Bond fund: An investment in a fund that invests in government, government-related and investment grade corporate debt in issued in Australia.
- **Zero-coupon deposits:** These instruments are not traded actively during a financial reporting period. The Group uses zero-coupon deposits to offset the interest rate risk inherent in some of the life insurance products underwritten by OUTsurance Life. The counterparties to these deposits are the large South African banks. The zero-coupon deposits have been structured to allow for the payment of the notional initial deposit to be spread over the specified term to enable cash flow matching. The maturity dates of the accreting zero-coupon deposits are long-term, with maturity dates at the various trading dates not exceeding 15 years. The fair values of the accreting zero-coupon deposits are determined monthly based on observable market inputs. To determine the fair values of the accreting zero-coupon deposits, a risk-free Swap Yield Curve produced every business day by the Johannesburg Securities Exchange is referenced. The instruments are designated at fair value through profit or loss, with both the interest accrual and fair value accounted for in profit or loss. The entire balance of the zero-coupon deposits is exposed to credit risk, refer to note 3.3.3. The zero-coupon deposit has specifically remained classified as fair value through profit or loss under the 'accounting mismatch' rule as these financial assets have specifically been acquired to match the non-claims bonus portion of the policyholder liability.
- **Government, municipal and public utility securities and money market securities:** The fair value of money market instruments and government, municipal and public utility securities is determined based on observable market inputs. These instruments consist of fixed and floating rate notes held in segregated portfolios and are typically listed on the JSE Interest Rate Market. These listed instruments are not as actively traded as Level 1 instruments. The fair value of these instruments is determined by using market observable inputs. The fair value yield, term-to-maturity, coupon payments and maturity value are used to discount the expected cash flows of these instruments to their present value in determining the fair value at the financial year-end.
- **Zero-coupon deposits backing endowment policies and the investment contract liability backing the asset:** These instruments relate to a linked endowment policy. The fair value is based on the quoted interest rates provided in each contract. The Group is not the ultimate counterparty to these endowment policies but rather acts as an agent to the arrangement between the client and third party. As such the asset and liability are designed to set off against each other.
- **Foreign exchange derivative contracts:** The fair value of the foreign exchange derivatives is measured on a mark to market basis using the current exchange rate, the volatility of the underlying currency and the risk-free rate at reporting date. The risk-free rate is the issuer's chosen government bond yield which matches the term of the derivative.
- **Total return swap:** The Group entered into a total return swap to hedge its obligation under the ESOP cash settled share-based payment scheme. The fair value of the total return swap is based on the net of the growth of the underlying listed share price, relative to the purchase price, and the interest payable on the notional equity value based on 3-month JIBAR. The total return swaps entered into in the current financial year are exposed to ZARONIA.

3. Management of risk and capital continued

3.3 Financial risk management continued

3.3.1 Financial instruments measured at fair value continued

Level 2 continued

- **Interest rate swaps:** These swap arrangements consist of fixed for floating instruments. The fixed leg is priced at a fixed percentage plus a contractually agreed basis point adjustment and the floating leg is priced at 3-month JIBAR.
- **Collateralised swaps:** The fair value of the collateralised swap arrangement, whereby the R2048 government bond serves as collateral and is the underlying instrument, is determined in the same manner as other money market instruments described above.
- **Bond forward contract:** The fair value of the bond forwarded contract is derived from the fair value of the underlying bonds which are linked to the CPI index. The fair value of those bonds are calculated in the same manner as the other government and money securities described above.

The Group makes use of the interest rate swap, collateralised swap and bond forward arrangement to manage the interest rate risk contained in the non-bonus policyholder liability of OUTsurance Life. Refer to note 3.3.2 for further information with regards to how this arrangement manages interest rate risk.

Whilst the above instruments are not traded on an active market, the variable inputs relating to their valuation are readily available in the marketplace. The remaining inputs have been contractually agreed and are reflective of market-related terms and conditions.

Level 3

If one or more of the significant inputs are not based on observable market data, the instrument is included in Level 3. The instruments at fair value through profit or loss represent the following:

The table below analyses the movement of the total Level 3 financial assets as at 30 June:

R million	2026	2025
Opening balance at 1 July	**656**	1 111
Contingent receivable recognised	**4**	–
Additions	**44**	28
Disposals (sales and redemptions)	**(492)**	(29)
Foreign exchange adjustments	**–**	(1)
Fair value movement through profit or loss	**27**	(19)
Fair value movement through other comprehensive income	**(10)**	(434)
Closing balance at 30 June	**229**	656

- **Unlisted equity:**

The table below analyses the movement of the total unlisted equity as at 30 June:

R million	2026	2025
Opening balance at 1 July	**484**	–
Disposals (sales and redemptions)	**(463)**	918
Foreign exchange adjustments	**(1)**	–
Fair value movement through other comprehensive income	**(10)**	(434)
Closing balance at 30 June	**10**	484

Unlisted equity at fair value through profit or loss

The movements in fair value of the investment in The SA SME Fund Limited with a carrying value of R10 million (2025: R10 million) were immaterial in the current and prior financial year.

Unlisted equity at fair value through other comprehensive income

An asset worth R464 million (30 June 2025: R474 million) was disposed on 12 September 2025 at fair value of US$26.7 million. The remaining asset valued at no value and unchanged from 30 June 2025 is determined based on discounted cash flow calculations taking into account unobservable inputs of similar companies. The negative fair value movement on this portfolio relates primarily to persistent negative investor sentiment in respect of international postgraduate student lending to students aspiring to complete their postgraduate studies at top universities in the USA. Recent policy measures in the USA, which include a pause on visa interviews and mass revocation of student visas have resulted in a sharp decline in new international students. These policy measures together with constraints on the statement of financial position have placed significant strain on the Group's investment (via RMI Treasury Company Limited) in an international fintech platform, Prodigy, which offers loans to these students.

3. Management of risk and capital continued

3.3 Financial risk management continued

3.3.1 Financial instruments measured at fair value continued

Level 3 continued

- **Unsecured Investment in Development Fund:** The Group invested in the ASISA Enterprise Development Fund of which the objective is to make investments in underlying B-BBEE development entities. The nature of the underlying debt and equity investments are high risk, small- and medium sized businesses which are exposed to start-up, scale and macro-economic risk. As such gains and losses which could arise from the underlying investments are material, relative to the size of the Group's investment in the fund.

The investment is fair valued by multiplying the number of units held by the closing price per unit as valued by the fund. During the current financial year, an additional contribution was made and, in order to manage exposure within the funds, the overall contributions have been split between the existing fund and another fund with the same objectives. The respective unit price is R95 389 (2025: R87 194) and R96 991 (2025: R96 933). A 20% positive or negative change in the value of the underlying investments is deemed to be a reasonable expected range of potential fluctuation of the Group's investment and will result in the following fair value of the fund. The increase or decrease in fair value has a corresponding increase or decrease in profit or loss.

R million	Current	20% increase in fair value	20% decrease in fair value
30 June 2026			
Fair value	**131**	**157**	**105**
30 June 2025			
Fair value	84	100	67

The table below analyses the movement of the unsecured investment in development fund as at 30 June:

R million	2026	2025
Opening balance at 1 July	**84**	57
Additional investments	**44**	27
Fair value adjustments[1]	**3**	–
Closing balance at 30 June	**131**	84

1 Fair value adjustment of R96 000 in the prior financial year has been excluded due to rounding.

- **Contingent receivable:** The contingent receivable relates to the disposal of CloudBadger Technologies (Pty) Ltd (CloudBadger). The total consideration for the disposal is contingent on the revenue generated from the agreed contracts within CloudBadger. This will be calculated over the period that the contracts remain in force, up to a maximum of four years from the effective date of the sale and will be payable on an annual basis. The fair value of the contingent receivable as at 30 June 2026 is R4.0 million, R3.8 million of which is expected to be received in the next financial year on 1 October 2026. Refer to assets held for sale note 24 for more information regarding the sale of shares held in CloudBadger. Due to the value of the balance, the movement during the financial year is not deemed material.

  The balance of the contingent consideration at fair value of R84 million (2025: R74 million) is receivable on the third anniversary date (28 March 2027). The first receivable of R17 million was received during the prior financial year, the second receivable of R14 million was received during the current financial year. The value of the contingent consideration is inter alia determined based on performance fees earned by certain assets disposed of over a period of three years from the date of disposal.

The table below analyses the movement of the contingent receivable as at 30 June:

R million	2026	2025
Opening balance at 1 July	**74**	117
Contingent receivable recognised	**4**	–
Disposals (sales and redemptions)	**(15)**	(16)
Fair value movement through profit or loss	**25**	(27)
Closing balance at 30 June	**88**	74

3. Management of risk and capital continued

3.3 Financial risk management continued

3.3.1 Financial instruments measured at fair value continued

Level 3 continued

- **Convertible loan:** This was a loan with AutoGuru Australia Pty Limited (AutoGuru) which was convertible to ordinary shares in the event of default which also exposes the Group to equity price risk and therefore failed the SPPI criteria. The loan was therefore designated at fair value through profit or loss.

The fair value was determined based on a present value calculation taking into account the term to maturity, a market related interest rate and the recoverability of the loan. The fair value increased with the agreed repayment terms reached on the disposal of the Group's equity interest in AutoGuru, which increased the likelihood of recovery of the outstanding balance.

During the current financial year, this loan was settled by AutoGuru in line with the agreed repayment terms.

In the prior financial year, a 2% movement in the interest rate would have resulted in a fair value adjustment being recognised in profit or loss. Based on the fair value adjustment of R14 million, a 2% increase in interest rates would have increased profit or loss by R1 million to R15 million, while a 2% decrease in interest rates would have reduced profit or loss by R1 million to R13 million.

- **Financial liabilities at fair value through profit or loss:** The valuation of this financial instrument is based on the underwriting results of the insurance contracts written in terms of the FirstRand Bank Limited homeowners and the Shoprite funeral profit sharing arrangement and represents the accrued profit related to these arrangements.

Profits arising out of the profit-sharing arrangements accrue on a monthly basis and are distributed as preference dividends bi-annually to FirstRand Bank Limited. Profits arising out of the funeral profit sharing arrangement accrue on a monthly basis and are distributed as preference dividends annually to Shoprite Investment Limited. The significant unobservable input in the calculation of the preference dividends is the underwriting results of the profit-sharing arrangements which are measured in accordance with the Group's accounting policies for measuring insurance contracts. Should the profit of the profit-sharing arrangement increase or decrease by 10%, for instance, the preference dividend will also increase or decrease by 10%.

No assumptions or adjustments or any other inputs are made to the profits before or after distribution. Distribution of the profits arising are made in the form of preference dividends.

The table below analyses the movement of the Level 3 debt security as at 30 June:

R million	**2026**	2025
Opening balance at 1 July	**126**	113
Preference dividend paid	**(202)**	(198)
Profit accrued	**212**	211
Closing balance at 30 June	**136**	126

The profit or loss of these profit-sharing arrangements is sensitive to the insurance service results of the contracts issued in these arrangements.

3. Management of risk and capital continued

3.3 Financial risk management continued

3.3.2 Market risk

Market risk is the risk that the value of a financial instrument may fluctuate as a result of changes in the market price. Investments valued at fair value are therefore subject to changes in value due to market fluctuations, which may impact on the net income during those financial years in which such fluctuations occur. Market risk therefore comprises equity price risk, interest rate risk and currency risk.

Equity price risk

Equity price risk is the risk that the price of an equity instrument will fluctuate due to market forces rather than as a direct result of some other market risk such as currency or interest rate risk.

The Group is exposed to equity price risk because of the listed equity investments held by the Group and classified on the statement of financial position as fair value through profit or loss. The Group's objective is to earn competitive relative returns by investing in a diverse portfolio of high-quality, liquid securities. The Group's holdings are diversified across companies and concentration in any one company is limited by parameters established by management which is influenced by solvency capital requirements. The Group's ALCCO actively monitors equity assets owned by the Group as well as the concentration of these holdings.

The Group's ALCCO actively monitors equity assets owned by the Group as well as the concentration of these holdings.

R million	2026	2025
Exposure in South African market		
Ordinary shares and exchange trade funds		
Exchange traded funds	**1 136**	1 184
Unlisted equities	**10**	10
Perpetual preference shares		
Listed non-cumulative, non-redeemable preference shares	**143**	227
Collective investment schemes		
Collective investment schemes: Equities	**68**	42
Exposure in Australian market		
Collective investment schemes		
Collective investment schemes: Equities	**1 013**	768
Exposure in markets denominated in US Dollar		
Ordinary shares		
Unlisted equities	**–**	474
	2 370	2 705

3. Management of risk and capital continued

3.3 Financial risk management continued

3.3.2 Market risk continued

The Group's largest concentration of equity investments in one particular company is 6.2% (2025: 17.5%) of total assets subject to equity risk. Refer to note 3.3.1 for detail on the total unlisted equity of R10 million (2025: R484 million).

At 30 June 2026, the Group's total equity securities were recorded at their fair value of R2 370 million (2025: R2 705 million).

The following table illustrates the impact on profit or loss if the fair value of the instruments were to increase or decrease. The sensitivity was based on the annualised volatility of returns in the two territories (three territories for the prior financial year). The impact on equity is expected to be consistent with the impact on profit or loss (net of tax) and has therefore not been shown separately in the table.

An increase or decrease of 15% in the fair value of the assets exposed to equity price risk would result in the following changes in profit or other comprehensive income before tax of the Group:

	2026		2025	
R million	**15% increase in fair value of the unit price**	**15% decrease in fair value of the unit price**	15% increase in fair value of the unit price	15% decrease in fair value of the unit price
South African Equities	**294**	**(294)**	219	(219)
Australian Equities	**152**	**(152)**	115	(115)
Equities denominated in US Dollar (other comprehensive income)[1]	**–**	**–**	71	(71)

1 The movement in the unlisted equities denominated in US dollar would have impacted equity directly as these instruments are measured at fair value through OCI. All other equity instruments are measured at fair value through profit or loss.

The Group has Total return swaps (TRS) to hedge its exposure to the OGL shares contained in the conditional share plan and divisional incentive schemes of the Group to manage its equity price risk. Refer to note 22 for the nature of the derivative.

The new TRS contracts entered in the current financial period are linked to ZARONIA.

A subsequent 15% movement in the OGL share price and a 200-basis point move in the ZARONIA (JIBAR for the prior financial year) will have the following changes in profit or loss:

R million	**Current**	**15% increase in the equity fair value**	**15% decrease in the equity fair value**	**2% increase in interest rates**	**2% increase in interest rates**
30 June 2026					
Equity receipt[1]	**19**	**46**	**(9)**	**–**	**–**
Floating payment[2]	**(2)**	**–**	**–**	**(2)**	**(1)**
Net impact	**17**	**46**	**(9)**	**(2)**	**(1)**
30 June 2025					
Equity receipt[1,3]	266	533	–	–	–
Floating payment[2]	(18)	–	–	(22)	(14)
Net impact	248	533	–	(22)	(14)

1 The Group has the right to receive the growth in the OGL share price from contract inception.
2 Floating interest payable linked to ZARONIA (JIBAR for the prior financial year).
3 The impact of the 15% decrease in the equity fair value of R363 000 in the prior financial year was excluded due to rounding.

3. Management of risk and capital continued

3.3 Financial risk management continued

3.3.2 Market risk continued

Interest rate risk

Interest rate risk is the risk that the value or the future cash flow of a financial instrument will fluctuate as a result of a change in market interest rates.

The Group's financial assets are exposed to interest rate risk as a significant portion of the Group's assets are invested in interest rate sensitive debt and money market securities. The risk attached to these securities is managed according to pre-specified risk levels based on a mandate with the fund managers. Risk exposure to movements in yields is specified as a maximum value per interest rate point move per million rand invested. These levels are approved annually by the Board of directors and the Group ALCCO.

Transition to ZARONIA

South Africa's financial market is actively transitioning from the Johannesburg Interbank Average Rate (JIBAR) to the South African Rand Overnight Index Average (ZARONIA). The market is in the final stages of the transition, moving from policy planning to active implementation across all contracts.

- ZARONIA-linked instruments began trading in the derivative and cash markets in May 2025.
- As of 1 May 2026, the milestone of "no new JIBAR" has been met – from this date onward the market may not issue new instruments that reference JIBAR.
- 31 December 2026 is the date for JIBAR cessation, from which JIBAR will be discontinued and all contracts referencing JIBAR must be adjusted to ZARONIA.

Management initiated a transition approach to assess affected contracts, systems, processes and risk management activities.

Group's current JIBAR-related exposures yet to be transitioned include the investments in instruments through the money market and fixed income assets, the interest rate swaps held by OUTsurance Life and the Group's revolving credit facility.

At the reporting date, management does not expect the transition to have a material impact on the Group's financial position or results of operations. Any modifications to contractual cash flows arising solely as a direct consequence of the benchmark reform, and which are economically equivalent, will be accounted for in accordance with the IFRS interest rate benchmark reform amendments.

As at 30 June 2026, the fair value of the Group's exposure to ZARONIA-linked instruments comprised money market assets of R1 160.8 million and interest rate swaps held by OUTsurance Life of R1.8 million.

The ZARONIA rate of 6.99% and the JIBAR rate of 6.86% as at 30 June 2026 did not expose the Group to materially different interest rate risk.

The Group's exposure to interest rate risk is R29 675 million (2025: R26 487 million), which consists of fixed rate instruments of R20 155 million (2025: R17 317 million) and variable rate instruments of R9 520 million (2025: R9 170 million).

An increase or decrease of 2% in the market interest rate would result in the following changes in profit or loss and other comprehensive income before tax of the Group and equity. A 2% movement is reflective of potential changes in the interest rate in the current economic environment.

3. Management of risk and capital continued

3.3 Financial risk management continued

3.3.2 Market risk continued

Interest rate risk continued

R million	2026 2% increase	2026 2% increase	2025 2% increase	2025 2% increase
Amortised cost instruments				
Fixed rate instruments				
Cash and cash equivalents	**4**	**(4)**	4	(4)
Term deposits	**(337)**	**337**	(287)	287
Variable rate instruments				
Cash and cash equivalents	**28**	**(28)**	34	(34)
Term loan	**(2)**	**2**	–	–
Fair value through profit or loss				
Fixed rate instruments				
Zero-coupon deposits backing endowment policies	**39**	**(39)**	37	(37)
Convertible loan	**–**	**–**	1	(1)
Variable rate instruments				
Collective investment schemes	**24**	**(24)**	15	(15)
Money market securities <1 year	**1**	**(1)**	–	–
Fair value through other comprehensive income				
Fixed rate instruments				
Government, municipal and public utility securities	**(29)**	**32**	(9)	10
Money market securities <1 year	**(4)**	**4**	(3)	3
Money market securities >1 year	**(3)**	**3**	(6)	6
Variable rate instruments				
Government, municipal and public utility securities	**(33)**	**36**	(26)	29
Money market securities <1 year	**(17)**	**18**	(15)	15
Money market securities >1 year	**(116)**	**125**	(121)	131
Collective investment schemes	**37**	**(37)**	38	(38)
	(408)	**424**	(338)	352

3. Management of risk and capital continued

3.3 Financial risk management continued

3.3.2 Market risk continued

Interest rate risk continued

The Group's asset portfolio used to match regulatory long-term insurance contract liabilities is exposed to interest rate risk. At 30 June 2026, the carrying value and fair value of this portfolio was R1 826.0 million (2025: R1 730.1 million). A 200-basis point shift in the market yield curve would result in the following changes in the profit or loss and corresponding capital value of this portfolio:

	2026		2025	
R million	**2% increase**	**2% decrease**	2% increase	2% decrease
Zero-coupon deposits	**(128)**	**142**	(155)	174
Derivative financial instruments – Interest rate swap	**338**	**(395)**	240	(280)
Derivative financial instruments – Bond forward	**(54)**	**73**	(39)	51
Derivative financial instruments – Collateralised swap	**(124)**	**244**	(44)	85
Total net impact[1]	**32**	**64**	2	30

1 The impact on equity is expected to be consistent with the impact on profit or loss (net of tax) and has therefore not been shown separately in the table.

Currency risk

Currency risk arises on financial instruments that are denominated in a currency other than its functional currency.

Translation risk arises as a result of movements between the functional currencies of foreign subsidiaries and the Group's reporting currency.

The Group's exposure to translation risk is mainly in respect of foreign investments made in line with the long-term strategy approved by the Board for seeking international diversification of investments to expand its income stream. The Group has investments in foreign subsidiaries and associates whose net assets are exposed to currency translation risk, primarily the Australian Dollar and Euro.

The foreign exchange profits or losses arising from the translation of the Group's foreign subsidiaries' statements of financial position from their functional currencies into Rand are recognised in the foreign currency translation reserve (FCTR). The movements in exchange rates therefore have no impact on profit. The FCTR is realised in profit or loss on disposal of the foreign companies.

The Group's exposure to currency risk due to transactions denominated in foreign currency for the current financial year is considered not significant.

3. Management of risk and capital continued

3.3 Financial risk management continued

3.3.2 Market risk continued

Currency risk continued

The table below sets out the balances of financial instruments denominated in Australian Dollar:

	2026		2025	
	A$ million	**R million**	A$ million	R million
At 30 June				
Convertible loan to Autoguru	**–**	**–**	1	14
Foreign bank account	**1**	**6**	2	27
Exchange rates:				
Closing rate at 30 June 2026	11.34			
Closing rate at 30 June 2025	11.68			

The table below sets out the balances of financial instruments denominated in US Dollar:

	2026		2025	
	US$ million	**R million**	US$ million	R million
At 30 June				
Unlisted equity	**–**	**–**	27	474
Exchange rates:				
Closing rate at 30 June 2026	n/a			
Closing rate at 30 June 2025	17.75			

In the prior financial year, an appreciation or depreciation of 1ZAR to the US$ would have resulted in other comprehensive income before tax of the Group decreasing by R26.7 million or increasing by R26.7 million.

Foreign exchange derivatives

The Group utilises derivative financial instruments to reduce the impact of the currency risk contained in its open foreign currency exposures. The Group undertakes transactions involving derivative financial instruments with other financial institutions.

During the current and prior financial year, the Group entered into foreign derivative contracts to economically hedge its exposure against the volatility of the Rand against the Euro. The Euro FEC was entered into to hedge the €10 million additional capital investment in OUTsurance Irish Insurance Holdings Limited, which is due in November each year as part of the incremental capital investment over the next 5 years to meet the minimum capital requirements of the Central Bank of Ireland. An additional €20 million is expected to be invested in November 2026 to assist with funding the scaling of the Irish operations. This additional capital has also been hedged with FECs.

The table below sets out the Forward Exchange Contracts (FEC's) entered into by the Group:

Million	**FEC currency**	**FEC weighted average strike price**	**Foreign currency contract amount**	**Current Rand Exposure**	**Fair value at 30 June 2026**
At 30 June 2026					
EUR FEC	**EURO**	**19.65**	**30**	**590**	**(28)**

Million	FEC currency	FEC weighted average strike price	Foreign currency contract amount	Current Rand Exposure	Fair value at 30 June 2025
At 30 June 2025					
EUR FEC	EURO	R19.93	10	199	10

3. Management of risk and capital continued

3.3 Financial risk management continued

3.3.3 Credit risk

Credit risk is the risk that a financial asset may not be realisable due to the inability or unwillingness of the issuer of such an instrument to discharge its contractual obligations over the expected life of the financial instrument. The key areas where the Group is exposed to credit risk are:

- Cash and cash equivalents;
- Loans and receivables at amortised cost;
- Favourable derivative financial instruments;
- Financial assets measured at fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVPL);
- Reinsurers' share of insurance liabilities; and
- Amounts due from debtors.

The Group limits its counterparty exposures from its money market and preference share investment operations by investing in entities with a minimum credit rating and ensuring counterparty diversification. The credit quality of the Group's counterparties as well as the exposure to credit risk is monitored by the Group's ALCCO against a set Board investment mandate. The mandate is informed by the prudential regulatory capital requirements of each entity.

The table below indicates the credit quality of the Group's financial assets:

R million	AAA	AA	A	BBB	BB	B	CCC	Not rated	Total
At 30 June 2026									
Reinsurance contract assets[1]	**240**	**1 817**	**562**	**6**	**–**	**–**	**–**	**(26)**	**2 599**
Term deposits	**–**	**16 842**	**–**	**–**	**–**	**–**	**–**	**–**	**16 842**
Collective investment schemes	**–**	**1 178**	**–**	**1 851**	**31**	**–**	**–**	**2**	**3 062**
Cash and cash equivalents	**–**	**826**	**20**	**20**	**767**	**–**	**–**	**–**	**1 633**
Other receivables[2]	**–**	**373**	**–**	**–**	**5**	**–**	**–**	**316**	**694**
Government, municipal and public utility securities	**–**	**–**	**–**	**–**	**1 180**	**–**	**2**	**2**	**1 184**
Money market securities >1 year	**–**	**–**	**–**	**–**	**2 702**	**89**	**–**	**–**	**2 791**
Money market securities <1 year	**–**	**–**	**–**	**–**	**2 134**	**50**	**–**	**–**	**2 184**
Zero-coupon deposits backing endowment policies	**–**	**–**	**–**	**–**	**1 940**	**–**	**–**	**–**	**1 940**
Zero-coupon deposits	**–**	**–**	**–**	**–**	**1 770**	**–**	**–**	**–**	**1 770**
Unsecured investment in development fund	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**131**	**131**
Contingent receivable	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**88**	**88**
Preference share investment	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1**	**1**
Term loan	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**87**	**87**
Total	**240**	**21 036**	**582**	**1 877**	**10 529**	**139**	**2**	**601**	**35 006**

1 Reinsurance creditors included in the unrated counterparty credit rating exposure exceed the related assets included in this balance.
2 This excludes receivables classified as non-financial assets. The unrated receivable is materially related to unrated brokers and intermediaries who collect premiums from policyholders. Credit quality assessment is done through the underwriting process of the policyholder.

3. Management of risk and capital continued

3.3 Financial risk management continued

3.3.3 Credit risk continued

R million	AAA	AA	A	BBB	BB	B	CCC	Not rated	Total
At 30 June 2025									
Reinsurance contract assets	814	1 320	213	3	3	–	–	–	2 353
Term deposits	–	14 347	–	–	–	–	–	–	14 347
Cash and cash equivalents	–	1 210	–	639	16	–	–	–	1 865
Collective investment schemes	–	743	1 893	7	2	–	–	1	2 646
Other receivables[1]	–	329	–	19	–	–	–	1 311	1 659
Zero-coupon deposits	–	–	–	740	846	144	–	–	1 730
Government, municipal and public utility securities	–	–	–	–	780	4	3	2	789
Money market securities >1 year	–	–	–	–	2 950	96	–	–	3 046
Money market securities <1 year	–	–	–	–	1 900	18	–	–	1 918
Zero-coupon deposits backing endowment policies	–	–	–	–	1 863	–	–	–	1 863
Unsecured investment in development fund	–	–	–	–	–	–	–	84	84
Contingent receivable	–	–	–	–	–	–	–	74	74
Convertible loan	–	–	–	–	–	–	–	14	14
Preference share investment	–	–	–	–	–	–	–	8	8
Total	814	17 949	2 106	1 408	8 360	262	3	1 494	32 396

1 This excludes receivables classified as non-financial assets. The unrated receivable is materially related to unrated brokers and intermediaries who collect premiums from policyholders and once-off receivables from a corporate transaction. Credit quality assessment is done through the underwriting process of the policyholder.

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial asset in the table above, except for the reinsurance contract assets that only represents the credit quality of the balance.

3. Management of risk and capital continued

3.3 Financial risk management continued

3.3.3 Credit risk continued

As at 30 June 2026, the maximum exposure to credit risk from reinsurance contracts, which relates to incurred claims recoverable from the re-insurers, is R2 625 million (2025: R2 167 million). The credit quality of the balance of this exposure is as follows:

R million	2026	2025
Credit rating		
AAA	**238**	814
AA	**1 765**	1 062
A	**496**	171
BBB	**3**	3
Unrated	**123**	117
Total	**2 625**	2167

As at 30 June 2026, the maximum exposure to credit risk on insurance contracts is R162 million (2025: R117 million), which relates to premiums receivable for services the Group already provided. These balances are considered unrated as they relate to receivables from policyholders who do not have a credit rating. The credit quality assessment is done through the underwriting process of the policyholder:

R million	2026	2025
Credit rating		
OUTsurance	**160**	116
Youi	**1**	1
OUTsurance Ireland[1]	**1**	-
Total	**162**	117

1 A balance of R185 000 in the prior financial year has been excluded due to rounding.

Where available, the Group utilises the credit ratings per counterparty as provided by each of the major credit rating agencies to determine the credit quality of a specific instrument. Where the instrument credit rating is not available, the credit rating of the counterparty as provided by the major credit ratings agencies is utilised.

In instances where the credit rating for the counterparty is not available, the Group utilises the credit rating provided by a service provider amended to take into account the credit risk appetite of the Group. The internal methodology of the service provider provides a credit rating which assesses the counterparty's credit quality based on its financial standing.

During the current financial year, the Group improved its credit rating mapping process to map credit ratings from different ratings agencies to the Group's disclosable credit ratings, per the mapping guidance, which is accepted by the Regulator and applied by the industry. This has caused movements in the credit ratings for cash and cash equivalents, Zero coupon deposits and the Government, municipal and public utility securities and money market securities. The underlying credit quality of the instruments hasn't changed. Although the Land Bank instrument is rated CCC, the exposure is subject to ongoing monitoring by the ALCCO.

This methodology has been approved by the Group's ALCCO. Should the service provider not provide a credit rating, the counterparty is shown as unrated.

The ratings are defined as follows:

Long-term ratings

AAA Highest credit quality. The ratings denote the lowest expectation of credit risk, 'AAA' ratings are assigned only in the case of exceptionally strong capacity or payment of financial commitments.

AA Very high credit quality. 'AA' ratings denote expectations of very low credit risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

A High credit quality. 'A' ratings denote expectations of low credit risk. The capacity for payment of financial commitments is considered strong. The capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings.

3. Management of risk and capital continued

3.3 Financial risk management continued

3.3.3 Credit risk continued

Long-term ratings continued

BBB Good credit quality. 'BBB' rating indicates a low expectation of credit risk. They indicate adequate capacity for timely payment of financial commitments. Changes in circumstances or in economic conditions are more likely to impair this capacity than is the case for higher ratings.

BB Speculative quality. 'BB' ratings indicate that there is a possibility of credit risk developing, particularly as the result of adverse economic change over time; however, business or financial alternatives may be available to allow financial commitments to be met. Securities rated in this category are not investment grade.

B Highly speculative. 'B' rating indicate that material default risk is present, but a limited margin of safety remains. Financial commitments are currently being met, however capacity for continued payment is vulnerable to deterioration in the business and economic environment.

CCC Poor credit quality. 'CCC' rating indicates that default is highly probable and that the instrument carries a high credit risk.

Impairment of financial assets

Calculation of Expected Credit Losses (ECL)

The ECL 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 accurate data to determine whether a significant increase in credit risk occurred since initial recognition, the probability of default (PD), the loss given default (LGD) and the possible exposure at default (EAD). Of equal importance is sound correlation between these parameters and forward-looking economic conditions.

ECL reflects the Group's own expectations of credit losses discounted to its present value. However, when considering all reasonable and supportable information that is available without undue cost or effort in estimating ECL, the Group also considers observable market information about the credit risk of the particular financial instrument or similar financial instruments.

The ECL loss allowances are measured on either of the following bases:

- 12-month ECL: ECL that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECL: ECL that result from all possible default events over the expected life of a financial instrument.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, which are measured as 12-month ECL:

- Financial assets that are determined to have low credit risk at the reporting date; and
- Financial assets where credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Exposures are assessed on a per instrument type basis unless there is sufficient evidence that one or more events associated with an exposure could have a detrimental impact on future cash flows. Where such evidence exists, the exposure is assessed on an individual instrument basis. Financial assets are also grouped according to the type of financial asset. The Group makes use of estimates of PDs, LGDs and EADs to calculate the ECL balance for financial assets.

Depending on the relevant information available, PDs are based on historic default rate factors and linked to national scale credit ratings assigned to the issuing parties.

LGDs are derived from a free cash flow (FCF) forecast taking into account the interest rate spreads attached to the instruments. The FCF is discounted at the discount rates provided by the regulating authority, which takes the current and expected macro-economic conditions into account. The LGD represents losses expected on default, taking into account the mitigating effect of collateral, its expected value when realised and the time value of money.

EADs are determined with reference to expected amortisation schedules, historical payment patterns and taking into account credit conversion factors as applicable for undrawn or revolving facilities.

3. Management of risk and capital continued

3.3 Financial risk management continued

3.3.3 Credit risk continued

Impairment of financial assets continued

The market risk capital calculation prescribed under the current regulatory regime is used as a reference point in the above calculations.

The maximum period considered when estimating ECL is the maximum contractual period over which the Group is exposed to credit risk. The ECL calculation of a financial instrument takes into account both the contractual and available behavioural repayment patterns over the relevant estimation period.

The gross carrying amount of instruments subject to ECL is written off or reduced when there is no reasonable expectation of recovering a financial instrument in its entirety or a portion thereof.

Significant increase in credit risk and default

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers quantitative and qualitative information based on the Group's historical experience, credit assessment and forward-looking information. The Group's assessment of a significant increase in credit risk subsequent to initial recognition is performed through credit quality assessments of the debt instruments as well as that of the issuing party throughout the financial year. This includes the use of market indicators.

The credit quality of debt instruments is assessed on a monthly basis by means of ensuring that the credit rating of an individual instrument has not deteriorated to a point where it breaches the Group's investment policy. The Group's investment policy allows for investments to be made in high quality debt instruments. If the investment policy is breached, the impact on the ECL will be assessed.

The assessment described above is part of the Group's ongoing monitoring of its investment portfolios. When making a quantitative assessment, the Group uses the change in the PD occurring over the expected life of the financial instrument. This requires a measurement of the PD at initial recognition and at the reporting date.

The Group deems that a significant increase in credit risk arises when a debtor is 30 days past due in making a contractual payment.

A financial asset is in default when the financial asset is credit-impaired or if the financial asset is 90 days past due.

Forward looking information

The yield curves and discount rates utilised to project the forward rate spreads on the financial instruments takes macro-economic conditions into account. Macro-economic market conditions are based on the expectations of the debt market such as economic, political and market liquidity risks. These yield curves and discount rates are utilised to calculate the present value of future cash flows taking into account the unsystematic risk for future periods. This, coupled with the credit outlook attached to a specific financial instrument, is utilised to calculate the PD and LGD based on the formulas prescribed by the current regulatory regime.

3. Management of risk and capital continued

3.3 Financial risk management continued

3.3.3 Credit risk continued

Analysis of credit risk and allowance for ECL

The following table sets out information about the credit quality of financial assets at 30 June 2026 where it carries credit risk. The total carrying amounts represent the maximum exposure to credit risk at the reporting date:

R million	Gross carrying amount Subject to 12-month ECL	Gross carrying amount Subject to lifetime ECL
At 30 June 2026		
Cash and cash equivalents	**1 633**	**–**
Term deposits	**16 842**	**–**
Term loan	**87**	**–**
Preference share investment	**–**	**1**
Government, municipal and public utility securities	**1 182**	**2**
Money market securities <1 year	**2 184**	**–**
Money market securities >1 year	**2 791**	**–**
Other receivables	**694**	**–**
Total	**25 413**	**3**

R million	Gross carrying amount Subject to 12-month ECL	Gross carrying amount Subject to lifetime ECL
At 30 June 2025		
Cash and cash equivalents	1 865	–
Term deposits	14 347	–
Preference share investment	–	6
Government, municipal and public utility securities	786	3
Money market securities <1 year	1 918	–
Money market securities >1 year	3 046	–
Other receivables	1 659	–
Total	23 621	9

3. Management of risk and capital continued

3.3 Financial risk management continued

3.3.3 Credit risk continued

Analysis of credit risk and allowance for ECL continued

The loss allowance for debt investments at FVOCI in 30 June 2026, is recognised in profit or loss and reduces the fair value loss otherwise recognised in OCI.

R million	12-month ECL[1]	Lifetime ECL[2]	Total
2026			
Expected credit losses			
Preference share investment	**–**	**1**	**1**
Government, municipal and public utility securities	**4**	**1**	**5**
Money market securities <1 year	**6**	**–**	**6**
Money market securities >1 year	**8**	**–**	**8**
Total	**18**	**2**	**20**

R million	12-month ECL[1]	Lifetime ECL[2]	Total
2025			
Expected credit losses			
Preference share investment	–	3	3
Government, municipal and public utility securities	3	1	4
Money market securities <1 year	5	–	5
Money market securities >1 year	9	–	9
Total	17	4	21

1 Financial assets subject to 12-month ECL have an investment grade credit rating of AAA to BB.
2 Financial assets subject to lifetime ECL have a sub-investment grade of B and lower.

The movement in the ECL allowance is primarily attributable to the increase in the balances of the money market segregated portfolios, resulting in a corresponding increase in the Group's exposure to expected credit losses:

The counter party exposure changed from the prior year, with exposure in

- Banking counterparties decreasing from 64.2% to 56.6%;
- Corporate counterparties increasing from 22.1% to 24.0%; and
- Government counterparties increasing from 13.7% to 19.4%.

Reinsurance credit exposures

Under the terms of reinsurance agreements, reinsurers agree to reimburse the ceded amount in the event that the gross claim is paid. However, the Group remains liable to its policyholders regardless of whether the reinsurer meets the obligations it has assumed. Consequently, the Group is exposed to credit risk. The Group reviews its reinsurance agreements on an annual basis and ensures the appropriate credit quality of any reinsurer prior to renewing or entering an agreement. The Group's reinsurer's credit ratings are measured on an international scale.

3. Management of risk and capital continued

3.3 Financial risk management continued

3.3.4 Liquidity risk

Liquidity risk is the risk that the Group, although solvent, is not able to settle its obligations as they fall due because of insufficient liquid assets in the Group. To ensure that the Group's operating entities are able to meet their liabilities when they fall due, the liquidity profile of the various balance sheets are actively managed with a defined investment mandate. The table below provides a liquidity profile of the Group's financial and insurance contract assets. The liquidity profile assumes that instruments can be traded or settled in the ordinary course of business and in markets with sufficient liquidity. The effect of discounting on financial liabilities is considered to be immaterial. The Group has access to a revolving credit facility of R1 000 million (2025: R1 350 million) and internally generated surplus capital to support the Group's capital investment in OUTsurance Ireland as well as to provide support for the capital projects of the Group. At 30 June 2026 Rnil was drawn from this facility (2025: Rnil million). Refer to note 33 for more information.

R million	30 June 2026	%	30 June 2025	%
Liquid financial assets				
Realisable within 30 days[1]				
Cash and cash equivalents	**1 633**	**4.7%**	1 865	5.6%
Collective investment schemes	**4 143**	**11.9%**	3 456	10.5%
Government, municipal and public utility securities				
Money market securities	**1 184**	**3.4%**	789	2.4%
Exchange traded funds – ordinary shares	**4 975**	**14.2%**	4 964	15.0%
Other receivables	**1 136**	**3.3%**	1184	3.6%
Realisable between one and twelve months	**-**	**0.0%**	25	<1%
Term deposits	**16 842**	**48.2%**	14 347	43.4%
Other receivables	**694**	**2.0%**	1 634	4.9%
Contingent receivable	**88**	**<1%**	18	<1%
Preference share investment	**1**	**<1%**	3	<1%
Derivative assets	**6**	**<1%**	259	<1%
Convertible loan	**–**	**0.0%**	14	<1%
Total liquid financial assets	**30 702**		28 558	
Illiquid assets				
Realisable in more than twelve months				
Term loan	**87**	**<1%**	–	0.0%
Zero-coupon deposits	**1 770**	**5.1%**	1730	5.2%
Listed non-cumulative, non-redeemable preference shares	**143**	**<1%**	227	<1%
Unsecured investment in development fund	**131**	**<1%**	84	<1%
Zero-coupon deposits backing endowment policies	**1 940**	**5.6%**	1 863	5.6%
Unlisted equity	**10**	**<1%**	484	1.5%
Contingent receivable	**–**	**0.0%**	56	<1%
Preference share investment	**–**	**0.0%**	5	<1%
Derivative assets	**179**	**<1%**	67	<1%
Total illiquid assets	**4 260**		4 516	
Total financial assets held	**34 962**	**100%**	33 074	100%
Reinsurance contract asset – non-Life				
Realisable within 30 days	**429**		285	
Realisable between one and twelve months	**1 503**		1 234	
Realisable after more than twelve months	**631**		766	
Reinsurance contract asset – Life				
Realisable within 30 days	**–**		16	
Realisable between one and twelve months	**19**		21	
Realisable after more than twelve months	**17**		31	
Insurance contract asset – Life				
Realisable within 30 days	**16**		6	
Realisable between one and twelve months	**44**		42	
Realisable after more than twelve months	**476**		322	
Total insurance contract assets held	**3 135**		2 723	
Total assets (excluding non-monetary assets)	**38 097**		35 797	

1 Can be converted to cash before contractual maturity.

3. Management of risk and capital continued

3.3 Financial risk management continued

3.3.4 Liquidity risk continued

Maturity profile of liabilities

The table below shows the expected liquidity profile of the Group's liabilities and shows the liquid asset coverage ratio which indicates how many times the liabilities are covered by liquid assets. This ratio is actively managed in accordance with the investment and balance sheet management mandate of each Group entity.

Time bands are structured based on the timing of when the insurance contract liabilities are due in the normal course of business.

It is expected that the non-life insurance contract liabilities in the 0 – 12 month time band will realise as follows:

- 52% (2025: 53%) within 0 – 3 months,
- 26% (2025: 26%) within 4 – 6 months, and
- 22% (2025: 21%) within 7 – 12 months.

R million	0 – 12 months	13 – 24 months[1]	25 – 36 months[1]	37 – 48 months[1]	49 – 60 months[1]	>60 months	Total
At 30 June 2026							
Expected discounted cash flows							
Insurance contract liabilities – Life	**(205)**	**(24)**	**367**	**336**	**239**	**200**	**913**
Reinsurance contract liabilities – Life	**(28)**	**(7)**	**3**	**2**	**3**	**43**	**16**
Insurance contract liabilities – non-Life	**14 367**	**2319**	**236**	**1 061**	**40**	**375**	**18 398**
Reinsurance contract liabilities – non-Life	**26**	**2**	**2**	**1**	**3**	**1**	**35**
Derivative financial instruments	**61**	**24**	**24**	**17**	**12**	**2**	**140**
Investment contract liability[1]	**39**	**1 450**	**451**	**–**	**–**	**–**	**1 940**
	14 260	**3 764**	**1 083**	**1 417**	**297**	**621**	**21 442**
Contractual undiscounted cash flows[2]							
Financial liabilities at fair value through profit and loss	**136**	**–**	**–**	**–**	**–**	**–**	**136**
Trade creditors	**78**	**–**	**–**	**–**	**–**	**–**	**78**
Other payables	**802**	**–**	**–**	**–**	**–**	**–**	**802**
	1 016	**–**	**–**	**–**	**–**	**–**	**1016**
Total liabilities	**15 276**	**3 753**	**1 084**	**1417**	**299**	**629**	**22 458**
Liquid asset coverage ratio[3]	**2.01**						**1.45**
Financial assets coverage ratio							**1.70**

1 The Investment contract liability cash flows are disclosed on a discounted basis as the liability is fully offset by the zero-coupon term deposits, which are also disclosed on this basis. Presenting the Investment contract liability cash flows on an undiscounted basis would cause a misrepresentation of the economic nature relating to this offset.
2 The effects of discounting do not have a significant effect on the contractual undiscounted cash flow due to the short-term maturity profile.
3 The zero-coupon deposits backing endowment policies assets have been included in the total liquid asset coverage ratio as they are used to match the investment contract liability, creating a netting off effect.

3. Management of risk and capital continued

3.3 Financial risk management continued

3.3.4 Liquidity risk continued

Maturity profile of liabilities continued

R million	0 – 12 months	13 – 24 months	25 – 36 months	37 – 48 months	49 – 60 months	>60 months	Total
At 30 June 2025							
Expected discounted cash flows							
Insurance contract liabilities – Life[4]	(206)	(172)	(44)	347	312	396	633
Reinsurance contract liabilities – Life	(10)	5	4	2	1	4	6
Insurance contract liabilities – Non-Life	12 883	1143	678	360	220	312	15 596
Reinsurance contract liabilities – Non-Life	22	2	1	1	1	2	29
Derivative financial instruments	22	27	20	10	(1)	(71)	7
Investment contract liability[1]	16	37	1 395	415	–	–	1 863
	12 727	1 042	2 054	1 135	533	643	18 134
Contractual undiscounted cash flows[2]							
Financial liabilities at fair value through profit and loss	126	–	–	–	–	–	126
Trade creditors	162	–	–	–	–	–	162
Other payables	761	–	–	–	–	–	761
	1 049	–	–	–	–	–	1 049
Total liabilities	13 776	1 042	2 045	1 137	534	649	19 183
Liquid asset coverage ratio[3]	2.08						1.59
Financial assets coverage ratio							1.85

1 The Investment contract liability cash flows are disclosed on a discounted basis as the liability is fully off-set by the zero-coupon term deposits, which are also disclosed on this basis. Presenting the Investment contract liability cash flows on an undiscounted basis would cause a misrepresentation of the economic nature relating to this offset.
2 The effects of discounting do not have a significant effect on the contractual undiscounted cash flow due to the short-term maturity profile.
3 The zero-coupon deposits backing endowment policies assets have been included in the total liquid asset coverage ratio as they are used to match the investment contract liability, creating a netting off effect.
4 The prior year has been updated to better reflect the maturity profile of the Life insurance contract liabilities.

3. Management of risk and capital continued

3.4 Capital management

Capital adequacy risk is the risk that there are insufficient reserves to provide for variations in actual future experience that is worse than what has been assumed in conducting insurance business and to facilitate growth and strategic objectives.

The Group's objectives when managing capital are:

- to comply with the regulatory solvency capital requirements for each entity and the Group;
- to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders;
- to provide an adequate return for shareholders by pricing insurance commensurately with the level of risk; and
- to retain sufficient surplus capital to facilitate future growth and strategic expansion.

The Group and its insurance entities assess the solvency capital requirement as follows:

- Non-life underwriting risk: The risk that arises from insurance obligations for short-term insurance business and includes reserve, premium, catastrophe and lapse risk.
- Life underwriting risk: The risk that arises from insurance obligations for long-term insurance business and includes lapse, mortality, morbidity, catastrophe and expense risks.
- Market risk: The risk of loss arising from movements in market prices on the value of the insurer's assets and liabilities or of loss arising from the default of the insurer's counterparties.
- Operational risk: The risk of loss arising from inadequate or failed internal processes, people and systems, or from external events.

In each country in which the Group operates, the local insurance regulator specifies the minimum amount and the type of capital that must be held by each of the subsidiaries in addition to their insurance liabilities.

The Group and its insurance entities set a target solvency coverage multiple of the regulated minimum for each jurisdiction and the Group in aggregate to act as a buffer against uncertainty. These target multiples are derived from considering the unique risk characteristics of each entity and the Group in aggregate. These risk characteristics include the impact of stress and scenario tests, the level and variability of profits and the accepted risk appetite. The Group target multiple for 2026 and 2025 was set as the weighted average of the target SCR's of each entity.

Qualifying regulatory capital or own funds consists of retained earnings, contributed share capital and distributable reserves.

The table below summarises the Solvency Coverage Ratio for each of the regulated Group companies and the actual solvency achieved:

Solvency coverage ratio[1]	Jurisdiction	**30 June 2026**	**Target[2]**	30 June 2025	Target[2]
Group		**2.2**	**1.5**	2.3	1.5
Short-term insurance					
OUTsurance Insurance Company Limited	South Africa	**2.2**	**1.3**	1.8	1.3
Youi Holdings Group	Australia	**2.2**	**1.5 – 1.8**	2.3	1.6 – 1.9
OUTsurance Ireland Group	Ireland	**3.5**	**1.5**	8.7	1.5
Long-term insurance					
OUTsurance Life Insurance Company Limited[3]	South Africa	**1.9**	**1.5**	2.2	1.5

1 Solvency Coverage Ratio, which is defined as the ratio of regulatory admissible net assets to the solvency capital requirement.
2 The target ratio is before foreseeable dividends.
3 The target ratio for OUTsurance Life is a range of 1.3 to 1.7. For the purposes of the table the midpoint of 1.5 is disclosed.

3. Management of risk and capital continued

3.4 Capital management continued

The regulated solvency capital requirements for the various regulated entities are calculated as follows:

Group and South African operations

The Financial Soundness for Insurers and Financial Soundness for Groups prudential standards prescribes certain measures by which insurers and Groups measure their eligible own funds and prescribe the manner in which the solvency capital requirement (SCR) needs to be calculated. The Group and solo entities apply the standard formula approach to determine the SCR.

OUTsurance Holdings Limited and its subsidiaries are regulated as an insurance group. The deduction and aggregation method is used to assess capital adequacy on a group-wide basis. This method sums the solo capital requirements and aims to calculate the relevant adjustments to avoid double or multiple gearing of capital. Excess or deficits of capital existing at the level of each entity, including entities in other jurisdictions in the group, i.e. on a solo basis, are aggregated (net of intragroup transactions) in order to measure the own funds surplus (or deficit) at a Group level.

The prescribed SCR is the level of eligible own funds required to ensure the value of assets will exceed technical provisions and other liabilities at a 99.5% level of certainty over a one-year time horizon. The SCR is calculated based on the following key risk categories:

- Non-life underwriting risk;
- Life underwriting risk;
- Market risk; and
- Operational risk.

Australian operations – Short-term insurance operations

The Australian Prudential Regulation Authority (APRA) regulates the capital requirements of Australian entities which are licensed general insurers calculated in accordance with Prudential Standards GPS 110 Capital Adequacy. The prudential capital requirement (PCR) is equal to the sum of the prescribed capital amount (PCA) and any supervisory adjustment determined by APRA.

The PCA is calculated in accordance with the Standard Method as the sum of:

- Insurance risk charge;
- Insurance Concentration risk charge;
- Asset risk charge;
- Asset Concentration risk charge;
- Operational risk charge; and
- Less aggregation benefit.

Ireland operations – Short-term insurance operations

The Central Bank of Ireland (CBI) regulates the capital requirements of OUTsurance DAC in Ireland under the European Solvency II Standard Formula.

4. Segment information

For management purposes, the Group is organised into business units based on product offering and distribution channel.

With the discontinuation of the BZI Broker channel in the Youi Group, OHL's 94.4% owned subsidiary in Australia, the Group changed the reporting segments to align with how information will be reported to and monitored by the chief operating decision-maker (CODM) going forward.

Historically, the Group has presented the Youi Group segments as Personal, Business and CTP reflecting a product view. Following the sale of BZI, the segment focus has been realigned to reflect Direct, BZI and CTP to review the financial results per channel and distinct product line.

To ensure comparability across reporting periods, the segmental results for the prior financial year ended 30 June 2025 have been restated according to the new segment definitions.

Consequently, the Group has the following operating segments:

For OUTsurance Insurance Company Limited

- Personal Insurance: This segment provides personal and casualty insurance products to individuals;
- Business insurance: This segment provides short-term insurance products to small and medium sized businesses; and
- OUTsurance Central: This is the central cost incurred by OUTsurance that is not allocated to the OUTsurance personal and business segments.

For Youi Holdings Pty Limited

- Youi Direct: This segment provides Personal and Business insurance products to individuals, sold through the Direct channel to individuals;
- Youi BZI: This segment provides Personal and Business insurance products to individuals, sold through the Broker channel 'Blue Zebra Insurance Proprietary Limited'. This channel has materially run off at 30 June 2026;
- Youi CTP: This segment provides compulsory third-party vehicle insurance to individuals in Australia.

For the other companies

- OUTsurance Ireland: This segment provides personal and casualty insurance products to individuals conducted in OUTsurance Designated Activity Company;
- Life insurance: This segment provides long-term insurance products to individuals. Life insurance business is conducted in OUTsurance Life Insurance Company Limited;
- Administration services: This segment provides contact centre services to Youi Group and external third parties and earns inter-segment license fees on the core insurance technology of the Group; and

Central and consolidation adjustments: This includes central costs incurred in the Holding companies that cannot be allocated to specific segments due to their overarching nature, as well as consolidation adjustments to eliminate intergroup transactions between the operational entities.

The Group manages its balance sheet and capital requirements at a total company level and not per product level at which the operations of the Group is managed. The balance sheet information is also presented to the CODM at a company level.

This presentation better reflects the way the CODM reviews the results.

For risk classes included in the Personal and Business insurance segments refer to note 3.2.1(i). For insurance products issued in the Life insurance segment refer to note 3.2.2(i).

The information in the segment report is presented on the same basis as reported to and managed by management. Material items of dissimilar nature are presented separately. Items are aggregated based on the qualitative and quantitative significance of the business units. Reporting adjustments are those accounting reclassifications and entries required to produce IFRS compliant results. The Group's total earnings are managed on a normalised basis, which most appropriately reflects the economic performance of the Group.

The material revenue of the Group is derived from insurance revenue for insurance policies issued.

The Group accounts for inter-segment revenues gross in the segment note and eliminates the inter-segment values in the central and consolidation adjustments column. The inter-segment revenue consists of license fees and administration fees for call centre services to the value of R282.6 million (2025: R250.7 million). Given the nature of the operations there is no single external customer that provides 10% or more of the Group's revenues.

In addition to the IFRS 17 compliant income statements, additional disclosure is provided in support of the management metrics monitored, which include volume and ratio calculations.

4. Segment information continued

Market segmentation

R million	Property and casualty insurance										Long-term insurance					
	OUTsurance				Youi Group											
	Personal[1]	Business	Central	Total	Direct	BZI	CTP	Total	OUTsurance Ireland	P&C Total	OUTsurance Life	Administration services	Central and consolidation entries	OHL Group Total	Treasury Company and consolidation entries	OGL Group Total
Segment income statement information																
Year ended 30 June 2026																
Insurance revenue	10 981	3 375	–	14 356	21 769	1 703	1 772	25 244	521	40 121	1 366	–	–	41 487	–	41 487
Insurance service expenses	(6 240)	(2 266)	–	(8 506)	(19 190)	(1 300)	(2 235)	(22 725)	(915)	(32 146)	(891)	–	–	(33 037)	–	(33 037)
Net expenses from reinsurance contracts held	(140)	(65)	–	(205)	(23)	(122)	23	(122)	(37)	(364)	(12)	–	–	(376)	–	(376)
Insurance service results	4 601	1 044	–	5 645	2 556	281	(440)	2 397	(431)	7 611	463	–	–	8 074	–	8 074
Administration and other revenue	14	36	1	51	–	–	–	–	–	51	26	708	(282)	503	–	503
Fair value adjustment to financial liabilities	(156)	–	–	(156)	–	–	–	–	–	(156)	(56)	–	–	(212)	–	(212)
Other operating expenses	(189)	(41)	(245)	(475)	(121)	(1)	(4)	(126)	(70)	(671)	(87)	(643)	234	(1 167)	48	(1 119)
Underwriting result	4 270	1 039	(244)	5 065	2 435	280	(444)	2 271	(501)	6 835	346	65	(48)	7 198	48	7 246
Investment income on insurance contract assets and liabilities	115	38	–	153	384	67	92	543	12	708	273	–	–	981	–	981
Finance expenses from insurance contracts issued	(95)	(34)	–	(129)	(35)	–	12	(23)	–	(152)	(196)	–	–	(348)	–	(348)
Finance income from reinsurance contracts held	–	1	–	1	3	–	12	15	–	16	(16)	–	–	–	–	–
Operating profit/(loss)	4 290	1 044	(244)	5 090	2 787	347	(328)	2 806	(489)	7 407	407	65	(48)	7 831	48	7 879
Equity accounted earnings				–				–	–	–	–	–	–	–	26	26
Loss on sale of assets held for sale				–				–	–	–	–	–	(5)	(5)	–	(5)
Impairment of investments in associates	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(42)	(42)
Operating profit/(loss) including associate earnings				5 090				2 806	(489)	7 407	407	65	(53)	7 826	32	7 858
Net investment income on shareholder investment capital				576				268	25	869	7	6	(8)	874	48	922
Finance costs				(61)				(11)	(2)	(74)	(10)	(5)	(43)	(132)	–	(132)
Profit/(loss) before tax				5 605				3 063	(466)	8 202	404	66	(104)	8 568	80	8 648
Taxation				(1 460)				(929)	–	(2 389)	(41)	(14)	(12)	(2 456)	(12)	(2 468)
Profit/(loss) after tax				4 145				2 134	(466)	5 813	363	52	(116)	6 112	68	6 180
Non-controlling interest				–				–	–	–	–	–	(120)	(120)	(437)	(557)
Profit/(loss) attributable to ordinary shareholders				4 145				2 134	(466)	5 813	363	52	(236)	5 992	(369)	5 623
Headline and normalised earnings adjustments				51				2	–	53	(83)	2	36	8	(26)	(18)
Normalised earnings				4 196				2 136	(466)	5 866	280	54	(200)	6 000	(395)	5 605

1 Includes the Homeowners cover book sourced from FirstRand Bank Limited.

4. Segment information continued

Segmental ratio calculation and reconciliation

R million	Property and casualty insurance									
	OUTsurance				Youi Group				OUTsurance Ireland	P&C Total
	Personal	Business	Central	Total	Direct	BZI	CTP	Total		
Segmental ratio calculation										
Year ended 30 June 2026										
Gross written premium	10 960	3 382	–	14 342	23 850	(71)	1 830	25 609	801	40 752
Movements in unearned premium	21	(7)	–	14	(2 081)	1 774	(58)	(365)	(280)	(631)
Gross earned premium = insurance revenue	10 981	3 375	–	14 356	21 769	1 703	1 772	25 244	521	40 121
Reinsurance premium expense	(140)	(65)	–	(205)	(1 209)	(168)	(72)	(1 449)	(52)	(1 706)
1. Net earned premium	10 841	3 310	–	14 151	20 560	1 535	1 700	23 795	469	38 415
Change in loss component	–	4	–	4	–	–	–	–	(36)	(32)
Gross claims expenses (including OUTbonus)	(4 468)	(1 352)	–	(5 820)	(13 246)	(760)	(2 114)	(16 120)	(345)	(22 285)
Gross claims expenses (including OUTbonus)	(4 468)	(1 348)	–	(5 816)	(13 246)	(760)	(2 114)	(16 120)	(381)	(22 317)
Finance expenses from insurance contracts issued	(95)	(34)	–	(129)	(35)	–	12	(23)	–	(152)
Gross claims expenses including net IFE[1]	(4 563)	(1 382)	–	(5 945)	(13 281)	(760)	(2 102)	(16 143)	(381)	(22 469)
Reinsurance recoveries	–	–	–	–	1 186	46	95	1 327	–	1 327
Loss recovery component	–	–	–	–	–	–	–	–	15	15
Finance income from reinsurance contracts held	–	1	–	1	3	–	12	15	–	16
2. Net claims expense including IFE[1]	(4 563)	(1 381)	–	(5 944)	(12 092)	(714)	(1 995)	(14 801)	(366)	(21 111)
3. Other operating expenses	(1 961)	(959)	(245)	(3 165)	(6 065)	(541)	(125)	(6 731)	(604)	(10 500)
Attributable expenses (included in Insurance service expenses)	(1 772)	(918)	–	(2 690)	(5 944)	(540)	(121)	(6 605)	(534)	(9 829)
Non-attributable expenses (included in Operating expenses)	(189)	(41)	(245)	(475)	(121)	(1)	(4)	(126)	(70)	(671)
4. Administration and other revenue	14	36	1	51	–	–	–	–	–	51
5. Fair value to financial liabilities	(156)	–	–	(156)	–	–	–	–	–	(156)
6. Underwriting result	4 175	1 006	(244)	4 937	2 403	280	(420)	2 263	(501)	6 699
Investment income on insurance contract assets and liabilities	115	38	–	153	384	67	92	543	12	708
Operating profit/(loss)	4 290	1 044	(244)	5 090	2 787	347	(328)	2 806	(489)	7 407

1 Includes net insurance finance expense (IFE) as disclosed in the statement of profit or loss.

4. Segment information continued

Segmental ratio calculation and reconciliation continued

R million	Property and casualty insurance									
	OUTsurance				Youi Group				OUTsurance Ireland	P&C Total
	Personal	Business	Central	Total	Direct	BZI	CTP	Total		
Ratio calculations (as disclosed in management commentary)										
Net claims ratio (2/(1+4))	**42.0%**	**41.2%**		**41.9%**	**58.8%**	**46.5%**	**117.4%**	**62.2%**		**54.9%**
Cost-to-income ratio (3/(1+4))	**18.1%**	**28.7%**		**22.3%**	**29.5%**	**35.2%**	**7.4%**	**28.3%**		**27.3%**
Underwriting margin (6/(1+4))	**38.5%**	**30.1%**		**34.8%**	**11.7%**	**18.2%**	**(24.7%)**	**9.5%**		**17.4%**
Combined ratio ((2+3+5)/(1+4))	**61.5%**	**69.9%**		**65.2%**	**88.3%**	**81.8%**	**124.8%**	**90.5%**		**82.6%**
Reconciliation of insurance service expense										
Gross claims (including OUTbonus)	**(4 468)**	**(1 352)**	**–**	**(5 820)**	**(13 246)**	**(760)**	**(2 114)**	**(16 120)**	**(345)**	**(22 285)**
Change in loss component	**–**	**4**	**–**	**4**	**–**	**–**	**–**	**–**	**(36)**	**(32)**
Attributable expenses	**(1 772)**	**(918)**	**–**	**(2 690)**	**(5 944)**	**(540)**	**(121)**	**(6 605)**	**(534)**	**(9 829)**
Insurance service expense as disclosed	**(6 240)**	**(2 266)**	**–**	**(8 506)**	**(19 190)**	**(1 300)**	**(2 235)**	**(22 725)**	**(915)**	**(32 146)**

Operating expenses including directly attributable and non attributable expenses

R million	OUTsurance	Youi Group	OUTsurance Ireland	OUTsurance Life	Administration services	OHL central and consolidation entries	OHL Group Total	Treasury Company and consolidation entries	OGL Group Total
Year ended 30 June 2026									
Depreciation and amortisation	**(98)**	**(163)**	**(22)**	**–**	**(30)**	**–**	**(313)**	**–**	**(313)**
Employee benefits	**(2 114)**	**(2 955)**	**(282)**	**(330)**	**(537)**	**(31)**	**(6 249)**	**82**	**(6 167)**
Other expenses	**(953)**	**(3 613)**	**(300)**	**(144)**	**(76)**	**265**	**(4 821)**	**(34)**	**(4 855)**
Total operating expenses including directly attributable and non attributable expenses	**(3 165)**	**(6 731)**	**(604)**	**(474)**	**(643)**	**234**	**(11 383)**	**48**	**(11 335)**

4. Segment information continued

Market segmentation

	Property and casualty insurance										Long-term insurance					
	OUTsurance				Youi Group											
R million	Personal[1]	Business	Central	Total	Direct	BZI	CTP	Total	OUTsurance Ireland	P&C Total	OUTsurance Life	Administration services	Central and consolidation entries	OHL Group Total	Treasury Company and consolidation entries	OGL Group Total
Segment income statement information Year ended 30 June 2025																
Insurance revenue	10 345	3 002	–	13 347	17 787	3 540	1 223	22 550	97	35 994	1 137	–	–	37 131	–	37 131
Insurance service expenses	(6 146)	(2 224)	–	(8 370)	(14 626)	(3 259)	(1 412)	(19 297)	(452)	(28 119)	(549)	–	–	(28 668)	–	(28 668)
Net expenses from reinsurance contracts held	(143)	(51)	–	(194)	(470)	(180)	24	(626)	(23)	(843)	(39)	–	–	(882)	–	(882)
Insurance service results	4 056	727	–	4 783	2 691	101	(165)	2 627	(378)	7 032	549	–	–	7 581	–	7 581
Administration and other revenue	13	29	–	42	1	–	–	1	–	43	24	634	(251)	450	–	450
Fair value adjustment to financial liabilities	(181)	–	–	(181)	–	–	–	–	–	(181)	(30)	–	–	(211)	–	(211)
Other operating expenses	(164)	(59)	(1 191)	(1 414)	(110)	–	(1)	(111)	(74)	(1 599)	(173)	(619)	36	(2 355)	81	(2 274)
Underwriting result	3 724	697	(1 191)	3 230	2 582	101	(166)	2 517	(452)	5 295	370	15	(215)	5 465	81	5 546
Investment income on insurance contract assets and liabilities	127	35	–	162	372	117	84	573	4	739	139	–	–	878	–	878
Finance expenses from insurance contracts issued	(100)	(35)	–	(135)	(42)	(10)	(133)	(185)	–	(320)	(132)	–	–	(452)	–	(452)
Finance income from reinsurance contracts held	–	–	–	–	4	2	89	95	–	95	61	–	–	156	–	156
Operating profit/(loss)	3 751	697	(1 191)	3 257	2 916	210	(126)	3 000	(448)	5 809	438	15	(215)	6 047	81	6 128
Equity accounted earnings				–				70	–	70	–	–	(3)	67	122	189
Profit on sale of associate/held for sale asset				–				176	–	176	–	–	–	176	35	211
Impairment of assets held for sale				–				–	–	–	–	–	(10)	(10)	–	(10)
Operating profit/(loss) including associate earnings				3 257				3 246	(448)	6 055	438	15	(228)	6 280	238	6 518
Net investment income on shareholder investment capital				1 027				205	47	1 279	57	17	224	1 577	(278)	1 299
Finance costs				(60)				(11)	(1)	(72)	(5)	(2)	(52)	(131)	(5)	(136)
Profit/(loss) before tax				4 224				3 440	(402)	7 262	490	30	(56)	7 726	(45)	7 681
Taxation				(1 145)				(1 027)	–	(2 172)	(145)	(6)	(118)	(2 441)	(21)	(2 462)
Profit/(loss) after tax				3 079				2 413	(402)	5 090	345	24	(174)	5 285	(66)	5 219
Non-controlling interest				–				–	–	–	–	–	(134)	(134)	(378)	(512)
Profit/(loss) attributable to ordinary shareholders				3 079				2 413	(402)	5 090	345	24	(308)	5 151	(444)	4 707
Headline and normalised earnings adjustments				(151)				(123)	–	(274)	4	4	77	(189)	210	21
Normalised earnings				2 928				2 290	(402)	4 816	349	28	(231)	4 962	(234)	4 728

1 Includes the Homeowners cover book sourced from FirstRand Bank Limited.

4. Segment information continued

Segmental ratio calculation and reconciliation

	Property and casualty insurance									
	OUTsurance				Youi Group					
R million	Personal	Business	Central	Total	Direct	BZI	CTP	Total	OUTsurance Ireland	P&C Total
Segmental ratio calculation										
Year ended 30 June 2025										
Gross written premium	10 335	3 018	–	13 353	20 138	3 492	1 530	25 160	269	38 782
Movements in unearned premium	10	(16)	–	(6)	(2 351)	48	(307)	(2 610)	(172)	(2 788)
Gross earned premium = insurance revenue	10 345	3 002	–	13 347	17 787	3 540	1 223	22 550	97	35 994
Reinsurance premium expense	(146)	(52)	–	(198)	(1 043)	(455)	(122)	(1 620)	(29)	(1 847)
1. Net earned premium	10 199	2 950	–	13 149	16 744	3 085	1 101	20 930	68	34 147
Change in loss component	–	6	–	6	–	–	5	5	(128)	(117)
Gross claims expenses (including OUTbonus)	(4 391)	(1 349)	–	(5 740)	(9 778)	(2 168)	(1 212)	(13 158)	(83)	(18 981)
Gross claims expenses (including OUTbonus)	(4 391)	(1 343)	–	(5 734)	(9 778)	(2 168)	(1 207)	(13 153)	(211)	(19 098)
Finance expenses from insurance contracts issued	(100)	(35)	–	(135)	(42)	(10)	(133)	(185)	–	(320)
Gross claims expenses including net IFE[1]	(4 491)	(1 378)	–	(5 869)	(9 820)	(2 178)	(1 340)	(13 338)	(211)	(19 418)
Reinsurance recoveries	3	1	–	4	573	275	148	996	–	1 000
Loss recovery component	–	–	–	–	–	–	(2)	(2)	6	4
Finance income from reinsurance contracts held	–	–	–	–	4	2	89	95	–	95
2. Net claims expense including IFE[1]	(4 488)	(1 377)	–	(5 865)	(9 243)	(1 901)	(1 105)	(12 249)	(205)	(18 319)
3. Other operating expenses	(1 919)	(940)	(1 191)	(4 050)	(4 958)	(1 091)	(206)	(6 255)	(315)	(10 620)
Attributable expenses (included in Insurance service expenses)	(1 755)	(881)	–	(2 636)	(4 848)	(1 091)	(205)	(6 144)	(241)	(9 021)
Non-attributable expenses (included in Operating expenses)	(164)	(59)	(1 191)	(1 414)	(110)	–	(1)	(111)	(74)	(1 599)
4. Administration and other revenue	13	29	–	42	1	–	–	1	–	43
5. Fair value to financial liabilities	(181)	–	–	(181)	–	–	–	–	–	(181)
6. Underwriting result	3 624	662	(1 191)	3 095	2 544	93	(210)	2 427	(452)	5 070
Investment income on insurance contract assets and liabilities	127	35	–	162	372	117	84	573	4	739
Operating profit/(loss)	3 751	697	(1 191)	3 257	2 916	210	(126)	3 000	(448)	5 809

1 Includes net insurance finance expense (IFE) as disclosed in the statement of profit or loss.

4. Segment information continued

Segmental ratio calculation and reconciliation continued

R million	OUTsurance Personal	OUTsurance Business	OUTsurance Central	OUTsurance Total	Youi Group Direct	Youi Group BZI	Youi Group CTP	Youi Group Total	OUTsurance Ireland	P&C Total
Ratio calculations (as disclosed in management commentary)										
Net claims ratio (2/1)	44.0%	46.7%		44.6%	55.2%	61.6%	100.3%	58.5%		53.6%
Cost-to-income ratio (3/1)	18.8%	31.8%		30.8%	29.6%	35.4%	18.8%	29.9%		31.1%
Normalised Cost-to-income ratio[1]				31.7%						31.5%
Underwriting margin (6/1)	35.5%	22.4%		23.5%	15.2%	3.0%	(19.1%)	11.6%		14.8%
Combined ratio ((2+3+5)/1)	64.6%	78.5%		76.8%	84.8%	97.0%	119.1%	88.4%		85.3%
Normalised Combined ratio				77.7%						85.6%
Reconciliation of insurance service expense										
Gross claims (including OUTbonus)	(4 391)	(1 349)	–	(5 740)	(9 778)	(2 168)	(1 212)	(13 158)	(83)	(18 981)
Change in loss component	–	6	–	6	–	–	5	5	(128)	(117)
Attributable expenses	(1 755)	(881)	–	(2 636)	(4 848)	(1 091)	(205)	(6 144)	(241)	(9 021)
Insurance service expense as disclosed	(6 146)	(2 224)	–	(8 370)	(14 626)	(3 259)	(1 412)	(19 297)	(452)	(28 119)

1 Operating profit for OUTsurance SA includes a normalised adjustment of R123 million (as an earnings reduction) related to a profit that arose from a restructuring of an intragroup property lease arrangement.

Operating expenses including directly attributable and non attributable expenses

R million	OUTsurance	Youi Group	OUTsurance Ireland	OUTsurance Life	Administration services	OHL central and consolidation entries	OHL Group Total	Treasury Company and consolidation entries	OGL Group Total
Year ended 30 June 2025									
Depreciation and amortisation	(118)	(143)	(20)	-	(19)	10	(290)	-	(290)
Employee benefits	(3 168)	(2 512)	(183)	(411)	(525)	(93)	(6 892)	121	(6 771)
Other expenses	(765)	(3 596)	(111)	(136)	(65)	101	(4 572)	(40)	(4 612)
Total operating expenses including directly attributable and non attributable expenses	(4 051)	(6 251)	(314)	(547)	(609)	18	(11 754)	81	(11 673)

4. Segment information continued

Geographical segmentation

A summary of the Group's assets, liabilities and equity are shown below:

	Southern Africa and OHL Group consolidation				Australia	Ireland	OHL Group	South Africa	OGL Group
R million	OUTsurance	OUTsurance Life	Admini-stration services	Central and consolidation adjustments	Youi Group	OUTsurance Ireland	Total	Treasury Company and consolidation adjustments	Total
Segment statement of financial position information									
As at 30 June 2026									
Segment assets									
Property and equipment	**322**	**–**	**10**	**(1)**	**817**	**38**	**1 186**	**–**	**1 186**
Investment in associates	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**228**	**228**
Reinsurance assets	**30**	**36**	**–**	**–**	**2 486**	**47**	**2 599**	**–**	**2 599**
Insurance assets	**–**	**536**	**–**	**–**	**–**	**–**	**536**	**–**	**536**
Financial assets	**8 041**	**4 033**	**25**	**77**	**19 120**	**1 812**	**33 108**	**(473)**	**32 635**
Other assets	**488**	**106**	**216**	**(215)**	**1 190**	**220**	**2 005**	**–**	**2 005**
Cash and cash equivalents	**365**	**243**	**52**	**24**	**826**	**20**	**1 530**	**103**	**1 633**
Total segment assets	**9 246**	**4 954**	**303**	**(115)**	**24 439**	**2 137**	**40 964**	**(142)**	**40 822**
Segment Equity									
Share capital and premium	**25**	**445**	**180**	**(1 076)**	**1 702**	**2 429**	**3 705**	**12 210**	**15 915**
Retained earnings	**5 573**	**1 183**	**(7)**	**1 759**	**4 984**	**(1 104)**	**12 388**	**(7 814)**	**4 574**
Other equity reserves	**65**	**1**	**–**	**(967)**	**391**	**(49)**	**(559)**	**(5 204)**	**(5 763)**
Non-controlling interests	**–**	**–**	**–**	**370**	**–**	**–**	**370**	**1 105**	**1 475**
Total segment equity	**5 663**	**1 629**	**173**	**86**	**7 077**	**1 276**	**15 904**	**297**	**16 201**
Segment liabilities									
Reinsurance liabilities	**36**	**15**	**–**	**–**	**–**	**–**	**51**	**–**	**51**
Insurance liabilities	**2 046**	**912**	**–**	**–**	**15 751**	**602**	**19 311**	**–**	**19 311**
Financial liabilities	**80**	**168**	**–**	**28**	**–**	**–**	**276**	**–**	**276**
Investment contract liabilities	**–**	**1 940**	**–**	**–**	**–**	**–**	**1 940**	**–**	**1 940**
Employee benefits and share based payment liability	**757**	**163**	**75**	**–**	**338**	**7**	**1 340**	**(456)**	**884**
Other liabilities	**664**	**127**	**55**	**(229)**	**1 273**	**252**	**2 142**	**17**	**2 159**
Total segment liabilities	**3 583**	**3 325**	**130**	**(201)**	**17 362**	**861**	**25 060**	**(439)**	**24 621**
Total segment equity and liabilities	**9 246**	**4 954**	**303**	**(115)**	**24 439**	**2 137**	**40 964**	**(142)**	**40 822**

4. Segment information continued

Geographical segmentation continued

R million	Southern Africa and OHL Group consolidation				Australia	Ireland	OHL Group	South Africa	OGL Group
	OUTsurance	OUTsurance Life	Admini-stration services	Central and consolidation adjustments	Youi Group	OUTsurance Ireland	Total	Treasury Company and consolidation adjustments	Total
Segment statement of financial position information									
As at 30 June 2025									
Segment assets									
Property and equipment	332	–	13	(2)	837	25	1 205	–	1 205
Investment in associates	–	–	–	4	–	–	4	254	258
Reinsurance assets	25	69	–	–	2 239	20	2 353	–	2 353
Insurance assets	–	370	–	–	–	–	370	–	370
Financial assets[1]	7 869	3 813	–	93	15 835	1 893	29 503	47	29 550
Other assets[1]	681	13	214	(231)	2 052	107	2 836	212	3 048
Cash and cash equivalents	165	9	111	56	1 211	25	1 577	288	1 865
Total segment assets	9 072	4 274	338	(80)	22 174	2 070	37 848	801	38 649
Segment Equity									
Share capital and premium	25	445	180	(856)	1 682	2 229	3 705	12 217	15 922
Retained earnings	4 525	844	(30)	1 770	4 717	(638)	11 188	(6 962)	4 226
Other equity reserves	46	1	–	(989)	573	94	(275)	(5 328)	(5 603)
Non-controlling interests	–	–	–	351	–	–	351	1 048	1 399
Total segment equity	4 596	1 290	150	276	6 972	1 685	14 969	975	15 944
Segment liabilities									
Reinsurance liabilities	30	5	–	–	–	–	35	–	35
Insurance liabilities	2 077	633	–	–	13 245	274	16 229	–	16 229
Financial liabilities[2]	96	37	–	–	–	–	133	–	133
Investment contract liabilities[2]	–	1 863	–	–	–	–	1 863	–	1 863
Employee benefits and share based payment liability[2]	1 646	208	126	(36)	424	6	2 374	–	2 374
Other liabilities[2]	627	238	62	(320)	1 533	105	2 245	(174)	2 071
Total segment liabilities	4 476	2 984	188	(356)	15 202	385	22 879	(174)	22 705
Total segment equity and liabilities	9 072	4 274	338	(80)	22 174	2 070	37 848	801	38 649

1 The prior financial year geographical segment report has been updated to better reflect the nature of the derivatives with a value of R218m in OUTsurance, R87m in OUTsurance Life and R305m for OUTsurance Holdings. The derivative balance has been reallocated from 'other assets' to 'financial assets'.
2 The prior financial year geographical segment report has been updated to separately identify financial liabilities ('derivative financial instrument' and 'financial liabilities at fair value through profit or loss'), 'Investment contract liabilities' and 'Employee benefits and share based payment liability'. These were previously included in 'other liabilities'.

4. Segment information continued

Reconciliation of IFRS earnings to headline earnings attributable to ordinary shareholders as per note 13.

R million	2026	2025
Normalised earnings per segment report	**5 605**	4 728
Recognition of deferred tax asset resulting from assessed loss	**80**	–
Fair value adjustments on derivative financial instruments	**(27)**	12
Remeasurement of contingent receivable	**20**	(27)
Discounting effect of deferred receivable on associate sold	**5**	(2)
Adjustment for Group treasury shares and treatment of share incentive scheme	**(4)**	(30)
Amortisation of intangible assets relating to business combinations	**(4)**	(4)
Taxation on capital gain in respect of the OHL share trust wind-up	**–**	(92)
Headline earnings attributable to ordinary shareholders per note 13	**5 675**	4 585

Normalised earnings adjustments are applied where the Group believes that certain transactions create a mismatch between the Group's accounting and economic performance. Normalised earnings are therefore considered to most accurately reflect the Group's economic performance.

Recognition of deferred tax asset: The gain arising from the recognition of deferred tax asset resulting from an assessed loss.

Fair value adjustments: The fair value adjustments on derivative financial instruments relate to gains and losses on hedges of capital investments. These transactions are considered normalised earnings adjustments as they are entered into to manage the Group's capital and are not part of ordinary operations.

Remeasurement of contingent receivable: Remeasurement of the expected remaining proceeds on the sale of held for sale assets in the prior financial year.

Adjustment for Group treasury shares: The Group views treasury shares held by group companies as having economic value and therefore adjusts for the impact of the elimination thereof to derive normalised earnings. Dividend income, the tax effect on fair value gains on treasury shares held, and the tax effect on the difference between equity and cash settled treatment of CSP share scheme as well as the difference between actual and effective shareholding in OHL were included in this adjustment.

Amortisation of intangible assets: The Group has always viewed the amortisation of intangible assets relating to business combinations as non-operational in nature and therefore excludes it from the normalised earnings that are presented to the chief operating decision maker.

Taxation on capital gain: Capital gains tax on the long-term cumulative build up of gain on treasury shares in the OHL Share Trust. Due to the non-operating nature of the wind-up of the share trust, this tax is excluded.

5. Administration and other revenue

R million	2026	2025
Government grant received	**7**	17
Commission income[1]	**50**	42
Fees received from investment advice and investment administration services	**26**	24
Fees received from contact centre services	**418**	367
Other income	**2**	–
Total administration and other income	**503**	450

1 Commission income relates to SASRIA commission earned.

Government grant received

The Group qualifies for a job-creation incentive associated with call centre activities of Youi and Hastings offshored to South Africa. The incentive is accounted for based on the actual incentive qualified for during the financial year under review. In order to satisfy the requirements of the grant a minimum number of jobs must be created and maintained for previously unemployed individuals.

6. Investment income and interest income on financial assets using the effective interest method

R million	2026	2025
Investment income:	**381**	287
Interest – financial assets at fair value through profit or loss	**222**	199
Dividends – listed equities	**119**	61
Dividends – unlisted equities	**39**	27
Dividends – other financial assets	**1**	–
Interest income on financial assets using the effective interest method	**1 345**	1 349
Interest – financial assets measured at amortised cost	**836**	788
Interest – financial assets at fair value through other comprehensive income	**509**	561
Total Investment income and interest income on financial assets using the effective interest method	**1 726**	1 636

7. Net gains from fair value adjustments on financial assets and change in expected credit losses on financial assets

R million	Fair value through profit or loss	Fair value through other comprehensive income	Measured at amortised cost	Total
2026				
Net gains/(loss) from fair value adjustments on financial assets	**180**	**(5)**	**–**	**175**
Expected credit losses on financial assets	**–**	**(1)**	**3**	**2**
Effect on profit or loss	**180**	**(6)**	**3**	**177**
Fair value gains on financial assets at fair value through other comprehensive income	**–**	**13**	**–**	**13**
Expected credit loss on financial assets	**–**	**1**	**–**	**1**
Effect on other comprehensive income	**–**	**14**	**–**	**14**
2025				
Net gains from fair value adjustments on financial assets[1]	515	–	–	515
Expected credit losses on financial assets	–	–	26	26
Effect on profit or loss	515	–	26	541
Fair value losses on financial asset at fair value through other comprehensive income	–	(421)	–	(421)
Expected credit loss on financial assets	–	(1)	–	(1)
Effect on other comprehensive income	–	(422)	–	(422)

1 The realised and unrealised gain of R44m and R471m, respectively has been collapsed to better reflect the nature of the movement in the financial asset on a net basis.

Refer to note 3.3.1 for the fair value hierarchy of financial instruments measured at fair value, which provides more information on what instruments were measured using quoted market prices and what measurement techniques were used for instruments that do not have quoted market prices.

8. Finance expenses from insurance contracts issued and finance income from reinsurance contracts held

R million	OUTsurance	Youi Group	OUTsurance Life	Total
2026				
Finance expense from insurance contracts issued	**(129)**	**(23)**	**(196)**	**(348)**
Interest accreted	**(112)**	**(107)**	**(51)**	**(270)**
Effect of changes in interest rates and other financial assumptions	**(17)**	**84**	**(133)**	**(66)**
Effect of measuring changes in estimates as current rates and adjusting the CSM rates on initial recognition	**–**	**–**	**(12)**	**(12)**
Finance income from reinsurance contracts held	**1**	**15**	**(16)**	**–**
Interest accreted	**–**	**30**	**–**	**30**
Effect of changes in interest rates and other financial assumptions	**1**	**(15)**	**(15)**	**(29)**
Effect of measuring changes in estimates as current rates and adjusting the CSM rates on initial recognition	**–**	**–**	**(1)**	**(1)**
Net insurance finance expenses	**(128)**	**(8)**	**(212)**	**(348)**
2025				
Finance expense from insurance contracts issued	(135)	(185)	(132)	(452)
Interest accreted	(121)	(135)	(53)	(309)
Effect of changes in interest rates and other financial assumptions	(14)	(50)	87	23
Effect of measuring changes in estimates as current rates and adjusting the CSM rates on initial recognition	–	–	(166)	(166)
Finance income from reinsurance contracts held	–	95	61	156
Interest accreted	–	67	5	72
Effect of changes in interest rates and other financial assumptions	–	28	(4)	24
Effect of measuring changes in estimates as current rates and adjusting the CSM rates on initial recognition	–	–	60	60
Net insurance finance expenses	(135)	(90)	(71)	(296)

The majority of assets backing the insurance liabilities for OUTsurance and OUTsurance Life are invested in money market portfolios of which the yield curve is similar to what was applied in discounting the insurance liabilities.

For Youi which has term deposits invested in banks to support their insurance obligations, income earned is a proxy of the yields with similar durations.

9. Operating expenses

The following expenses have been included in the statement of profit or loss and other comprehensive income under operating expenses:

R million	2026	2025
Depreciation		
Buildings	**(140)**	(124)
Computer and office equipment	**(86)**	(82)
Furniture and fittings	**(15)**	(16)
Motor vehicles	**(21)**	(19)
Amortisation		
Purchased computer software	**(9)**	(9)
Internally generated computer software	**(42)**	(40)
Total depreciation and amortisation	**(313)**	(290)
Employee benefits		
Salaries excluding retirement funding	**(5 222)**	(4 680)
Medical aid contributions	**(179)**	(177)
Retirement funding	**(431)**	(398)
Share-based payments[1]	**(297)**	(1 481)
Other staff expenses	**(38)**	(35)
Total employee benefits	**(6 167)**	(6 771)
Other disclosable items		
Auditor's remuneration	**(27)**	(23)
Financial statement audit(s)	**(22)**	(21)
Other services[2]	**(5)**	(2)
Loss on sale of property and equipment	**(5)**	(1)
Consulting and legal fees for professional services	**(55)**	(95)
Investment fees paid	**(12)**	(12)
Foreign exchange (loss)/gain	**(5)**	21
Acquisition expenses[3]	**(228)**	(316)
Marketing and management expenses	**(4 523)**	(4 186)
Total other disclosable expenses	**(4 855)**	(4 612)
Total operating expenses including directly attributable expenses	**(11 335)**	(11 673)
Directly attributable operating expenses[4]	**(10 216)**	(9 399)
Total other operating expenses excluding directly attributable expenses	**(1 119)**	(2 274)

1 The large reduction in the share-based payments expense arises where the final tranche of Employee Share Option Scheme (ESOP) vested in the current financial year. This is in line with the expectation following the replacement of the ESOP with the Conditional Share Plan (CSP). The CSP is significantly less geared to share price movements.
2 Other services include fees in respect of the performance of regulatory audits and specified procedures for regulatory purposes.
3 Acquisition expenses include both standard commission and spotter fees.
4 Expenses directly attributable in fulfilling the obligation under the insurance contracts and included in the 'Insurance service expenses line in the Statement of profit or loss and other comprehensive income.

10. Finance costs

R million	2026	2025
Interest paid – operational financing		
Interest paid on revolving credit facility	**–**	(33)
Interest charge on lease liabilities	**(17)**	(13)
Interest on Total Return Swap	**(60)**	(44)
Other interest	**(11)**	(10)
Guarantee fee	**(36)**	(29)
Commitment fee on credit revolving facility	**(8)**	(7)
Total finance costs	**(132)**	(136)

11. Taxation

R million	2026	2025
South African normal taxation		
Current taxation		
Current year	**(1 497)**	(1 594)
Prior year under provision[1]	**(54)**	–
Deferred taxation		
Current year	**(71)**	159
Prior year over provision[2]	**83**	–
Australian normal taxation		
Current taxation		
Current year	**(939)**	(1 081)
Deferred taxation		
Current year	**10**	54
Ireland normal taxation[3]		
Current taxation		
Current year	**–**	–
Total taxation charge	**(2 468)**	(2 462)
Profit before taxation	**8 648**	7 681

1 The current tax for 30 June 2026 includes an additional capital gains tax paid, resulting from a reclassification of unrealised gains to realised gains on investments.
2 The deferred tax adjustment for 30 June 2026 resulting from a change in estimate of capital gains tax accrued on unrealised gains.
3 OUTsurance DAC, a start-up subsidiary based in Ireland, remains in a tax loss position and, consequently, no current or deferred taxation expense or credit has been recognised for the current and prior financial year. Refer to note 20 for details of unrecognised deferred tax assets relating to assessed tax losses.

11. Taxation continued

The tax on the group's profit before taxation differs from the theoretical amount that would arise using the basic tax rate of South Africa as follows:

%	2026	2025
Tax rate reconciliation		
Effective tax rate	**28.54**	32.05
Non-temporary differences	**(1.39)**	(3.44)
Fair value adjustment[1]	**–**	1.66
Non-taxable income[2]	**0.28**	0.54
Share-based payment schemes in the Group	**(0.10)**	(0.79)
Capital gains tax	**0.01**	(1.13)
Foreign tax rate differential	**(0.93)**	(1.52)
Exempt dividends	**0.35**	0.20
Dividend related tax credit[3]	**0.08**	0.17
Equity accounted earnings	**0.08**	0.67
Fair value adjustments to financial liabilities	**–**	(0.10)
Insurance policyholder funds	**(0.05)**	–
Non-allowable expenses[3] [4]	**(1.00)**	(3.14)
Other permanent differences	**0.05**	–
Impairment of investment in associate	**(0.13)**	–
Loss on sale of associates	**(0.03)**	–
Prior year over/(under) provision[3]	**0.32**	(0.20)
Insurance policyholder funds – deferred tax asset recognised	**0.99**	–
Deferred tax asset not recognised	**(1.46)**	(1.41)
Standard income taxation rate in South Africa	**27.00**	27.00

1 Includes the Capital Gains Tax (CGT) exempt portion on the fair value adjustments of capital assets.
2 Includes transfers of payroll provisions that are non-taxable in terms of the Income Tax Act.
3 In respect of the prior financial year tax rate reconciliation, the effect of the dividend related tax credit and the assessment adjustment have been disaggregated from the non-allowable expenses line to better reflect the nature of the reconciling item.
4 These expenses are disregarded due to the allocation of the taxable and non-taxable income earned by the Group entities. Preference dividends paid is also included in non-allowable expenses. This non-taxable income is mainly as a result of income being derived from dividends received in a holding company structure.

12. Earnings per share

Earnings per share is calculated by dividing the earnings attributable to shareholders by the weighted number of ordinary shares in issue during the year.

R million	2026	2025
Earnings attributable to ordinary shareholders	**5 623**	4 707
Weighted average number of ordinary shares in issue (full amount)	**1 540 038 980**	1 537 128 700
Earnings per share (cents)	**365.2**	306.2
Earnings attributable to ordinary shareholders	**5 623**	4 707
Dilutory impact of the share incentive schemes on earnings[1]	**(22)**	(24)
Diluted earnings attributable to ordinary shareholders	**5 601**	4 683
Diluted weighted average number of ordinary shares in issue (full amount)	**1 547 489 328**	1 544 006 450
Diluted earnings per share (cents)	**362.0**	303.3

1 The dilutory impact relates to the Group's shareholding diminishing due to the vesting of share options in Group companies.

13. Headline earnings per share

Headline earnings per share is calculated by dividing the adjusted earnings attributable to shareholders by the weighted number of ordinary shares in issue during the year.

Headline earnings reconciliation

	2026		2025	
R million	Gross	Net	Gross	Net
Earnings attributable to ordinary shareholders		**5 623**		4 707
Adjustments for:				
– Impairment of investments in associates	**42**	**42**	–	–
– Loss on disposal of property and equipment	**5**	**4**	1	1
– Loss/(profit) on sale of assets held for sale	**4**	**6**	(35)	(23)
– Profit on disposal of investments in associates	**–**	**–**	(153)	(110)
– Impairment of assets held for sale[1]	**–**	**–**	10	10
Headline earnings attributable to ordinary shareholders		**5 675**		4 585

1 There is no tax impact on this headline earnings adjustment as it relates to a net capital loss from a tax perspective.

R million	2026	2025
Headline earnings attributable to ordinary shareholders	**5 675**	4 585
Weighted average number of ordinary shares in issue (full amount)	**1 540 038 980**	1 537 128 700
Headline earnings per share (cents)	**368.5**	298.3
Headline earnings attributable to ordinary shareholders	**5 675**	4 585
Dilutory impact of the share incentive schemes on earnings[1]	**(22)**	(24)
Diluted headline earnings attributable to ordinary shareholders	**5 653**	4 561
Diluted weighted average number of ordinary shares in issue (full amount)	**1 547 489 328**	1 544 006 450
Diluted headline earnings per share (cents)	**365.3**	295.4

1 The dilutory impact relates to the Group's shareholding diminishing due to the vesting of share options in Group companies.

14. Dividend per share

R million	2026	2025
Total dividends paid during the year	**5 130**	3 714
Total dividends declared relating to the year	**6 305**	4 171
Number of issued shares at the end of the year	**1 548 127 892**	1 547 231 505
Dividend declared per share – Normal (cents)	**291.5**	237.6
Dividend declared per share – Special (cents)	**117.8**	33.1
Total dividend	**409.3**	270.7

15. Property and equipment

R million	Land and buildings	Computer equipment	Furniture fittings and office equipment	Motor vehicles	Total
Year ended 30 June 2026					
Opening net book amount	**877**	**239**	**85**	**4**	**1 205**
Cost	**1 066**	**700**	**168**	**6**	**1 940**
Accumulated depreciation	**(189)**	**(461)**	**(83)**	**(2)**	**(735)**
Additions	**70**	**79**	**23**	**–**	**172**
Disposals	**(3)**	**(3)**	**(2)**	**–**	**(8)**
Foreign exchange adjustments	**(23)**	**(3)**	**(2)**	**–**	**(28)**
Depreciation charge	**(53)**	**(86)**	**(15)**	**(1)**	**(155)**
Closing net book amount	**868**	**226**	**89**	**3**	**1 186**
At 30 June 2026					
Cost	**1 101**	**760**	**186**	**6**	**2 053**
Accumulated depreciation	**(233)**	**(534)**	**(97)**	**(3)**	**(867)**
Net book amount	**868**	**226**	**89**	**3**	**1 186**

15. Property and equipment continued

R million	Land and buildings	Computer equipment	Furniture fittings and office equipment	Motor vehicles	Total
Year ended 30 June 2025					
Opening net book amount	921	215	63	6	1 205
Cost	1 281	659	149	8	2 097
Accumulated depreciation	(360)	(444)	(86)	(2)	(892)
Additions	188	111	69	5	373
Disposals	(154)	(2)	(31)	(5)	(192)
Foreign exchange adjustments	(27)	(3)	–	–	(30)
Depreciation charge	(51)	(82)	(16)	(2)	(151)
Closing net book amount	877	239	85	4	1 205
At 30 June 2025					
Cost	1 066	700	168	6	1 940
Accumulated depreciation	(189)	(461)	(83)	(2)	(735)
Net book amount	877	239	85	4	1 205

Land and buildings assets are utilised by the Group in the normal course of operations to provide services. Included in these assets are leasehold improvements with a carrying value of R65.9 million (2025: R11.3 million). The South African head office is situated in Centurion, Gauteng. The Australian head office for the Youi Group is situated on the Sunshine Coast. Both these properties are owner-occupied.

Information regarding land and buildings is kept at the respective Companies' registered offices. This information will be open for inspection in terms of section 20 of the Companies Act.

Refer to note 38 for the current and non-current analysis of property and equipment.

16. Intangible assets

Internally developed software relates to a project to redevelop the core insurance technology of the Group's insurance operations. These intangible assets will be amortised once the software development is substantially completed and available for use.

R million	Internally developed computer software	Purchased computer software	Computer software under development[1]	Total
Year ended 30 June 2026				
Opening net book amount	**213**	**8**	**3**	**224**
Cost	**329**	**108**	**3**	**440**
Accumulated amortisation	**(116)**	**(100)**	**–**	**(216)**
Additions	**56**	**5**	**1**	**62**
Write-off	**–**	**–**	**(3)**	**(3)**
Foreign exchange adjustments	**(5)**	**–**	**–**	**(5)**
Amortisation charge	**(42)**	**(9)**	**–**	**(51)**
Closing net book amount	**222**	**4**	**1**	**227**
At 30 June 2026				
Cost	**378**	**112**	**1**	**491**
Accumulated amortisation	**(156)**	**(108)**	**–**	**(264)**
Net book amount	**222**	**4**	**1**	**227**

1 Computer software under development relates to specific modules of the core insurance technology of the Group's insurance operations.

R million	Internally developed computer software	Purchased computer software	Computer software under development[1]	Total
Year ended 30 June 2025				
Opening net book amount	234	16	3	253
Cost	311	108	3	422
Accumulated amortisation	(77)	(92)	–	(169)
Additions	18	1	–	19
Foreign exchange adjustments	1	–	–	1
Amortisation charge	(40)	(9)	–	(49)
Closing net book amount	213	8	3	224
At 30 June 2025				
Cost	329	108	3	440
Accumulated amortisation	(116)	(100)	–	(216)
Net book amount	213	8	3	224

1 Computer software under development relates to specific modules of the new policy administration system still being developed.

17. Right-of-use assets

R million	Properties[1]	Motor vehicles[2]	Total
Year ended 30 June 2026			
Opening net book amount	**298**	**56**	**354**
Cost	**396**	**81**	**477**
Accumulated depreciation	**(98)**	**(25)**	**(123)**
Additions[3]	**18**	**16**	**34**
Modification	**119**	**1**	**120**
Depreciation	**(87)**	**(20)**	**(107)**
Terminations/cancellations[4]	**–**	**(6)**	**(6)**
Foreign currency adjustments	**(14)**	**(3)**	**(17)**
Closing net book amount	**334**	**44**	**378**
At 30 June 2026			
Cost	**511**	**84**	**595**
Accumulated depreciation	**(177)**	**(40)**	**(217)**
Closing net book amount	**334**	**44**	**378**

1 Property leases relate to the use of regional offices.
2 Leased motor vehicles are for the use of operational staff.
3 The additions relate to new leases entered into in OUTsurance and Youi for both motor vehicles and properties.
4 Terminations include motor vehicles leased by Youi with a cost of R10.7 million and an accumulated depreciation of R4.4 million. Cancellations include motor vehicles leased by OUTsurance with a cost of R1.0 million and an accumulated depreciation of R0.9 million.

During the current financial year, the lease contract for the Head office in OUTsurance Ireland was renegotiated to extend the lease term from 5 years to 10 years. This reflected the increased certainty associated with the entity's growth and continued operations. The change in the lease term was accounted for as a lease modification. In addition to the extended lease term, additional floor space was acquired for compensation that was commensurate with the increase in scope and therefore recognised as a separate lease.

As a result, the useful lives of the related leasehold improvements to the property were reassessed and the depreciation period was revised to reflect the period over which the assets are expected to generate future economic benefits. The revised depreciation charges have been recognised prospectively from the date of reassessment in accordance with the Company's accounting policy for property and equipment.

R million	Properties[1]	Motor vehicles[2]	Total
Year ended 30 June 2025			
Opening net book amount	250	27	277
Cost	277	57	334
Accumulated depreciation	(27)	(30)	(57)
Additions[3]	126	51	177
Depreciation	(73)	(17)	(90)
Terminations[4]	–	(4)	(4)
Foreign currency adjustments	(5)	(1)	(6)
Closing net book amount	298	56	354
At 30 June 2025			
Cost	396	81	477
Accumulated depreciation	(98)	(25)	(123)
Closing net book amount	298	56	354

1 Property leases relate to the use of regional offices.
2 Leased motor vehicles are for the use of operational staff.
3 The addition is new leases entered into in OUTsurance Shared Services for motor vehicles and Youi for properties.
4 Following Youi's transitioning to electric vehicles during the prior financial year, motor vehicles with a cost of R20.1 million and an accumulated depreciation of R15.8 million was derecognised.

18. Subsidiaries

The following companies are subsidiaries of OGL as at 30 June 2026:

Subsidiary	Nature of business	Country of Incorporation	Issued ordinary shares 2026 R million	Issued ordinary shares 2025 R million	Effective holdings 2026 %	Effective holdings 2025 %
Directly held by the company:						
Main Street 1353 Proprietary Limited[1]	Holdings company	South Africa	**6 123**	6 131	**100**	100
OUTsurance Holdings Limited	Holdings company	South Africa	**4 259**	4 259	**92.8**	92.8
RMI Treasury Company Limited[2]	Holdings company	South Africa	**7 314**	7 973	**100**	100
Additiv Proprietary Limited	Holdings company	South Africa	**9**	9	**100**	100
Indirectly held via OUTsurance Holdings Limited:						
OUTsurance Designated Activity Company[3]	Short-term Insurer	Ireland	**2 429**	2 229	**100**	100
OUTsurance Insurance Company Limited	Short-term Insurer	South Africa	**25**	25	**100**	100
OUTsurance International Holdings Proprietary Limited[3]	Holdings company	South Africa	**4 263**	4 263	**100**	100
OUTsurance Irish Insurance Holdings Ltd[3]	Long-term insurer	Ireland	**2 429**	2 229	**100**	100
OUTsurance Life Insurance Company Limited	Long-term insurer	South Africa	**435**	435	**100**	100
OUTsurance Shared Services Proprietary Limited	Service company	South Africa	**180**	180	**100**	100
Youi Holdings Proprietary Limited	Holdings company	Australia	**1 514**	1 522	**94.8**	95.0
Youi Properties Proprietary Limited[4]	Property company	Australia	**–**	–	**94.8**	95.0
Youi Proprietary Limited (Australia)	Short-term Insurer	Australia	**2 382**	2 409	**94.8**	95.0

18. Subsidiaries continued

Subsidiary	Nature of business	Country of Incorporation	Issued ordinary shares 2026 R million	Issued ordinary shares 2025 R million	Effective holdings 2026 %	Effective holdings 2025 %
Indirectly held via RMI Treasury Company Limited:						
AlphaCode Proprietary Limited	Holdings company	South Africa	**37**	37	**100**	100
Firness International Proprietary Limited	Holdings company	South Africa	**1 874**	1 874	**100**	100
RMI Investment Holdings Proprietary Limited[5]	Holdings company	South Africa	**380**	835	**100**	100
RMI Invest One Proprietary Limited[6]	Holdings company	South Africa	**–**	26	**100**	100
RMI Invest Two Proprietary Limited[7]	Holdings company	South Africa	**–**	239	**100**	100
RMI Invest Three Proprietary Limited	Holdings company	South Africa	**499**	499	**100**	100
RMI Invest Four Proprietary Limited	Holdings company	South Africa	**69**	69	**100**	100
RMI Invest Five Proprietary Limited[8]	Holdings company	South Africa	**–**	–	**100**	100
RMI Invest Six Proprietary Limited[8]	Holdings company	South Africa	**–**	–	**100**	100
RMI Investment Managers Affiliates 1 Proprietary Limited[9]	Holdings company	South Africa	**89**	248	**100**	100
RMI Investment Managers Group Proprietary Limited[10]	Holdings company	South Africa	**492**	719	**100**	100

1 During the current financial year, Main Street 1353 Proprietary Limited made a cash return of capital distribution in the amount of R8 million.
2 During the current financial year, the company received R659 million (2025: R718 million) in cash from RMI Treasury Company Limited as a return of capital distribution.
3 During the current financial year, the Group made additional share capital investment of R199 million (€10 million) (2025: R191 million (€10 million)) in OUTsurance Designated Activity Company and OUTsurance Irish Insurance Holdings Ltd through its interest in OUTsurance International Holdings Proprietary Limited.
4 An amount of R10 000 relating to Youi Properties Proprietary Limited issued ordinary capital in the current and prior financial years were excluded due to rounding.
5 During the current financial year, RMI Investment Holdings Proprietary Limited made a cash return of capital distribution in the amount of R455 million.
6 During the current financial year, RMI Invest One Proprietary Limited made a cash return of capital distribution in the amount of R26 million.
7 During the current financial year, RMI Invest Two Proprietary Limited made a cash return of capital distribution in the amount of R239 million.
8 Amounts of R100 relating to these investments were excluded due to rounding.
9 During the current financial year, RMI Investment Managers Affiliates 1 Proprietary Limited made a cash return of capital distribution in the amount of R159 million.
10 During the current financial year, RMI Investment Managers Group Proprietary Limited made a cash return of capital distribution in the amount of R227 million.

18. Subsidiaries continued

Investment in Ireland

During the current and prior financial years, the Group made an additional share capital investment of €10 million per annum. This is aligned with the Group's capital commitment to fund the growth in OUTsurance DAC by subscribing for additional shares in OUTsurance Irish Holdings to the value of €10 million per year for five years until 2029.

In line with the capital commitment agreement an investment of €10 million was made on 1 November 2025 at a spot rate of R19.93 with a total foreign exchange gain of R0.7 million.

Up to 15% of the issued ordinary share capital of OUTsurance Irish Holdings can be made available under the employee share capital scheme in Ireland.

All subsidiaries are included in the consolidation. The proportion of voting rights in subsidiaries does not differ from the proportion of ordinary shares held.

There is no difference between the effective holdings and the actual holdings in subsidiaries and associates consolidated for the current and prior financial years.

18. Subsidiaries continued

Investment in OUTsurance Holdings

R million	2026	2025
OUTsurance Holdings Limited		
Financial year: 30 June		
Year used for consolidation: 30 June		
Number of shares held	**3 526 569 014**	3 523 520 226
Equity shares at cost	**12 133**	12 039
Profit for the year	**6 112**	5 285
Results for the year ended 30 June		
Income statement		
Insurance revenue	**41 487**	37 131
Insurance service expenses	**(33 037)**	(28 668)
Net expenses from reinsurance contracts held	**(376)**	(882)
Insurance service result	**8 074**	7 581
Administration and other revenue	**503**	450
Net investment income	**1 855**	2 455
Investment income	**386**	282
Interest income on financial assets using the effective interest method	**1 314**	1 316
Net gains from fair value adjustments on financial assets	**156**	857
Expected credit losses reversed on financial assets	**(1)**	–
Net insurance finance expenses	**(348)**	(296)
Finance expenses from insurance contracts issued	**(348)**	(452)
Finance income from reinsurance contracts held	**–**	156
Fair value adjustment to financial liabilities	**(212)**	(211)
Net insurance and investment result	**9 872**	9 979
Other operating expenses	**(1 167)**	(2 355)
Finance costs	**(132)**	(131)
Equity accounted earnings	**–**	67
(Loss)/profit on sale of associates	**(5)**	176
Impairment of investment in asset held for sale	**–**	(10)
Profit before taxation	**8 568**	7 726
Taxation	**(2 456)**	(2 441)
Profit for the year	**6 112**	5 285
Profit attributable to:		
Ordinary shareholders	**5 992**	5 151
Non-controlling interest	**120**	134
Profit for the year	**6 112**	5 285
Financial position as at 30 June		
Current assets	**32 724**	30 471
Non-current assets	**8 240**	7 377
Current liabilities	**(17 300)**	(16 743)
Non-current liabilities	**(7 760)**	(6 136)
Cash flows for the year ended 30 June		
Cash inflow from operating activities	**4 843**	5 724
Cash outflow from investing activities	**92**	(1 288)
Cash outflow from financing activities	**(4 941)**	(4 301)

18. Subsidiaries continued

Investment in RMI Treasury Company

R million	2026	2025
RMI Treasury Company Limited consolidated		
Financial year: 30 June		
Year used for consolidation: 30 June		
Number of shares held	**27 623**	27 623
Equity shares at cost	**7 314**	7 973
Profit for the year	**55 010**	114
Results for the year ended 30 June		
Income statement		
Investment income	**19**	22
Interest income on financial assets using the effective interest method	**9**	6
Net gain/(loss) from fair value adjustments on financial assets	**24**	(27)
Other operating expenses	**(17)**	(24)
Result of operating activities	**35**	(23)
Finance costs	**–**	(5)
Equity accounted earnings	**26**	122
Impairment of investments in associates	**(42)**	–
Profit on sale of assets held for sale	**–**	35
Profit before taxation	**19**	129
Taxation	**(6)**	(15)
Profit for the year	**13**	114
Financial position as at 30 June		
Current assets	**177**	326
Non-current assets	**229**	794
Current liabilities	**(3)**	(26)
Non-current liabilities	**–**	(38)
Cash flows for the year ended 30 June		
Cash outflow from operating activities	**(75)**	(23)
Cash inflow from investing activities	**701**	789
Cash outflow from financing activities	**(659)**	(722)

18. Subsidiaries continued

Reconciliation of non-controlling interest

R million	Non-controlling interest relating to: OUTsurance Holdings Limited 7.2%	Youi Holdings Proprietary Limited 5.6%	Total
At 30 June 2026			
Opening balance of non-controlling interest	**1 048**	**351**	**1 399**
Profit attributable to non-controlling interests	**437**	**120**	**557**
FCTR attributable to non-controlling interest	**(24)**	**(11)**	**(35)**
Transactions with non-controlling interests	**(12)**	**9**	**(3)**
Non-controlling interest in other reserves	**(2)**	**–**	**(2)**
Dividends paid	**(342)**	**(99)**	**(441)**
Closing balance of non-controlling interest	**1 105**	**370**	**1 475**

R million	Non–controlling interest relating to: OUTsurance Holdings Limited 7.2%	Youi Holdings Proprietary Limited 5.6%	Total
At 30 June 2025			
Opening balance of non-controlling interest	1 007	295	1 302
Profit attributable to non-controlling interests	378	134	512
FCTR attributable to non-controlling interest	(7)	(16)	(23)
Transactions with non-controlling interests	35	5	40
Non-controlling interest in other reserves	(2)	–	(2)
Dividends paid	(363)	(67)	(430)
Closing balance of non-controlling interest	1 048	351	1 399

18. Subsidiaries continued

OUTsurance Holdings Limited

Transactions in the current financial year

During the current financial year, OGL acquired an additional 3 048 788 OHL ordinary shares in exchange for issuing 896 387 new OGL ordinary shares with a total market value of R64 million and a total cash consideration of R31 million.

These acquisitions of OHL shares can be broken down as follows:

- On 17 November 2025, OGL issued 388 661 new ordinary shares at R72.44 per share (R28 million) in exchange for 890 130 OHL shares acquired from minority shareholders;
- On 10 June 2026, OGL issued 507 726 new ordinary shares at R70.67 per share (R36 million) in exchange for 1 162 705 OHL shares acquired from minority shareholders; and
- OGL acquired a further 995 953 OHL shares from minority shareholders for a total cash consideration of R31 million at various times during the current financial year.

The total consideration for OHL shares acquired from OHL minority shareholders is therefore R95 million, which resulted in OGL's shareholding in OHL increasing by 0.08% from 92.75% to 92.83% as at 30 June 2026.

Current financial year effect on the equity attributable to owners of OHL was as follows:

R million	Transactions with OHL minority shareholders
Carrying amount of the 7.25% non-controlling interest before the transactions with the OHL minority shareholders	**1 033**
Carrying amount of the 0.08% non-controlling interest acquired	**11**
Total consideration for OHL shares acquired from OHL minority shareholders	**(95)**
Excess of consideration exchanged and recognised in the transaction with non-controlling interest reserve	**(84)**

Transactions in the prior financial year

During the prior financial year, OGL acquired an additional 87 311 782 OHL ordinary shares in exchange for issuing 18 461 156 new OGL ordinary shares with a total market value of R990 million and a total cash consideration of R981 million.

These acquisitions of OHL shares can be broken down as follows:

1. Acquiring OHL shares from the OHL Share Trust

   On 16 September 2024, OGL issued 12 079 169 new ordinary shares at R48.69 per share (R588 million) and paid R900 million in cash in exchange for 69 996 930 OHL ordinary shares acquired from the OHL Share Trust (total consideration of R1 488 million). This transaction increased OGL's actual shareholding in OHL from 90.45% (as at 1 July 2024) to 92.15% (as at 16 September 2024).

2. Acquiring OHL shares from OHL minority shareholders
   - On 15 November 2024, OGL issued 5 552 510 new ordinary shares at R61.12 per share (R339 million) in exchange for 12 720 025 OHL shares acquired from minority shareholders;
   - On 20 June 2025, OGL issued 829 477 new ordinary shares at R75.68 per share (R63 million) in exchange for 1 899 976 OHL shares acquired from minority shareholders; and
   - OGL acquired a further 1 684 751 OHL shares from minority shareholders for a total cash consideration of R81 million at various times during the prior financial year.

The total consideration for OHL shares acquired from OHL minority shareholders is therefore R483 million, which resulted in OGL's shareholding in OHL increasing by 0.6% from 92.15% to 92.75% as at 30 June 2025.

18. Subsidiaries continued

OUTsurance Holdings Limited continued

Transactions in the prior financial year continued

Current financial year effect on the equity attributable to owners of OHL was as follows:

R million	Transactions with OHL minority shareholders
Carrying amount of the 7.85% non-controlling interest before the transactions with the OHL minority shareholders	1 073
Carrying amount of the 0.6% non-controlling interest acquired	82
Non-controlling interest in total consideration in respect of the OHL shares acquired from the OHL share trust	(117)
Total consideration for OHL shares acquired from OHL minority shareholders	(483)
Excess of consideration exchanged and recognised in the transaction with non-controlling interest reserve	(518)

Youi Holdings Proprietary Limited (Youi Holdings)

During the current financial year, in September 2025, Youi Holdings Pty Limited (Youi Holdings) issued 956 928 additional ordinary shares to its Share Trust. The issue price per share was A$1.87 for a total market value of A$1.8 million. The OHL Group's ownership in Youi Holdings decreased from 94.41% to 94.36% as a result of this transaction and the results of the Youi Group were consolidated in line with the updated percentage holding from the effective date.

During the prior financial year, in September 2024, Youi Holdings Pty Limited (Youi Holdings) issued 5 030 000 additional ordinary shares to its Share Trust. The issue price per share was A$1.23 for a total market value of A$6.2 million. The OHL Group's ownership in Youi Holdings decreased from 94.64% to 94.41% as a result of this transaction and the results of the Youi Group were consolidated in line with the updated percentage holding from the effective date.

The effect of the share issue on equity attributable to owners of Youi Holdings during the current and prior financial year is summarised as follows:

R million	2026	2025
Carrying amount of the 5.59% (2025: 5.36%) non-controlling interest before the sale	**328**	284
Carrying amount of the 0.05% (2025: 0.23%) non-controlling interest acquired	**20**	(58)
Value of consideration for the non-controlling interest	**20**	74
Excess of consideration exchanged and recognised in the transaction with non-controlling interest reserve	**40**	16

19. Investment in associates

	Number of shares		% of equity	
	2026	2025	**2026**	2025
The following companies are associates of the Group as at 30 June 2026:				
Polar Star Management	**155 000**	155 000	**25.0**	25.0
Sancreed Proprietary Limited (Guidepost)[1]	**122 839**	122 839	**45.5**	45.5

1 Guidepost is carried at R nil.

R million	**2026**	2025
Investment in associates		
Polar Star Management	**228**	258
Sancreed Proprietary Limited (Guidepost)	**–**	–
Investment in associates	**228**	258
Reconciliation of investment in associates		
Opening balance	**258**	806
Equity-accounted earnings for the year	**25**	189
Dividends received for the year	**(13)**	(185)
Impairment of investment in associate	**(42)**	–
Foreign exchange adjustments	**–**	(12)
Carrying value of associate sold	**–**	(350)
Carrying value of associates classified as held for sale	**–**	(188)
Associate becoming a subsidiary	**–**	(2)
Closing balance	**228**	258

The Group assesses whether there is an indicator for impairment of its associate investments on an annual basis and performs an impairment assessment if such an indicator exists. The assessments are based on discounted cash flow models with company forecasts used as inputs. These forecasts can be adjusted to allow for our own assessment of expected performance.

Based on this assessment, the Group's investment in Polar Star Management was impaired by R42 million in the current financial year.

There are no contingent liabilities relating to the Group's investment in associates.

The tables below provides a summary of the financial information of the associate (Polar Star Management) held within the Group:

R million	**2026**	2025
Statement of financial position		
Current assets	**105**	93
Non-current assets	**394**	1 065
Current liabilities	**(71)**	(775)
Non-current liabilities	**(6)**	(10)
Equity	**422**	373
Statement of profit and loss and other comprehensive income		
Revenue	**275**	608
After tax profit or loss	**122**	501
Closing balance of cash and cash equivalents	**42**	50

19. Investment in associates continued

The tables below provides a reconciliation of the carrying value of the associate (Polar Star Management) held within the Group:

R million	2026	2025
% of ownership[1]	**25.0%**	25.0%
Nature of business	**Asset Management**	Asset Management
Place of business	**South Africa**	South Africa
Opening net assets	**373**	479
Profit for the year	**122**	500
Foreign currency translation adjustments	**(41)**	(22)
Dividend	**(50)**	(584)
Closing net assets	**404**	373
Interest in associates[1]	**102**	95
Notional goodwill	**119**	161
Foreign currency translation reserve attributable to notional goodwill	**7**	2
Carrying value	**228**	258

1 The percentage of ownership have been rounded to one decimal for disclosure purposes, where the actual ownership percentage is at least two decimals. This will have a slight impact on the interest in associates value being recalculated.

Associates sold and or classified as held for sale during the prior financial year

Additiv Proprietary Limited and its 100% subsidiary Additiv Capital Proprietary Limited (Additiv)

During the prior financial year, as at 30 June 2025, Additiv changed from being previously treated as an associate to a 100%-owned subsidiary. The increase in shareholding is as a result of the acquisition of all the shares not previously held for a nominal amount.

Merchant Capital Advisory Services Proprietary Limited (Merchant Capital)

During the prior financial year, in January 2025, an agreement was reached to dispose of Merchant Capital by way of a company share buy-back. Accordingly, the investment in the Merchant Capital met the criteria for classification as held for sale as at the interim reporting period, 31 December 2024. This disposal was tranched over a period of 15 months with total proceeds amounting to R92 million, and the outstanding deferred proceeds (R65 million) as at 30 June 2025 was received in full during April 2026.

CloudBadger Proprietary Limited (CloudBadger)

CloudBadger is a software company operating in South Africa.

During the prior financial year, a Memorandum of Understanding (MOU) was concluded in December 2024, followed by the execution of a Sale and Purchase Agreement (SPA) on 1 July 2025 for the disposal of CloudBadger. The SPA became binding upon fulfilment of the condition precedent relating to approval by the Competition Commission of Eswatini.

During the current financial year, the Competition Commission of Eswatini approved the transaction, and the disposal became effective on 1 October 2025, being the effective date of sale.

The SPA provides for contingent consideration in the form of an “Agterskot” payment, which is performance-based and payable over a four-year period subsequent to the closing date, subject to the fulfilment of specified conditions, including Prudential Authority approval. The contingent payments are determined annually based on the revenue performance of the agreed contracts and are allocated equally between the sellers. The first year’s contingent consideration is calculated based on 40% of the revenue generated from the agreed contracts.

The estimated contingent consideration of R4 million has been recognised as a ‘contingent receivable’ and is included within ‘financial assets at fair value through profit or loss’ (refer to note 21).

Blue Zebra Insurance Proprietary Limited (BZI)

The Group’s subsidiary, Youi Holdings had an associate investment in BZI, which is an insurance underwriting agency operating in Australia.

19. Investment in associates continued

Associates sold and or classified as held for sale during the prior financial year continued

During the prior financial year, Youi Holdings sold its share in BZI which was unconditional as at 30 June 2025. The interest was sold to Envest Pty Ltd for a total net proceeds of R526 million, resulting in a profit of R176 million (pre-tax) included in profit or loss. The net proceeds is included in 'other receivables' as at 30 June 2025 which was received on 1 July 2025.

Profit on sale of associates are as follows:

R million	BZI 2025
Sales proceeds	526
Carrying amount of associate sold	(350)
Profit on sale of associate	176

Associates classified as held for sale are as follows:

R million	Merchant Capital	CloudBadger	Total
2025			
Carrying value at 1 July 2024	58	135	193
Equity-accounted earnings for the prior financial year	–	(3)	(3)
Dividends received for the prior financial year	(2)	–	(2)
Carrying value of associates classified as held for sale	56	132	188

The Group had no classification of associates to held for sale during the current financial year.

20. Deferred income tax

Deferred 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 taxes relate to the same fiscal authority.

R million	Opening Balance	Movement: Profit or loss	Movement: Other comprehensive income	Movement: Equity[1]	Closing Balance
At 30 June 2026					
Deferred tax assets					
Provision relating to staff costs	568	(259)	–	(4)	305
Other provisions	12	4	–	–	16
Insurance contract assets	153	44	–	(5)	192
Fair value adjustments	(5)	5	–	–	–
Service costs on employee benefits	10	(4)	–	–	6
Lease liabilities	99	(18)	–	(2)	79
Financial assets at fair value through other comprehensive income	1	(1)	–	–	–
Allowances on fixed and intangible assets	32	3	–	(1)	34
Special transfer credit	–	3	–	–	3
Expected loss adjustment	7	–	–	–	7
Other	26	(13)	–	6	19
Assessed loss	–	83	–	–	83
Total before adjustment relating to offset	903	(153)	–	(6)	744
Adjustment relating to offset[2]	(402)				(285)
Total deferred tax assets	501				459
Deferred tax liabilities					
Fair value adjustments[3]	(350)	124	(6)	38	(194)
Investment in associates[4]	(9)	9	–	–	–
Prepayments	(12)	7	–	–	(5)
Right-of-use assets	(92)	25	–	3	(64)
Insurance contract liabilities	(127)	38	–	–	(89)
Reinsurance contract assets	31	(8)	–	–	23
Capital loss utilised	(1)	1	–	–	–
Other adjustments	–	(21)	–	–	(21)
Total before adjustment relating to offset	(560)	175	(6)	41	(350)
Adjustment relating to offset[2]	402				285
Total deferred tax liabilities	(158)				(65)

1 Included in the equity movement is the movement in the FCTR on the deferred tax balances where applicable.
2 The adjustment relating to offset relates to the reclassification of the balance from the underlying companies to disclose the net position per legal entity as the Group does not have a legal right of offset of the underlying companies.
3 A deferred tax liability was recognised in the prior financial year in respect of taxable temporary differences associated with an unlisted equity investment measured at fair value through other comprehensive income (FVOCI). Following the disposal of the investment during the current financial year, the deferred tax liability was reassessed and adjusted to reflect the actual capital gains tax arising on disposal. The resulting tax liability was settled in full by 30 June 2026.
4 During the prior financial year, the Group recognised a deferred income tax liability of R9 million arising from the disposal of an investment in an associate following a share buy-back transaction by the associate. The related deferred income tax liability was settled in full during the current financial year.

20. Deferred income tax continued

R million	Opening Balance	Movement: Profit or loss	Movement: Other comprehensive income	Movement: Equity[1]	Closing Balance
At 30 June 2025					
Deferred tax assets					
Provision relating to staff costs	397	178	–	(7)	568
Other provisions	13	–	–	(1)	12
Insurance contract assets	103	54	–	(4)	153
Fair value adjustments	3	(8)	–	–	(5)
Service costs on employee benefits	(32)	42	–	–	10
Operating lease charges	(5)	5	–	–	–
Lease liabilities	72	29	–	(2)	99
Financial assets at fair value through other comprehensive income	1	–	–	–	1
Allowances on fixed and intangible assets	26	7	–	(1)	32
Special transfer credit	12	(12)	–	–	–
Expected loss adjustment	7	–	–	–	7
Other	34	(9)	–	1	26
Reinsurance contract assets	(1)	1	–	–	–
Total before adjustment relating to offset	630	287	–	(14)	903
Adjustment relating to offset[2]	(323)				(402)
Total deferred tax assets	307				501
Deferred tax liabilities					
Fair value adjustments	(199)	(169)	17	1	(350)
Investment in associates[3]	(27)	17	–	1	(9)
Prepayments	(19)	7	–	–	(12)
Operating lease charges	(1)	1	–	–	–
Right-of-use assets	(68)	(26)	–	2	(92)
Insurance contract liabilities	(262)	135	–	–	(127)
Reinsurance contract assets	39	(8)	–	–	31
Capital loss utilised	(1)	–	–	–	(1)
Other adjustments	31	(31)	–	–	–
Total before adjustment relating to offset	(507)	(74)	17	4	(560)
Adjustment relating to offset[2]	324				402
Total deferred tax liabilities	(183)				(158)

1 Included in the equity movement is the movement in the FCTR on the deferred tax balances where applicable.
2 The adjustment relating to offset relates to the reclassification of the balance from the underlying companies to disclose the net position per legal entity as the Group does not have a legal right of offset of the underlying companies.
3 The Group recognised a deferred income tax liability of R9 million during the prior financial year following the share buy-back transaction of an associate resulting in a disposal. As per the share buy-back agreement, this deferred income tax liability was to be settled within the current financial year.

20. Deferred income tax continued

The Group reviews the carrying amount of deferred tax assets at each reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

The following deferred tax assets were not recognised:

- An amount of R220 million as at 30 June 2025 which related to the individual policyholder tax fund in OUTsurance Life Insurance Company. In the current financial year, the taxable income exceeded the deductible expenses in the fund and the full assessed loss was recognised.
- An amount of R126 million (2025: R108 million) which relates to OUTsurance DAC, the Group's start-up subsidiary which does not have sufficient future taxable profits at this stage.
- During the prior financial year, OUTsurance purchased the Embankment office building that was owned by a fellow subsidiary, OUTsurance Properties, under a section 45 Inter-group transaction of the Income Tax Act. In terms of the Act, the transaction has a roll-over effect where OUTsurance and Properties are assumed to be one in the same person for purposes of the transaction. The deferred tax liabilities to the value of R88 million previously recognised by OUTsurance Properties has been rolled forward to OUTsurance for tax purposes. This deferred taxation liability is not recognised because the transaction is not a business combination as required by IAS 12 and will realise when the building is disposed of to a third party.

The unrecognised deferred tax assets do not have an expiry date.

Refer to note 38 for the current and non-current analysis of deferred taxation.

21. Financial assets

R million	2026	2025
Fair value through profit or loss	**7 525**	6 758
Measured at fair value through profit or loss	**4 310**	4 108
Debt securities		
Zero-coupon deposits backing endowment policies	**1 940**	1 863
Convertible loan	**–**	14
Equity securities		
Listed non-cumulative, non-redeemable preference shares	**143**	227
Exchange traded funds	**1 136**	1 184
Collective investment schemes[1]	**1 081**	810
Unlisted shares	**10**	10
Designated at fair value through profit or loss	**3 215**	2 650
Debt securities		
Money market securities	**48**	20
Zero-coupon deposits	**1 770**	1 730
Unsecured investment in development fund	**131**	84
Contingent receivable	**88**	74
Collective investment schemes[2]	**1 178**	742
Fair value through other comprehensive income	**7 995**	8 111
Debt securities		
Government, municipal and public utility securities	**1 184**	789
Money market securities <1year	**2 136**	1 898
Money market securities >1 year	**2 791**	3 046
Collective investment schemes[3]	**1 884**	1 904
Equity securities		
Unlisted equity	**–**	474
Amortised cost	**16 930**	14 355
Debt securities		
Term deposits	**16 842**	14 347
Term loan[4]	**87**	–
Preference share investment	**1**	8
Total financial assets	**32 450**	29 224

1 The Group's investment in Equity Collective investment schemes consist of R67.8 million (2025: R41.6 million) for MSCI World Index Feeder Fund and R1 013.3 million (2025: R768.5 million) for the Australian Equity Index Fund.
2 This investment relates to the Group's investment in the Australian Bond Fund.
3 These investments relate to the Group's investment in the Money Market Funds of which the most material fund is OUTsurance Ireland's investment of R1 811 million (2025: R1 892 million) in the Morgan Stanley Euro Liquidity Fund.
4 The Term loan was advanced to the independent Youi ESOP Financing Trust. The loan was negotiated and concluded on arm's length terms and conditions and provides the lender with full recourse against the Trust in the event of default.

Refer to page 36 under level 2 fair value hierarchy description for more information on the type of collective investment schemes.

21. Financial assets continued

R million	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
Year ended 30 June 2026 Movement Analysis				
Opening balance	**6 758**	**8 111**	**14 355**	**29 224**
Additions (purchases and issues)	**1 339**	**3 552**	**10 041**	**14 932**
Interest reinvested	**375**	**509**	**373**	**1 257**
Disposals (sales and redemptions)	**(1 039)**	**(3 983)**	**(7 395)**	**(12 417)**
Fair value adjustments	**143**	**8**	**–**	**151**
Expected credit loss movement	**–**	**–**	**3**	**3**
Foreign exchange difference	**(51)**	**(202)**	**(447)**	**(700)**
Closing balance	**7 525**	**7 995**	**16 930**	**32 450**
Year ended 30 June 2025 Movement Analysis				
Opening balance	5 632	8 203	12 634	26 469
Additions (purchases and issues)	1 838	2 251	4 602	8 691
Dividends reinvested	9	–	–	9
Interest reinvested	25	559	380	964
Disposals (sales and redemptions)	(1 051)	(2 607)	(2 813)	(6 471)
Fair value adjustments	323	(421)	–	(98)
Expected credit loss movement	–	–	26	26
Foreign exchange difference	(18)	126	(474)	(366)
Closing balance	6 758	8 111	14 355	29 224

A register of investments is available for inspection at the registered office of the Group.

Refer to note 3.3.1 for information relating to the fair value of investment securities. Refer to note 38 for the current and non-current analysis of investment securities.

Critical accounting estimates – ECL

In determining the ECL allowances for financial instruments carrying credit risk, the following significant judgements and estimates were considered:

- Judgement was applied in identifying the qualitative and quantitative triggers and thresholds used to identify significant increases in credit risk since initial recognition of the financial assets. Depending on the availability of reasonable and supportable information without undue cost or effort, significant increases in credit risk are identified through, amongst others, market curve movements, credit quality of the instrument and issuing party, and portfolio assessments.
- For financial instruments that are significantly over-collateralised or have a contractual maturity of less than 12-months, expected credit losses are measured using a 12-month ECL approach from initial recognition, as these characteristics are considered indicative of limited credit risk.
- The Group applies judgement in identifying default and credit-impaired financial assets. In making this judgement, the Group considers whether the balance is in legal review, debt review or under administration or expert judgement. Financial assets are credit impaired when one or more events with a detrimental impact on the expected cash flows have taken place.
- Management relies on the discount rates observed on the zero-coupon bond curve as published by the Johannesburg Stock Exchange to discount all cash flows to their present value. These discount rates are considered to be reflective of the current market conditions as well as those expected in the future.
- Management deems the instrument type aggregation to be the most appropriate manner to calculate the allowance for ECL taking undue costs and effort into account.

22. Derivative financial instruments

The Group utilises derivative financial instruments for the following:

- to reduce the impact of the interest rate risk contained in the insurance contract liabilities in its long-term insurance business;
- to reduce the impact of the currency risk contained in its open foreign currency exposures;
- to provide price certainty related to future equity investments; and
- to reduce equity price risk contained in the cash settled share-based payment scheme.

The Group undertakes transactions involving derivative financial instruments with other financial institutions. Management has established limits commensurate with the credit quality of the institutions with which it deals and manages the resulting exposures such that a default by any individual counterparty is unlikely to have a materially adverse impact on the Group.

R million	2026	2025
Derivative assets	**185**	326
Derivative liabilities	**(140)**	(7)
Net derivative financial instruments	**45**	319

The following table presents the detailed breakdown of the Group's derivative financial instruments outstanding at year-end and that are subject to enforceable master netting arrangements as at 30 June:

R million	Gross assets	Gross liabilities	Net derivatives
At 30 June 2026			
Interest rate swap	**1 495**	**(1 607)**	**(112)**
Effect of assets relating to the floating rate swap	**1 495**	**–**	**1 495**
Effect of liability relating to the fixed rate swap	**–**	**(1 607)**	**(1 607)**
Collateralised swap	**163**	**–**	**163**
Bond forward	**6**	**–**	**6**
Forward exchange derivatives			
EUR FEC	**–**	**(28)**	**(28)**
Total return swap	**18**	**(2)**	**16**
Effect of assets relating to the fixed rate swap	**18**	**–**	**18**
Effect of liability relating to the floating rate swap	**–**	**(2)**	**(2)**
Total	**1 682**	**(1 637)**	**45**

R million	Gross assets	Gross liabilities	Net derivatives
At 30 June 2025			
Interest rate swap	1 181	(1 188)	(7)
Effect of assets relating to the floating rate swap	1 181	–	1 181
Effect of liability relating to the fixed rate swap	–	(1 188)	(1 188)
Collateralised swap	67	–	67
Bond forward[1]	–	–	–
Forward exchange derivatives			
EUR FEC	10	–	10
Total return swap[2]	267	(18)	249
Effect of assets relating to the fixed rate swap	267	–	267
Effect of liability relating to the floating rate swap	–	(18)	(18)
Total	1 525	(1 206)	319

1 The prior financial year value of the Bond forward of R461 105 was excluded due to rounding.
2 The prior financial year value has been disaggregated to better reflect the fair value position of the derivative instrument.

22. Derivative financial instruments continued

R million	Net derivatives 2026	2025
Movement analysis of derivative asset and liability		
Opening balance	**319**	(1)
Additions (purchases and issuings)	**–**	33
Disposals (including interest settled)	**(182)**	166
Fair value adjustments	**(5)**	162
Interest accrued	**(87)**	(41)
Closing balance	**45**	319

The interest rate swap is set to match cash flows from year 0 to year 14 and is in a net liability position of R112 million (2025: R7 million).

The collateralised swap arrangement is intended to match payments due to policyholders in the future, after a specified date. The collateralised swap is set to cover fulfilment cash flows from year 14 onward. The market value of the collateralised swap is R163 million (2025: R67 million).

The Bond forward contract has a fair value of R6 million (2025: R0.5 million) which is rolled on a 3 month basis. The interest on the underlying bonds is linked to inflation and is intended to offset the Group's exposure to inflation risk.

Total return swap

The Group entered into a total return swap arrangement to hedge its obligation under the cash settled share-based payment scheme. The fair value of the total return swap is based on the net of the growth of the underlying listed share price, relative to the purchase price, and the interest payable on the notional equity value based on ZARONIA (2025: JIBAR).

Foreign currency derivatives

The Group utilises derivative financial instruments to reduce the impact of the currency risk contained in its open foreign currency exposures. The Group undertakes transactions involving derivative financial instruments with other financial institutions.

The Group has entered into foreign derivative contracts to economically hedge its exposure against the volatility of the Rand against the Australian Dollar (AUD) and the Euro. The Euro derivative instrument as at 30 June 2026 is for the additional capital investment in OUTsurance Irish Insurance Holdings Limited on the 1 November 2026 as required per the capital commitment deed.

23. Other receivables

R million	2026	2025
Due from agents, brokers and intermediaries[1]	**15**	479
Fees receivable from contact centre services	**77**	27
Interest receivable	**378**	333
Other receivables	**224**	83
Prepayments	**240**	207
Dividend receivable from investment in associate	**–**	146
Due in respect of associates sold	**–**	591
Total other receivables	**934**	1 866

1 The balance due from agents, brokers and intermediaries relates to premiums collected by the BZI broker channel in the prior financial year. The decrease in the current year is attributable to the recovery of these amounts following the disposal of BZI. The remaining balance in the current financial year is with other agents and independent brokers.

Included in other receivables and prepayments are amounts due by related parties. Refer to note 39 for further details thereof.

Since other receivables have short-term maturities, the carrying amount approximates the fair value. Refer to note 38 for the current and non-current analysis of other receivables.

24. Assets held for sale

The Group sold its previously equity accounted investee, CloudBadger Proprietary Limited (CloudBadger), during the current financial year and has no assets held for sale as at 30 June 2026. CloudBadger was reported as an asset held for sale as at 30 June 2025. In the prior financial year, the Group sold its previously equity accounted investee, Merchant Capital Advisory Services Proprietary Limited (Merchant Capital), which was reported as an asset held for sale as at 1 July 2024.

Investment in CloudBadger Proprietary Limited (CloudBadger)

CloudBadger is a software company operating in South Africa.

During the prior financial year, a Memorandum of Understanding (MOU) was concluded in December 2024, followed by the execution of a Sale and Purchase Agreement (SPA) on 1 July 2025 for the disposal of CloudBadger. The SPA became binding upon fulfilment of the condition precedent relating to approval by the Competition Commission of Eswatini.

During the current financial year, the Competition Commission of Eswatini approved the transaction, and the disposal became effective on 1 October 2025, being the effective date of sale.

The SPA provides for contingent consideration in the form of an “Agterskot” payment, which is performance-based and payable over a four-year period subsequent to the closing date, subject to the fulfilment of specified conditions, including Prudential Authority approval. The contingent payments are determined annually based on the revenue performance of the agreed contracts and are allocated equally between the sellers. The first year’s contingent consideration is calculated based on 40% of the revenue generated from the agreed contracts.

The estimated contingent consideration of R4 million has been recognised as a ‘contingent receivable’ and is included within ‘financial assets at fair value through profit or loss’ (refer to note 21).

Merchant Capital Advisory Services Proprietary Limited (Merchant Capital)

During the prior financial year, in January 2025, an agreement was reached to dispose of Merchant Capital by way of a company share buy-back. Accordingly, the investment in the Merchant Capital met the criteria for classification as held for sale as at the interim reporting period, 31 December 2024. This disposal was tranched over a period of 15 months with total proceeds amounting to R92 million, and the outstanding deferred proceeds (R65 million and undiscounted, R68 million, included in other receivables as at 30 June 2025) as at 30 June 2025 was received in full by April 2026.

24. Assets held for sale continued

Effect on consolidated statement of financial position

R million	2026	2025
CloudBadger	–	102
Assets held for sale	–	102

Reconciliation of assets held for sale:

R million	Merchant Capital	CloudBadger	Total
At 30 June 2025			
Reclassification from investment in associates	56	132	188
Dividends received in respect of an associate asset	–	(20)	(20)
Impairment to net realisable value	–	(10)	(10)
	56	102	158
Carrying value of assets held for sale disposed of	(56)	–	(56)
Assets held for sale	–	102	102

The Group has no assets held for sale as at 30 June 2026.

Effect on consolidated statement of profit or loss

Reconciliation of (loss)/profit on sale of assets held for sale:

R million	CloudBadger 2026	Merchant Capital 2025
Proceeds	**97**	92
Proceeds in cash	**93**	24
Proceeds included in contingent receivable/other receivables	**4**	68
Assets held for sale disposed of	**(102)**	(56)
Other reserves recycled	**–**	(1)
(Loss)/profit on sale of assets held for sale	**(5)**	35

25. Cash and cash equivalents

Included in money market investments are deposits with a term of maturity of less than three months. The carrying value of cash and cash equivalents approximates the fair value.

R million	2026	2025
Cash at bank and on hand	**1 498**	1 849
Short-dated money market instruments	**135**	16
Balance at the end of the year	**1 633**	1 865

Included in the cash and cash equivalent note is restricted cash balances relating cash back and demand deposits to the value of R1.5 million (2025: R25.5 million). These deposits secure specific assets and are therefore not available for general use by the other entities within the Group.

26. Share capital and premium

R million	Number of shares after treasury shares	Ordinary share capital[1]	Share premium	Treasury shares	Total
At 30 June 2026					
Opening balance	**1 547 231 505**	**–**	**16 229**	**(307)**	**15 922**
Ordinary shares issued	**896 387**	**–**	**64**	**–**	**64**
Treasury shares	**–**	**–**	**–**	**(71)**	**(71)**
Share capital and premium	**1 548 127 892**	**–**	**16 293**	**(378)**	**15 915**

R million	Number of shares after treasury shares	Ordinary share capital[1]	Share premium	Treasury shares	Total
At 30 June 2025					
Opening balance	1 537 535 862	–	15 667	(181)	15 486
Ordinary shares issued	9 695 643	–	562	–	562
Treasury shares	–	–	–	(126)	(126)
Share capital and premium	1 547 231 505	–	16 229	(307)	15 922

1 Due to rounding, the amounts were excluded.

Ordinary shares

The total authorised number of ordinary shares is 2 000 000 000, with a par value of R0.0001 per share. The total number of issued ordinary shares increased by 896 387 during the year (2025: 9 695 643) to 1 548 127 892 as at 30 June 2026 (2025: 1 547 231 505).

During the current financial year the Company issued 388 661 ordinary shares at a value of R28 million and another 507 726 ordinary shares at a value of R36 million on 17 November 2025 and 10 June 2026 respectively. These shares issued during the current financial year were in exchange for OHL shares.

During the prior financial year the Company issued 12 079 169 ordinary shares at a value of R588 million, another 5 552 510 ordinary shares at a value of R339 million and 829 477 ordinary shares at a value of R63 million on 16 September, 22 November 2024 and 20 June 2025 respectively. These shares issued during the prior financial year were in exchange for 42 283 911 OHL shares. 8 765 513 ordinary shares at a value of R428 million were cancelled on 14 October 2024 following an asset distribution (OGL shares) by OHL to its shareholders.

The unissued share capital is under the control of the board of directors until the forthcoming annual general meeting.

26. Share capital and premium continued

Preference shares

The total authorised number of cumulative, redeemable, par value preference shares is 100 000 000 with a par value of R0.0001 per share. The issued number of par value preference shares is nil (2025: nil).

The total authorised number of cumulative, redeemable, no par value preference shares is 100 000 000 with a par value of R0.0001 per share. The issued number of no par value preference shares is nil (2025: nil).

The company created a new class of 100 000 000 authorised, cumulative, redeemable, no par value preference shares in the 2016 financial year in terms of its debt programme. None of these preference shares have been issued yet.

OGL had no issued preference shares as at 30 June 2026. If any of these preference shares would be issued, it would be classified as debt.

	2026	2025
Number of treasury shares held at 30 June	**7 836 458**	6 877 750
Weighted number of treasury shares held during the year	**7 450 348**	7 054 561
The treasury shares are eliminated from the weighted number of shares in issue for the purposes of calculating earnings and headline earnings per share:		
Weighted number of issued shares	**1 547 489 328**	1 544 183 261
Less: Weighted number of treasury shares	**(7 450 348)**	(7 054 561)
Weighted number of shares in issue	**1 540 038 980**	1 537 128 700

27. Insurance and Reinsurance contracts

R million	30 June 2026 OUTsurance	Youi	OUTsurance Ireland	OUTsurance Life	Total	30 June 2025 OUTsurance	Youi	OUTsurance Ireland	OUTsurance Life	Total
Insurance contracts	**2 046**	**15 751**	**602**	**376**	**18 775**	2 077	13 246	273	263	15 859
Insurance contract liabilities	**2 046**	**15 751**	**602**	**912**	**19 311**	2 077	13 246	273	633	16 229
Insurance contract assets	**–**	**–**	**–**	**(536)**	**(536)**	–	–	–	(370)	(370)
Reinsurance contracts	**6**	**(2 486)**	**(47)**	**(21)**	**(2 548)**	4	(2 239)	(20)	(63)	(2 318)
Reinsurance contract assets	**(30)**	**(2 486)**	**(47)**	**(36)**	**(2 599)**	(26)	(2 239)	(20)	(68)	(2 353)
Reinsurance contract liabilities	**36**	**–**	**–**	**15**	**51**	30	–	–	5	35

27.1 Short-term insurance contracts issued

Material judgements – Short-term business

This note provides an overview of the areas that involve a higher degree of judgement or complexity on the measurement of insurance and reinsurance contract liabilities.

Unit of account

The Group has determined that the unit of account is not the insurance policy per policyholder but rather the separate risk insured in the contract. This is based on the substance of the insurance policy, which can contain several insured risks.

In concluding that the unit of account is the risk being insured, management considered the following to determine that the risks are not interdependent, do not lapse together, and are priced and sold separately:

- Each risk is priced separately. The premium is determined by assessing the duration of the insurance policy at inception of the contract and the risk covered. The premium is then determined separately for each risk.
- The Group has a sophisticated underwriting model. This model considers factors of the policyholder and the risk ensuring each risk is underwritten and monitored separately.
- The cancellation of one risk by the policyholder does not affect the continuation of cover of other risks covered by the policy.
- Renewals are done at a risk and policy level.

Liability for remaining coverage

The Group's non-life insurance operations apply the PAA model to measure its liability for remaining coverage.

27. Insurance and Reinsurance contracts continued

27.1 Short-term insurance contracts issued continued

Material judgements – Short-term business continued

Liability for incurred claims

To estimate the future claims cash flows within the boundary of the contract for contracts measured under the PAA, the Group uses the following methodologies to determine the ultimate value of the liability for incurred claims:

- Development Factor Method (DFM)
- Cape Cod Method (CC)
- Bornhuetter-Ferguson Method (BF)
- Expected Loss ratio
- System case estimates
- Payment Per Claim Incurred (PPCI).

Each method attempts to predict the progression of claims incurred and/or reported through a combination of various development factors, loss ratios and dependency factors. The method chosen depends on the materiality and data credibility of various cash flows. When determining the various cash flows of the calculation it is assumed at a high level that past claims development can be used as a reasonable guide for future expected claim development. In all cases judgement is applied to appropriately allow for expected future experience.

The future expense cash flows are split between the allocated loss adjustment expenses (ALAE) and the unallocated loss adjustment expenses (ULAE). The ALAE reserve relates to costs directly attributable to claims. These are loaded on claims explicitly and included in the analysis of claims data. The ULAE reserve relates to overhead costs directly attributable to claims management and is allowed for by expressing total claims-related management expenses as a proportion of gross claims paid, for the 12 months preceding the calibration date. This assumption is then applied to the current liability for incurred claims (LIC).

The OUTbonus liability makes use of a probability adjustment which is calibrated using the long-term average ratio of the ultimate OUTbonus cost to OUTbonus accrual. This probability adjustment is then applied to the total OUTbonus accrued liability at the reporting date.

Directly attributable expenses

IFRS 17 requires an entity to include a portion of its overhead costs that is directly attributable in fulfilling the obligations under the insurance contract, in the fulfilment cash flows of the liability. The Group leveraged off its management expense allocation methodology and allocates all expenses as either directly attributable or non-attributable depending on the nature of the function being fulfilled by the cost centre. Where the function is not closely related in fulfilling the insurance obligation, the costs incurred in that cost centre are deemed not attributable and the cost centre is classified as non-attributable. Once the cost centre has been allocated as attributable, all attributable cost centres are allocated to a risk code (linked to the portfolios) using an activity-based costing methodology.

Discount rate – Contracts measured under the PAA

The Group has long tail claim components and chose to discount the LIC for claims that are expected to be settled within 1 year from the date the claim was incurred, rather than utilising the practical expedient available. As there are no referenced asset portfolios backing the LIC because of the volatility and uncertainty of claims on short term insurance contracts, it was deemed more appropriate to use the bottom-up approach.

Under this approach, a risk-free bond yield curve was used. No illiquidity premium was added to the discount rate as there is no penalty or surrender value required to exit the insurance contract.

Treatment of the OUTbonus under PAA

The Group awards an OUTbonus to all policyholders who remain claim free for a specified period of time. The OUTbonus is forfeited with cancellation of the insurance policy and highly interrelated to the host contract. Given that the OUTbonus is largely dependent on the claim's behaviour of the policyholder, it's accounted for under the LIC as an unsettled claim as it relates to insurance contract services already provided.

The OUTbonus is forfeited when the underlying insurance contract is cancelled, and thus it does not serve to extend the contract boundary of the underlying contract given that the contract can be cancelled or repriced with a month's notice. Consequently, the OUTbonus liability is limited to the same boundary as the underlying contract, which is one month. If the policyholder does not claim, the contractual obligation created by the OUTbonus results in a liability which accrues monthly and accumulates over the period.

27. Insurance and Reinsurance contracts continued

27.1 Short-term insurance contracts issued continued

Material judgements – Short-term business continued

Risk adjustment

For the personal, business and CTP segments, the risk adjustment is a Value at Risk (VaR) approach on the distribution of the relevant LIC.

In the LIC, a reserve risk volatility factor is calculated for main major risk classes by leveraging off methods described in the regulatory framework. The standardised reserve risk volatility factors, as specified in the regulatory framework, are applied to smaller classes. The reserve risk volatility factors represent fluctuations in the timing and amount of claims settlements.

For the OUTbonus liability, the risk adjustment is calibrated by using the Mack Bootstrapping approach on the OUTbonus liability ratio.

A confidence level ranging between the 75th and 85th percentile, depending on each underlying portfolio, is deemed appropriate. New risks may require a larger confidence interval until stable claims experience is obtained.

27.2 Short-term Insurance Contracts Issued – OUTsurance

The following events and considerations have been considered in the fulfilment cash flows of OUTsurance

Claims experience from natural perils was less favourable compared to the previous year, with combined estimated losses of R315 million. Two of these events had estimated losses above R100 million, being the Gauteng hail storms and the Western and Eastern Cape storms. There were no events that breached the catastrophe excess-of-loss deductible.

There were no material methodology or assumption changes made to the fulfilment cash flows of the Company. The changes made resulted from experience updates, made in the ordinary course of business.

The effect of changes in interest rates (disclosed in note 8) had a less than 1% impact on the entire LIC balance in the current financial year. Therefore, a sensitivity on the potential changes in interest rates would not have a material impact on profit or loss or equity.

27. Insurance and Reinsurance contracts continued

27.2 Short-term Insurance Contracts Issued – OUTsurance continued

	30 June 2026					30 June 2025				
	LRC		LIC			LRC		LIC		
R million	Excluding loss component	Loss component	Present Value of Future Cash Flows	Risk Adjustment for Non-Financial Risk	Total	Excluding loss component	Loss component	Present Value of Future Cash Flows	Risk Adjustment for Non-Financial Risk	Total
Opening liabilities	**433**	**5**	**1 509**	**130**	**2 077**	427	11	1 397	110	1 945
Changes in the statement of profit or loss and OCI										
Insurance revenue	**(14 356)**	**–**	**–**	**–**	**(14 356)**	(13 347)	–	–	–	(13 347)
Insurance service expenses	**–**	**(4)**	**8 529**	**(19)**	**8 506**	–	(6)	8 364	11	8 369
Total claims expense	**–**	**–**	**7 820**	**90**	**7 910**	–	–	7 634	100	7 734
Incurred claims	**–**	**–**	**5 130**	**90**	**5 220**	–	–	4 998	100	5 098
Other insurance service expenses	**–**	**–**	**2 690**	**–**	**2 690**	–	–	2 636	–	2 636
OUTbonus accrual	**–**	**–**	**729**	**8**	**737**	–	–	563	7	570
Losses and reversal of losses on onerous contracts	**–**	**(4)**	**–**	**–**	**(4)**	–	(6)	–	–	(6)
Changes that relate to past service: adjustment to liabilities for incurred claims	**–**	**–**	**(83)**	**(109)**	**(192)**	–	–	(68)	(87)	(155)
Changes that relate to past service: adjustment to liabilities for OUTbonus	**–**	**–**	**63**	**(8)**	**55**	–	–	235	(9)	226
Insurance service result	**(14 356)**	**(4)**	**8 529**	**(19)**	**(5 850)**	(13 347)	(6)	8 364	11	(4 978)
Net finance expenses from insurance contracts	**–**	**–**	**119**	**10**	**129**	–	–	126	9	135
Total changes in the statement of profit or loss and OCI	**(14 356)**	**(4)**	**8 648**	**(9)**	**(5 721)**	(13 347)	(6)	8 490	20	(4 843)
Transfer to other items in the statement of Financial position	**–**	**–**	**125**	**–**	**125**	–	–	871	–	871
Cash flows										
Premiums received	**14 300**	**–**	**–**	**–**	**14 300**	13 353	–	–	–	13 353
Claims	**–**	**–**	**(5 119)**	**–**	**(5 119)**	–	–	(5 034)	–	(5 034)
Other insurance service expenses paid	**–**	**–**	**(2 814)**	**–**	**(2 814)**	–	–	(3 507)	–	(3 507)
OUTbonus claims paid	**–**	**–**	**(802)**	**–**	**(802)**	–	–	(708)	–	(708)
Total cash flows	**14 300**	**–**	**(8 735)**	**–**	**5 565**	13 353	–	(9 249)	–	4 104
Closing liabilities	**377**	**1**	**1 547**	**121**	**2 046**	433	5	1 509	130	2 077

27. Insurance and Reinsurance contracts continued

27.3 OUTsurance – Reinsurance Contracts Held

	30 June 2026					30 June 2025				
	Asset for remaining coverage		Asset for incurred claims			Asset for remaining coverage		Asset for incurred claims		
R million	Excluding loss recovery component	Loss recovery component[1]	Present Value of Future Cash Flows	Risk Adjustment for Non-Financial Risk[3]	Total	Excluding loss recovery component	Loss recovery component[1]	Present Value of Future Cash Flows	Risk Adjustment for Non-Financial Risk[3]	Total
Opening asset	**(10)**	**–**	**36**	**–**	**26**	(10)	–	37	–	27
Opening liabilities	**6**	**–**	**(36)**	**–**	**(30)**	(4)	–	(21)	–	(25)
Net opening balance	**(4)**	**–**	**–**	**–**	**(4)**	(14)	–	16	–	2
Changes in the statement of profit or loss										
Reinsurance expense	**(205)**	**–**	**–**	**–**	**(205)**	(197)	–	–	–	(197)
Incurred claims recovery	**–**	**–**	**2**	**–**	**2**	–	–	2	–	2
Changes that relate to past service – Changes to the FCF relating to incurred claims recovery	**–**	**–**	**(2)**	**–**	**(2)**	–	–	1	–	1
Changes relating to future services: loss recovery component[2]	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–
Net Income/(expense) from reinsurers contracts held	**(205)**	**–**	**–**	**–**	**(205)**	(197)	–	3	–	(194)
Finance income from reinsurance contracts held	**–**	**–**	**1**	**–**	**1**	–	–	–	–	–
Total changes in the statement of profit or loss and OCI	**(205)**	**–**	**1**	**–**	**(204)**	(197)	–	3	–	(194)
Cash flows										
Premiums paid	**206**	**–**	**–**	**–**	**206**	207	–	–	–	207
Recoveries from Reinsurer	**–**	**–**	**(4)**	**–**	**(4)**	–	–	(19)	–	(19)
Total cash flows	**206**	**–**	**(4)**	**–**	**202**	207	–	(19)	–	188
Net closing balance	**(3)**	**–**	**(3)**	**–**	**(6)**	(4)	–	–	–	(4)
Closing asset	**(6)**	**–**	**36**	**–**	**30**	(10)	–	36	–	26
Closing liability	**3**	**–**	**(39)**	**–**	**(36)**	6	–	(36)	–	(30)

1 The Loss recovery component of R580 (2025: R68 256) was omitted due to rounding.
2 Movements in the period is immaterial.
3 The balance of the risk adjustment for the asset for incurred claims of R35 274 (2025: R236 747) was omitted due to rounding.

27. Insurance and Reinsurance contracts continued

27.4 OUTsurance – Critical accounting estimates and judgements

Sensitivity to underwriting risk variables

The table below presents the impact on profit or loss for changes in assumptions in determining the LIC balance.

In order to determine the appropriate level of sensitivity on the risk variables, an assessment was performed to assess the impact of an acceptable change in the loss ratio together with the impact of when the full risk adjustment raised were to be utilised. With this assessment performed, a reasonable level of sensitivity equates to a 15% increase in the underlying assumptions.

The impact of the sensitivities was performed on the attritional claims only. Given that the reinsurance program's objective is mainly to protect the business against catastrophe events, the sensitivities do not have a material impact on the reinsurance contacts and were therefore only performed on the gross claims impact.

The sensitivities on the LIC also exclude the OUTbonus liability component of the LIC, as it is unaffected by the severity shock and accrues at a fixed percentage. The sensitivity impact on equity equals the sensitivity impact in profit or loss.

The sensitivity analysis on the Liability for incurred claims

	30 June 2026		30 June 2025	
R million	**LIC at 30 June 2026**	**Impact on profit or loss – with a 15% increase in underlying assumptions**	LIC at 30 June 2025	Impact on profit or loss – with a 15% increase in underlying assumptions
Direct insurance contracts				
Change in assumptions				
Claims severity				
South Africa	**1 668**	**(119)**	1 639	(124)
Recoveries and Salvages				
South Africa	**1 668**	**(137)**	1 639	(174)

27. Insurance and Reinsurance contracts continued

27.4 OUTsurance – Critical accounting estimates and judgements continued

27.4.1 Personal and business – Claims development

For OUTsurance, the claims with an incurred date prior to the current financial year, have a greater proportion of outstanding salvages and recoveries from third parties due to the longer tailed nature of these cashflows. This could result in the claims paid exceeding the ultimate claims costs in previous years.

Gross claims development – undiscounted excluding direct attributable expenses

	Accident year						
R million	2026	2025	2024	2023	2022	2021	Total
At the end of the accident year	4 787	4 665	4 947	4 751	4 914	3 910	27 974
one year later	–	4 572	4 947	4 729	4 917	3 826	22 991
two years later	–	–	4 981	4 757	4 949	3 813	18 500
three years later	–	–	–	4 755	4 948	3 822	13 525
four years later	–	–	–	–	4 960	3 823	8 783
five years later	–	–	–	–	–	3 815	3 815
Gross cumulative ultimate claims	4 787	4 572	4 981	4 755	4 960	3 815	27 870
Gross cumulative paid claims	(4 314)	(4 637)	(4 984)	(4 774)	(4 978)	(3 821)	(27 508)
Gross cumulative claims outstanding	473	(65)	(3)	(19)	(18)	(6)	362
Accident years beyond 2021							8
Directly attributable expenses							349
OUTbonus							931
Risk adjustment							128
Discounting							(108)
Other insurance payables							(2)
LIC (insurance contracts)							**1 668**

Net claims development – undiscounted, net of reinsurance excluding direct attributable expenses

	Accident year						
R million	2026	2025	2024	2023	2022	2021	Total
At the end of the accident year	4 784	4 663	4 933	4 747	4 662	3 908	27 697
one year later	–	4 572	4 933	4 724	4 613	3 825	22 666
two years later	–	–	4 967	4 754	4 642	3 812	18 176
three years later	–	–	–	4 753	4 637	3 822	13 212
four years later	–	–	–	–	4 648	3 821	8 470
five years later	–	–	–	–	–	3 814	3 814
Net cumulative ultimate claims	4 784	4 572	4 967	4 753	4 648	3 814	27 538
Net cumulative paid claims	(4 311)	(4 637)	(4 970)	(4 771)	(4 665)	(3 819)	(27 173)
Net cumulative claims outstanding	473	(65)	(3)	(18)	(17)	(5)	365
Accident years beyond 2021							6
Directly attributable expenses							349
OUTbonus							931
Risk adjustment							128
Discounting							(109)
Other insurance payables							1
LIC (insurance contracts)							**1 671**

27. Insurance and Reinsurance contracts continued

27.4 OUTsurance – Critical accounting estimates and judgements continued

27.4.1 Personal and business – Claims development continued

Average weighted term to settlement

The table below represents the average time it takes to settle a claim. The weighted average time includes the expected term to payout on the OUTbonus liability. The claims liability and OUTbonus liability are used as weightings in the term to settlement.

	30 June 2026		30 June 2025	
	Personal	**Business**	Personal	Business
Average weighted term to settlement in years	**0.79**	**1.31**	0.78	1.15

The following yield curves were used in discounting the LIC:

	1 year	2 years	3 years	10 years	15 years
30 June 2026					
Property and casualty					
Direct insurance contracts issued and reinsurance contracts held	**7.0%**	**7.0%**	**8.0%**	**9.0%**	**10.0%**

	1 year	2 years	3 years	10 years	15 years
30 June 2025					
Property and casualty					
Direct insurance contracts issued and reinsurance contracts held	7.0%	8.0%	8.0%	11.0%	12.0%

27.5 Short-term Insurance Contracts Issued – Youi

The following events and considerations have been considered in the fulfilment cash flows of Youi

During the current financial year there were two major natural catastrophe events in Youi with a combined net ultimate loss of R1 060 million. The largest being South East Queensland and New South Wales hail which has a net exposure of R601 million due to the reinsurance catastrophe program in place. The overall estimate is tracking below the Youi market share in the exposed region and Youi is outperforming on average claim size and finalization rates. All other events have ultimate estimated losses below R537 million.

The increase in the Youi reinsurance contract assets from R2 239 million to R2 485 million is mostly due to losses incurred with South East Queensland and New South Wales hail events.

The effect of changes in interest rates (disclosed in note 8) had a less than 1% impact on the entire LIC balance in the current financial year. Therefore, the sensitivity of the potential changes in interest rates would not have a material impact on profit or loss and equity.

During the prior financial year there were three major natural catastrophe events in Youi with a gross ultimate loss above R134 million. The largest being ex-tropical Cyclone Alfred, with an ultimate estimated loss of R819 million, of which R505 million has been reported as of 30 June 2025. The net exposure is R60 million due to the reinsurance catastrophe program in place. The overall gross loss estimate is tracking lower than Youi's market share in the exposed region. All other events have ultimate estimated losses below R221 million.

27. Insurance and Reinsurance contracts continued

27.5 Short-term Insurance Contracts Issued – Youi continued

	30 June 2026					30 June 2025				
	LRC	LIC				LRC	LIC			
R million	Excluding loss component	Loss component	Present Value of Future Cash Flows	Risk Adjustment for Non-Financial Risk	Total	Excluding loss component	Loss component	Present Value of Future Cash Flows	Risk Adjustment for Non-Financial Risk	Total
Opening liabilities	**5 331**	**1**	**7 429**	**485**	**13 246**	4 296	6	5 552	441	10 295
Changes in the statement of profit or loss and OCI										
Insurance revenue	**(25 244)**	**–**	**–**	**–**	**(25 244)**	(22 550)	–	–	–	(22 550)
Insurance service expenses	**3 818**	**–**	**18 768**	**139**	**22 725**	3 637	(5)	15 625	40	19 297
Total claims expense	**–**	**–**	**18 604**	**357**	**18 961**	–	–	15 510	326	15 836
Incurred claims	**–**	**–**	**15 817**	**357**	**16 174**	–	–	13 003	326	13 329
Other insurance service expenses	**–**	**–**	**2 787**	**–**	**2 787**	–	–	2 507	–	2 507
Amortisation of insurance acquisition costs	**3 818**	**–**	**–**	**–**	**3 818**	3 637	–	–	–	3 637
Losses and reversal of losses on onerous contracts	**–**	**–**	**–**	**–**	**–**	–	(5)	–	–	(5)
Changes that relate to past service: adjustment to liabilities for incurred claims	**–**	**–**	**164**	**(218)**	**(54)**	–	–	115	(286)	(171)
Insurance service result	**(21 426)**	**–**	**18 768**	**139**	**(2 519)**	(18 913)	(5)	15 625	40	(3 253)
Net finance expenses from insurance contracts	**–**	**–**	**23**	**–**	**23**	–	–	163	22	185
Total changes in the statement of profit or loss and OCI	**(21 426)**	**–**	**18 791**	**139**	**(2 496)**	(18 913)	(5)	15 788	62	(3 068)
Transfer to other items in the statement of Financial position	**–**	**–**	**–**	**–**	**–**	(137)	–	(276)	–	(413)
Premiums received	**25 479**	**–**	**–**	**–**	**25 479**	24 378	–	–	–	24 378
Insurance acquisition cash flows paid	**(3 652)**	**–**	**–**	**–**	**(3 652)**	(4 129)	–	–	–	(4 129)
Claims	**–**	**–**	**(13 787)**	**–**	**(13 787)**	–	–	(11 190)	–	(11 190)
Other insurance service expenses paid	**–**	**–**	**(2 586)**	**–**	**(2 586)**	–	–	(2 231)	–	(2 231)
Total cash flows	**21 827**	**–**	**(16 373)**	**–**	**5 454**	20 249	–	(13 421)	–	6 828
Foreign exchange movement	**4**	**(1)**	**(441)**	**(15)**	**(453)**	(164)	–	(214)	(18)	(396)
Closing liabilities	**5 736**	**–**	**9 406**	**609**	**15 751**	5 331	1	7 429	485	13 246

27. Insurance and Reinsurance contracts continued

27.6 Youi – Reinsurance Contracts Held

	30 June 2026					30 June 2025				
	Asset for remaining coverage		Asset for Incurred claims			Asset for remaining coverage		Asset for Incurred claims		
R million	Excluding loss recovery component	Loss recovery component	Present Value of Future Cash Flows	Risk Adjustment for Non-Financial Risk	Total	Excluding loss recovery component	Loss recovery component	Present Value of Future Cash Flows	Risk Adjustment for Non-Financial Risk	Total
Opening asset	**146**	**–**	**1 976**	**117**	**2 239**	(100)	2	1 401	127	1 430
Opening liabilities	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–
Net opening balance	**146**	**–**	**1 976**	**117**	**2 239**	(100)	2	1 401	127	1 430
Changes in the statement of profit or loss										
Reinsurance expense	**(1 449)**	**–**	**–**	**–**	**(1 449)**	(1 620)	–	–	–	(1 620)
Incurred claims recovery	**–**	**–**	**1 185**	**57**	**1 242**	–	–	831	14	845
Changes that relate to past service – Changes to the FCF relating to incurred claims recovery	**–**	**–**	**134**	**(49)**	**85**	–	–	183	(32)	151
Changes relating to future services: loss recovery component	**–**	**–**	**–**	**–**	**–**	–	(2)	–	–	(2)
Net Income/(expense) from reinsurers contracts held	**(1 449)**	**–**	**1 319**	**8**	**(122)**	(1 620)	(2)	1 014	(18)	(626)
Finance income/(expense) from reinsurance contracts held	**–**	**–**	**14**	**1**	**15**	–	–	82	13	95
Total changes in the statement of profit or loss and OCI	**(1 449)**	**–**	**1 333**	**9**	**(107)**	(1 620)	(2)	1 096	(5)	(531)
Cash flows										
Premiums paid	**1 253**	**–**	**–**	**–**	**1 253**	1 863	–	–	–	1 863
Recoveries from Reinsurer	**–**	**–**	**(830)**		**(830)**	–	–	(466)	–	(466)
Total cash flows	**1 253**	**–**	**(830)**	**–**	**423**	1 863	–	(466)	–	1 397
Foreign exchange movements	**(3)**	**–**	**(63)**	**(3)**	**(69)**	3	–	(55)	(5)	(57)
Net closing balance	**(53)**	**–**	**2 416**	**123**	**2 486**	146	–	1 976	117	2 239
Closing asset	**(53)**	**–**	**2 416**	**123**	**2 486**	146	–	1 976	117	2 239
Closing liability	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–

27. Insurance and Reinsurance contracts continued

27.7 Youi – Critical accounting estimates and judgements

Sensitivity to underwriting risk variables

The table below presents the impact on profit and loss for changes in assumptions in determining the LIC balance.

In order to determine the appropriate level of sensitivity on the risk variables, an assessment was performed to assess the impact of an acceptable change in the loss ratio together with the impact of utilisation of the entire risk adjustment. With this assessment performed, a reasonable level of sensitivity equates to a 5% increase in the underlying assumptions.

Youi's proportional reinsurance program on the CTP portfolio ended in June 2024 for New South Wales and June 2025 for South Australia.

The revised excess of loss reinsurance program's objective is mainly to protect the business against large individual claims.

The sensitivity is therefore done on a net basis to best reflect the potential impact on profit or loss. The sensitivity impact on equity equals the sensitivity impact in profit or loss.

The sensitivity analysis on the Liability for incurred claims

	30 June 2026		30 June 2025	
R million	**LIC at 30 June 2026**	**Impact on Profit or loss with a 5% increase in underlying assumptions**	LIC at 30 June 2025	Impact on Profit or loss with a 5% increase in underlying assumptions
Net insurance contract assets				
Change in assumptions				
Claims severity				
Australia	**10 015**	**(527)**	7 914	(425)
Recoveries and Salvages				
Australia	**10 015**	**(26)**	7 914	(30)

27. Insurance and Reinsurance contracts continued

27.7 Youi – Critical accounting estimates and judgements continued

27.7.1 Personal and business – Claims development

Gross claims development – undiscounted excluding direct attributable expenses

	Accident year						
R million	2026	2025	2024	2023	2022	2021	Total
At the end of the accident year	15 545	12 528	9 843	7 596	7 926	34 485	87 923
one year later	–	12 546	9 779	7 695	7 334	36 638	73 992
two years later	–	–	9 831	7 823	7 426	36 664	61 744
three years later	–	–	–	7 898	7 495	36 745	52 138
four years later	–	–	–	–	7 533	36 589	44 122
five years later	–	–	–	–	–	36 751	36 751
Gross cumulative ultimate claims	15 545	12 546	9 831	7 898	7 533	36 751	90 104
Gross cumulative paid claims	(9 236)	(10 832)	(9 063)	(7 638)	(7 444)	(36 653)	(80 866)
Gross cumulative claims outstanding	6 309	1 714	768	259	89	99	9 238
Directly attributable expenses							614
Discounting							(520)
Risk adjustment							651
Other							32
LIC (insurance contracts)							10 015

Net claims development – undiscounted, net of reinsurance excluding direct attributable expenses

	Accident year						
R million	2026	2025	2024	2023	2022	2021	Total
At the end of the accident year	14 314	11 751	9 176	6 891	5 849	29 411	77 392
one year later	–	11 762	8 852	7 020	5 688	31 586	64 908
two years later	–	–	8 869	6 780	5 771	31 595	53 015
three years later	–	–	–	6 824	5 986	31 628	44 438
four years later	–	–	–	–	6 055	31 678	37 733
five years later	–	–	–	–	–	31 735	31 735
Net cumulative claims	14 314	11 762	8 869	6 824	6 055	31 735	79 559
Net cumulative paid claims	(9 225)	(10 301)	(8 668)	(6 778)	(6 057)	(31 787)	(72 816)
Net cumulative claims outstanding	5 089	1 461	201	46	(2)	(52)	6 743
Directly attributable expenses							614
Discounting							(429)
Risk adjustment							521
Other							27
LIC (insurance contracts)							7 476

27. Insurance and Reinsurance contracts continued

27.7 Youi – Critical accounting estimates and judgements continued

27.7.1 Personal and business – Claims development continued

Average weighted term to settlement

The table below represent the average time it takes to settle a claim.

	30 June 2026			30 June 2025		
	Personal	**Business**	**CTP**	Personal	Business	CTP
Average weighted term to settlement in years	**0.35**	**0.38**	**2.68**	0.35	0.35	2.79

The following yield curves that were used in discounting the LIC:

	1 year	2 years	3 years	10 years	15 years
30 June 2026					
Property and casualty					
Direct insurance contracts issued and reinsurance contracts held	**4.6%**	**4.5%**	**4.4%**	**4.9%**	**5.2%**

	1 year	2 years	3 years	10 years	15 years
30 June 2025					
Property and casualty					
Direct insurance contracts issued and reinsurance contracts held	3.3%	3.2%	3.3%	4.3%	4.7%

27.8 Short-term Insurance Contracts Issued – OUTsurance Ireland

The following events and considerations have been considered in the fulfilment cash flows of Ireland

During the current financial year there were no natural catastrophe events.

The effects of changes in interest rates (disclosed in note 8) had a negligible impact on the LIC balance in the current financial year, and hence a sensitivity on the potential changes in interest rates would not have a material impact on profit or loss. A sensitivity of a 20% increase in the yield curve would not have a material impact on profit or loss and equity.

27. Insurance and Reinsurance contracts continued

27.8 Short-term Insurance Contracts Issued – OUTsurance Ireland continued

	30 June 2026					30 June 2025				
	LRC	LIC				LRC	LIC			
R million	Excluding loss component	Loss component	Present Value of Future Cash Flows	Risk Adjustment for Non-Financial Risk	Total	Excluding loss component	Loss component	Present Value of Future Cash Flows	Risk Adjustment for Non-Financial Risk	Total
Opening liabilities	**61**	**149**	**61**	**2**	**273**	6	13	–	–	19
Changes in the statement of profit or loss and OCI										
Insurance revenue	**(521)**	**–**	**–**	**–**	**(521)**	(97)	–	–	–	(97)
Insurance service expenses	**291**	**36**	**581**	**7**	**915**	73	128	249	2	452
Total claims expense	**–**	**–**	**559**	**8**	**567**	–	–	242	2	244
Incurred claims[1]	**–**	**–**	**316**	**8**	**324**	–	–	74	2	76
Other insurance service expenses	**–**	**–**	**243**	**–**	**243**	–	–	168	–	168
OUTbonus accrual	**–**	**–**	**34**	**–**	**34**	–	–	7	–	7
Amortisation of acquisition cost	**291**	**–**	**–**	**–**	**291**	73	–	–	–	73
Losses and reversal of losses on onerous contracts	**–**	**36**	**–**	**–**	**36**	–	128	–	–	128
Changes that relate to past service: adjustment to liabilities for incurred claims	**–**	**–**	**(12)**	**(1)**	**(13)**	–	–	–	–	–
Insurance service result	**(230)**	**36**	**581**	**7**	**394**	(24)	128	249	2	355
Net finance expenses from insurance contracts	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–
Total changes in the statement of profit or loss and OCI	**(230)**	**36**	**581**	**7**	**394**	(24)	128	249	2	355
Transfer to other items in the statement of Financial position	**–**	**–**	**(63)**	**–**	**(63)**	–	–	(53)	–	(53)
Cash flows										
Premiums received	**768**	**–**	**–**	**–**	**768**	241	–	–	–	241
Insurance acquisition cash flow	**(385)**	**–**	**–**	**–**	**(385)**	(165)	–	–	–	(165)
Claims	**–**	**–**	**(159)**	**–**	**(159)**	–	–	(24)	–	(24)
Other insurance service expenses paid	**–**	**–**	**(180)**	**–**	**(180)**	–	–	(115)	–	(115)
Total cash flows	**383**	**–**	**(339)**	**–**	**44**	76	–	(139)	–	(63)
Foreign exchange movement	**(13)**	**(17)**	**(15)**	**(1)**	**(46)**	3	8	4	–	15
Closing liabilities	**201**	**168**	**225**	**8**	**602**	61	149	61	2	273

1 The prior financial year values have been updated to better reflect the value of incurred claims with an impact on past service adjustments. The total of R53 million included in Changes that relate to past services: adjustment to liabilities for incurred claims has been reallocated to incurred claims.

27. Insurance and Reinsurance contracts continued

27.9 OUTsurance Ireland– Reinsurance Contracts Held

	30 June 2026					30 June 2025				
	Asset for remaining coverage		Asset for incurred claims[1]			Asset for remaining coverage		Asset for incurred claims		
R million	Excluding loss recovery component	Loss recovery component	Present Value of Future Cash Flows	Risk Adjustment for Non-Financial Risk	Total	Excluding loss recovery component	Loss recovery component	Present Value of Future Cash Flows	Risk Adjustment for Non-Financial Risk	Total
Opening asset	**14**	**6**	**–**	**–**	**20**	18	–	–	–	18
Opening liabilities	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–
Net opening balance	**14**	**6**	**–**	**–**	**20**	18	–	–	–	18
Changes in the statement of profit or loss										
Reinsurance expense	**(52)**	**–**	**–**	**–**	**(52)**	(29)	–	–	–	(29)
Changes relating to future services: loss recovery component	**–**	**15**	**–**	**–**	**15**	–	6	–	–	6
Net Income/(expense) from reinsurers contracts held	**(52)**	**15**	**–**	**–**	**(37)**	(29)	6	–	–	(23)
Finance income from reinsurance contracts held	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–
Total changes in the statement of profit or loss and OCI	**(52)**	**15**	**–**	**–**	**(37)**	(29)	6	–	–	(23)
Cash flows										
Premiums paid	**67**	**–**	**–**	**–**	**67**	24	–	–	–	24
Recoveries from Reinsurer	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–
Total cash flows	**67**	**–**	**–**	**–**	**67**	24	–	–	–	24
Foreign exchange movement	**(2)**	**(1)**	**–**	**–**	**(3)**	1	–	–	–	1
Net closing balance	**27**	**20**	**–**	**–**	**47**	14	6	–	–	20
Closing asset	**27**	**20**	**–**	**–**	**47**	14	6	–	–	20
Closing liability	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–

1 OUTsurance Ireland have not incurred claims that reached the minimum attachment points of the reinsurance contracts and therefore have not recorded any reinsurance incurred claims during the current and prior reporting period.

27. Insurance and Reinsurance contracts continued

27.10 Ireland – Critical accounting estimates and judgements

Sensitivity to underwriting risk variables

The table below presents the impact on profit or loss for changes in assumptions in determining the LIC balance.

In order to determine the appropriate level of sensitivity on the risk variables, an assessment was performed to assess the impact of an acceptable change in the loss ratio together with the impact of utilisation of the entire risk adjustment. With this assessment performed, a reasonable level of sensitivity equates to a 20% increase in the underlying assumptions. The sensitivity impact on equity equals the sensitivity impact in profit or loss.

The impact of the sensitivities was performed on the attritional claims only. Given that the reinsurance program's objective is mainly to protect the business against catastrophe events, the sensitivities do not have a material impact on the reinsurance contacts and were therefore only performed on the gross claims impact.

The sensitivity analysis on the Liability for incurred claims

	30 June 2026		30 June 2025	
R million	LIC at 30 June 2026	20% increase in underlying assumptions	LIC at 30 June 2025	20% increase in underlying assumptions
Net insurance contract assets				
Change in assumptions				
Claims severity				
Ireland	**233**	**(47)**	63	(13)

27.10.1 Personal – Claims development

Gross claims development – undiscounted excluding direct attributable expenses

	Accident year						
R million	2026	2025	2024	2023	2022	2021	Total
At the end of the accident year	**304**	**72**	**–**	**–**	**–**	**–**	**376**
one year later	**–**	**58**	**–**	**–**	**–**	**–**	**58**
Gross cumulative ultimate claims	**304**	**58**	**–**	**–**	**–**	**–**	**362**
Gross cumulative paid claims	**(127)**	**(32)**	**–**	**–**	**–**	**–**	**(159)**
Gross cumulative claims outstanding including attributable expenses	**177**	**26**	**–**	**–**	**–**	**–**	**203**
Discounting							**41**
Risk adjustment							**10**
OUTbonus							**(21)**
LIC (insurance contracts)							**233**

OUTsurance Ireland only commenced trading in May 2024 and therefore no claims development prior to 2025.

Average weighted term to settlement

The table below represents the average expected time it takes to settle a claim based on similar claims in the Irish market.

	30 June 2026	30 June 2025
	Personal	Personal
Average weighted term to settlement in years	**3.44**	3.30

27. Insurance and Reinsurance contracts continued

27.10 Ireland – Critical accounting estimates and judgements continued

The following yield curves that were used in discounting the LIC:

	1 year	2 years	3 years	10 years	15 years
30 June 2026					
Property and casualty					
Direct insurance contracts issued and reinsurance contracts held	**2.6%**	**2.6%**	**2.6%**	**2.9%**	**3.1%**

	1 year	2 years	3 years	10 years	15 years
30 June 2025					
Property and casualty					
Direct insurance contracts issued and reinsurance contracts held	1.9%	1.8%	1.9%	2.4%	2.6%

27.11 Material judgements – Life insurance business

This note provides an overview of the areas that involve a higher degree of judgement or complexity on measurement of insurance and reinsurance contract assets and liabilities.

Unit of account

The Group has determined that the unit of account is not the insurance policy per policyholder but rather the separate risk(s) insured in the contract. Each policy could contain multiple lives, different types of products and cover incepted with different start dates, of which each are underwritten and assessed differently.

Profitability groupings

OUTsurance Life applies both a qualitative and quantitative assessment to determine the profitability groupings. The quantitative approach supports the qualitative assessment and is based on a projected cash flow stress calibration methodology. Based on the outcome of the stress tests, the contract is grouped as insurance contracts that are onerous at initial recognition, insurance contracts that have no possibility of becoming onerous, and the remainder of the contracts.

Fulfilment cash flows (FCF)

Directly attributable cash flows

IFRS 17 requires an entity to include a portion of its overhead costs that are directly attributable in fulfilling the obligations under the insurance contract, in the fulfilment cash flows of the liability. Similar to the short-term insurance business, the Group leveraged off its management expense allocation methodology and allocate all expenses as either directly attributable or non-attributable depending on the nature of the function being fulfilled by the cost centre.

The Group uses the following non-financial assumptions: lapses, expenses, retrenchment rates, morbidity rates, mortality rates and disability rates in its estimation of future cash flows for the Life insurance business. The best estimate assumptions in respect of dread disease & disability, mortality and retrenchment rates were set taking into consideration the rates provided by the reinsurers, actual past experience and modifications for expected future trends. In particular, the base industry rates provided by the reinsurers are explicitly adjusted based on actual vs expected analyses performed on an annual basis. The level of granularity adopted in each analysis depends on the credibility of the data available. The Group reviews its assumptions to measure insurance contracts and reinsurance contracts at each reporting period, which have been reviewed and approved by the Head of Actuarial Function. All adjustments to future assumptions will adjust the CSM.

Discount rate

The discount rate is determined using the bottom-up approach as the cash flows do not vary based on the underlying items. Under this approach, the JSE bond and swap curve are used as the risk-free rate. The discount curve is constructed from a combination of the swap and bond curve which reflects the underlying interest rate of the hedging instruments used in the asset liability matching. Additionally, non-recurring bonus cash flows at all durations make use of the swap curve and recurring bonus cash flows at all durations make use of the bond curve.

27. Insurance and Reinsurance contracts continued

27.11 Material judgements – Life insurance business continued

Discount rate continued

By calculating the weighted average of the two curves according to the magnitude of the various types of future expected cash flows of the contracts, the aforementioned curves are aggregated to form a single locked-in yield curve for each group of contracts. By doing so, the present value of the cash flows calculated using the single yield curve is equivalent to what would be obtained by applying each curve individually to the relevant cash flows at the corresponding points in time. The relevant spot rates are subjected to the weighting to generate the new single yield curve.

For direct insurance contracts and reinsurance contract held, no illiquidity premium is added as there are no surrender values or exit penalties included in the insurance contract or reinsurance contract held.

Risk adjustment

The risk adjustment has been calculated through a risk quantification by using a historical empirical Actual vs Expected (AvE) analysis. Distributions are then generated from which the appropriate margin per underwriting factor can be determined to target the chosen percentile for the Risk Adjustment. A confidence level ranging between 70% and 80%, depending on each underlying portfolio, is deemed appropriate. The granularity of the probability distribution will also depend on the risk associated with the portfolio, with the margins currently calculated on a segment level. To support the appropriateness of the selected confidence levels, the resulting calibration is benchmarked against the 99.5% confidence level in the Financial Soundness Standards for Insurers. Refer to note 27.18 for the impact of the revised estimation technique used to determine the risk adjustment.

Coverage units

Direct insurance contracts

Coverage units are defined as the quantity of insurance contract services provided by the contracts in the group determined by considering the sum assured under the contract and its expected coverage period. The principles used to determine OUTsurance Life's coverage unit calculation methodology encapsulates the following:

- The maximum amount of benefits the insurer stands ready to provide the insured at any claims event throughout the coverage period.
- Adjusting the maximum amounts payable to reflect the time value of money at the locked-in discount rate.
- Adjusting the maximum amounts payable to reflect the expected coverage duration.
- The expected coverage duration is determined based on the contractual term where applicable, or whole-of-life for lifetime products, and is adjusted for expected policyholder experience, including lapses and other decrements.

Reinsurance contracts held

Coverage units that represent the amount of coverage ceded to the reinsurer are calculated separately and used to release the contractual service margin recognised on the reinsurance contracts held. The judgement used to determine the coverage unit methodology for reinsurance contracts held are:

- The maximum amount of coverage ceded to the reinsurer.
- Adjusting the maximum amounts payable to reflect the time value of money at the locked-in discount rate.
- Adjusting the maximum amounts payable to reflect the expected coverage duration.

Reinsurance contract boundary

The reinsurance contract boundary is influenced by the guarantee period of the reinsurer supported by any changes of reinsurer behaviour in the reinsurance market with regards to in-force insurance contracts, if relevant. The contract boundary also considers that a re-assessment of the reinsurance rates and reduction or cancellation of the treaty, needs to be done on a mutually agreed basis. Refer to note 27.18 for the impact of the change in the reinsurance contract boundary and estimated cash flows.

Risk of non-performance of reinsurers

Management have assessed the risk of non-performance by quantifying the loss given default based on the credit quality steps of the respective reinsurers to which they are exposed. The outcome of this assessment had an immaterial impact on the balances which is also due to management's stringent requirements of reinsurance credit quality.

Loss recovery ratio

The loss recovery component is determined as a proportion of the loss component, based on the ratio of expected reinsurance recoveries relative to gross expected outflows to service the in-force book.

27. Insurance and Reinsurance contracts continued

27.12 Life risk – insurance contracts issued

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

	30 June 2026			
	Liabilities for Remaining Coverage			
R million	Excluding loss component	Loss component	Liabilities for Incurred claims	Total
Opening insurance contract assets	(520)	138	12	(370)
Opening insurance contract liabilities	386	183	64	633
Net opening balance	(134)	321	76	263
Insurance revenue	(1 366)	–	–	(1 366)
CSM recognised for services provided	(390)	–	–	(390)
Change in risk adjustment for non-financial risk for risk expired	(52)	–	–	(52)
Expected insurance service expenses incurred	(597)	–	–	(597)
Recovery of insurance acquisition cash flows	(286)	–	–	(286)
Experience adjustment not related to future service	(41)	–	–	(41)
Insurance Service Expenses				
Incurred insurance service expenses:	–	(25)	591	566
Claims	–	(22)	537	515
Expenses	–	(3)	79	76
Changes in the risk adjustment on the LIC	–	–	(25)	(25)
Amortisation of insurance acquisition cash flows	286	–	–	286
Changes that relate to past service (changes in fulfilment cash flows re LIC)	–	–	10	10
Changes that relate to future service	–	29	–	29
Losses for the net outflow recognised on initial recognition	–	13	–	13
Losses and reversal of losses on onerous contracts – subsequent measurement	–	16	–	16
Total Insurance Service Expenses	286	4	601	891
Total Insurance Service result	(1 080)	4	601	(475)
Insurance Finance Income or Expense				
The effect of and changes in time of time value of money and financial risk	163	24	9	196
Total Insurance Finance Income or Expense	163	24	9	196
Total Changes in the Statement of Financial Performance	(917)	28	610	(279)
Cash flows				
Premium received	1 327	–	–	1 327
Claims and other insurance service expenses paid	–	–	(626)	(626)
Insurance acquisition cash flows	(309)	–	–	(309)
Total cash flows	1 018	–	(626)	392
Net closing balance	(33)	349	60	376
Closing Insurance contract assets	(697)	151	10	(536)
Closing Insurance contract liabilities	664	198	50	912
Net closing balance	(33)	349	60	376

27. Insurance and Reinsurance contracts continued

27.12 Life risk – insurance contracts issued continued

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

	30 June 2025			
	Liabilities for Remaining Coverage			
R million	Excluding loss component	Loss component	Liabilities for incurred claims	Total
Opening insurance contract assets	(415)	150	14	(251)
Opening insurance contract liabilities	194	364	89	647
Net opening balance	(221)	514	103	396
Insurance revenue	(1 137)	–	–	(1 137)
CSM recognised for services provided	(302)	–	–	(302)
Change in risk adjustment for non-financial risk for risk expired	(36)	–	–	(36)
Expected insurance service expenses incurred	(549)	–	–	(549)
Recovery of insurance acquisition cash flows	(248)	–	–	(248)
Experience adjustment not related to future service	(2)	–	–	(2)
Insurance Service Expenses				
Incurred insurance service expenses:	–	(31)	546	515
Claims	–	(27)	507	480
Expenses	–	(4)	87	83
Changes in the risk adjustment on the LIC	–	–	(48)	(48)
Amortisation of insurance acquisition cash flows	248	–	–	248
Changes that relate to past service (changes in fulfilment cash flows re LIC)	–	–	(13)	(13)
Changes that relate to future service	–	(201)	–	(201)
Losses for the net outflow recognised on initial recognition	–	5	–	5
Losses and reversal of losses on onerous contracts – subsequent measurement	–	(206)	–	(206)
Total Insurance Service Expenses	248	(232)	533	549
Total Insurance Service result	(889)	(232)	533	(588)
Insurance Finance Income or Expense				
The effect of and changes in time of time value of money and financial risk	77	39	16	132
Total Insurance Finance Income or Expense	77	39	16	132
Total Changes in the Statement of Financial Performance	(812)	(193)	549	(456)
Cash flows				
Premium received	1 186	–	–	1 186
Claims and other insurance service expenses paid	–	–	(576)	(576)
Insurance acquisition cash flows	(287)	–	–	(287)
Total cash flows	899	–	(576)	323
Net Closing balance	(134)	321	76	263
Closing Insurance contract assets	(520)	138	12	(370)
Closing Insurance contract liabilities	386	183	64	633
Net closing balance	(134)	321	76	263

27. Insurance and Reinsurance contracts continued

27.12 Life risk – insurance contracts issued continued

Reconciliation of the measurement components of insurance contract balances

	30 June 2026			
R million	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial Risk	CSM	Total
Opening insurance contract assets	(1 052)	141	541	(370)
Opening insurance contract liabilities	(709)	198	1 144	633
Net opening balance	(1 761)	339	1 685	263
Changes that relate to current services	(66)	(58)	(390)	(514)
CSM recognised for services provided	–	–	(390)	(390)
Change in risk adjustment for non-financial risk for risk expired	–	(58)	–	(58)
Experience adjustments not related to future service	(66)	–	–	(66)
Changes that relate to future services	(703)	86	646	29
Contracts initially recognised in the year	(738)	201	550	13
Changes in estimates that adjust the CSM	10	(106)	96	–
Changes in estimates that relate to losses and reversal of losses on onerous contracts	25	(9)	–	16
Changes that relate to past services	13	(3)	–	10
Changes in estimates in LIC fulfilment cash flows	1	1	–	2
Experience adjustments in claims and other insurance service expenses in LIC	12	(4)	–	8
Total Insurance Service result	(756)	25	256	(475)
Insurance Finance Income or Expense				
The effect of and changes in time of time value of money and financial risk	(89)	123	162	196
Total Insurance Finance Income or Expense	(89)	123	162	196
Total Changes in the Statement of Financial Performance	(845)	148	418	(279)
Cash flows				–
Premiums received	1 327	–	–	1 327
Claims and other insurance service expenses paid	(626)	–	–	(626)
Insurance acquisition cash flows	(309)	–	–	(309)
Total cash flows	392	–	–	392
Net Closing balance	(2 214)	487	2 103	376
Closing Insurance contract assets	(1 489)	186	767	(536)
Closing Insurance contract liabilities	(725)	301	1 336	912
Net closing balance	(2 214)	487	2 103	376

27. Insurance and Reinsurance contracts continued

27.12 Life risk – insurance contracts issued continued

Reconciliation of the measurement components of insurance contract balances continued

R million	30 June 2025 Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial Risk	CSM	Total
Opening insurance contract assets	(689)	86	352	(251)
Opening insurance contract liabilities	(323)	245	725	647
Net opening balance	(1 012)	331	1 077	396
Changes that relate to current services	(36)	(36)	(302)	(374)
CSM recognised for services provided	–	–	(302)	(302)
Change in risk adjustment for non-financial risk for risk expired	–	(36)	–	(36)
Experience adjustments not related to future service	(36)	–	–	(36)
Changes that relate to future services	(913)	(90)	802	(201)
Contracts initially recognised in the year	(526)	132	399	5
Changes in estimates that adjust the CSM	(295)	(108)	403	–
Changes in estimates that relate to losses and reversal of losses on onerous contracts	(92)	(114)	–	(206)
Changes that relate to past services	–	(13)	–	(13)
Changes in estimates in LIC fulfilment cash flows	(26)	(6)	–	(32)
Experience adjustments in claims and other insurance service expenses in LIC	26	(7)	–	19
Total Insurance Service result	(949)	(139)	500	(588)
Insurance Finance Income or Expense				
The effect of and changes in time of time value of money and financial risk	(123)	147	108	132
Total Insurance Finance Income or Expense	(123)	147	108	132
Total Changes in the Statement of Financial Performance	(1 072)	8	608	(456)
Cash flows				
Premiums received	1 186	–	–	1 186
Claims and other insurance service expenses paid	(576)	–	–	(576)
Insurance acquisition cash flows	(287)	–	–	(287)
Total cash flows	323	–	–	323
Net Closing balance	(1 761)	339	1 685	263
Closing Insurance contract assets	(1 052)	141	541	(370)
Closing Insurance contract liabilities	(709)	198	1 144	633
Net closing balance	(1 761)	339	1 685	263

27. Insurance and Reinsurance contracts continued

27.13 Life Risk – Reinsurance contracts held

Reconciliation of the Movement in Carrying Amounts – By Remaining Coverage Component and Incurred Claims Component for reinsurance – GMM

	30 June 2026			
	Remaining Coverage Component			
R million	Excluding Loss-recovery Component	Loss-recovery Component	Incurred Claims Component	Total
Opening reinsurance contract assets	(46)	63	51	68
Opening reinsurance contract liabilities	(37)	9	23	(5)
Net opening balance	(83)	72	74	63
Allocation of the premiums paid	(286)	–	–	(286)
CSM recognised for services provided	(11)	–	–	(11)
Change in risk adjustment for non-financial risk for risk transferred	(11)	–	–	(11)
Expected recoveries of incurred claims and other insurance service expense	(272)	–	–	(272)
Experience adjustment not related to future service	8	–	–	8
Amounts Recovered from Reinsurance				
Recoveries of incurred claims and other insurance service expense	–	(7)	276	269
Changes related to past service (changes related to incurred claims component)	–	–	4	4
Changes that relate to future service:	–	1	–	1
Recoveries of losses on onerous underlying contracts on initial recognition	–	3	–	3
Recoveries and reversals of recoveries of losses on onerous underlying contracts – subsequent measurement	–	(2)	–	(2)
Total Amounts Recovered from Reinsurance	–	(6)	280	274
Total Net Expenses from Reinsurance	(286)	(6)	280	(12)
Insurance Finance Income or Expense				
The effect of and changes in time of time value of money and financial risk	(25)	7	2	(16)
Total Insurance Finance Income or Expense	(25)	7	2	(16)
Total Changes in the Statement of Financial Performance	(311)	1	282	(28)
Cash flows				
Premiums paid	258	–	–	258
Amounts recovered	–	–	(272)	(272)
Total cash flows	258	–	(272)	(14)
Net closing balance	(136)	73	84	21
Closing reinsurance contract assets	(15)	26	25	36
Closing reinsurance contract liabilities	(121)	47	59	(15)
Net closing balance	(136)	73	84	21

27. Insurance and Reinsurance contracts continued

27.13 Life Risk – Reinsurance contracts held continued

Reconciliation of the Movement in Carrying Amounts – By Remaining Coverage Component and Incurred Claims Component for reinsurance – GMM continued

	30 June 2025			
	Remaining Coverage Component			
R million	Excluding Loss-recovery Component	Loss-recovery Component	Incurred Claims Component	Total
Opening reinsurance contract assets	(86)	114	84	112
Opening reinsurance contract liabilities	(5)	1	1	(3)
Net opening balance	(91)	115	85	109
Allocation of the premiums paid	(231)	–	–	(231)
CSM recognised for services provided	16	–	–	16
Change in risk adjustment for non-financial risk for risk transferred	(9)	–	–	(9)
Expected recoveries of incurred claims and other insurance service expense	(253)	–	–	(253)
Experience adjustment not related to future service	15	–	–	15
Amounts Recovered from Reinsurance				
Recoveries of incurred claims and other insurance service expense	–	(11)	257	246
Changes related to past service (changes related to incurred claims component)	–	–	(11)	(11)
Changes that relate to future service:	–	(44)	–	(44)
Recoveries of losses on onerous underlying contracts on initial recognition	–	3	–	3
Recoveries and reversals of recoveries of losses on onerous underlying contracts – subsequent measurement	–	(47)	–	(47)
Total Amounts Recovered from Reinsurance	–	(55)	246	191
Effect of change in non-performance risk of reinsurers	1	–	–	1
Total Net Expenses from Reinsurance	(230)	(55)	246	(39)
Insurance Finance Income or Expense				
The effect of and changes in time of time value of money and financial risk	43	12	6	61
Total Insurance Finance Income or Expense	43	12	6	61
Total Changes in the Statement of Financial Performance	(187)	(43)	252	22
Cash flows				
Premiums paid	195	–	–	195
Amounts recovered	–	–	(263)	(263)
Total cash flows	195	–	(263)	(68)
Net closing balance	(83)	72	74	63
Closing Insurance contract assets	(46)	63	51	68
Closing Insurance contract liabilities	(37)	9	23	(5)
Net closing balance	(83)	72	74	63

27. Insurance and Reinsurance contracts continued

27.13 Life Risk – Reinsurance contracts held continued

Reconciliation of the measurement components of reinsurance contract balances – GMM

	30 June 2026			
R million	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial Risk	CSM	Total
Opening reinsurance contract assets	(24)	44	48	68
Opening reinsurance contract liabilities	10	15	(30)	(5)
Net opening balance	(14)	59	18	63
Changes that relate to current services	5	(11)	(12)	(18)
CSM recognised for services received	–	–	(12)	(12)
Change in risk adjustment for non-financial risk for risk expired	–	(11)	–	(11)
Experience adjustments not related to future service	5	–	–	5
Changes that relate to future services	(120)	20	101	1
Contracts initially recognised in the year	(29)	14	18	3
Changes in estimates that adjust the CSM	(96)	8	88	–
Changes in estimates that adjust recoveries of losses on onerous underlying contracts	5	(2)	–	3
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	–	–	(5)	(5)
Changes that relate to past services	6	(1)	–	5
Changes in fulfilment cash flows re asset for incurred claims	2	1	–	3
Experience adjustments in claims and other insurance service expenses in asset for incurred claims	4	(2)	–	2
Total Net Expenses from Reinsurance	(109)	8	89	(12)
Insurance Finance Income or Expense				
The effect of and changes in time of time value of money and financial risk	(42)	25	1	(16)
Total Insurance Finance Income or Expense	(42)	25	1	(16)
Total Changes in the Statement of Financial Performance	(151)	33	90	(28)
Cash flows				
Premiums received	258	–	–	258
Amounts recovered	(272)	–	–	(272)
Total cash flows	(14)	–	–	(14)
Net closing balance	(179)	92	108	21
Closing reinsurance contract assets	15	1	20	36
Closing reinsurance contract liabilities	(194)	91	88	(15)
Net closing balance	(179)	92	108	21

27. Insurance and Reinsurance contracts continued

27.13 Life Risk – Reinsurance contracts held continued

Reconciliation of the measurement components of reinsurance contract balances – GMM continued

	30 June 2025			
R million	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial Risk	CSM	Total
Opening reinsurance contract assets	280	73	(241)	112
Opening reinsurance contract liabilities	3	2	(8)	(3)
Net opening balance	283	75	(249)	109
Changes that relate to current services	8	(9)	16	15
CSM recognised for services received	–	–	16	16
Change in risk adjustment for non-financial risk for risk expired	–	(9)	–	(9)
Experience adjustments not related to future service	8	–	–	8
Changes that relate to future services	(294)	(24)	274	(44)
Contracts initially recognised in the year	42	6	(45)	3
Changes in estimates that adjust the CSM	(307)	7	300	–
Changes in estimates that adjust recoveries of losses on onerous underlying contracts	(29)	(37)	–	(66)
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	–	–	19	19
Changes that relate to past services	(4)	(7)	–	(11)
Changes in fulfilment cash flows re asset for incurred claims	2	(5)	–	(3)
Experience adjustments in claims and other insurance service expenses in asset for incurred claims	(6)	(2)	–	(8)
Effect of changes in non-performance risk of reinsurance	1	–	–	1
Total Net Expenses from Reinsurance	(289)	(40)	290	(39)
Insurance Finance Income or Expense				
The effect of and changes in time of time value of money and financial risk	60	24	(23)	61
Total Insurance Finance Income or Expense	60	24	(23)	61
Total Changes in the Statement of Financial Performance	(229)	(16)	267	22
Cash flows				
Premiums received	195	–	–	195
Amounts recovered	(263)	–	–	(263)
Total cash flows	(68)	–	–	(68)
Net closing balance	(14)	59	18	63
Closing Reinsurance contract assets	(24)	44	48	68
Closing reinsurance contract liabilities	10	15	(30)	(5)
Net closing balance	(14)	59	18	63

27. Insurance and Reinsurance contracts continued

27.14 Life risk – Effect of Contracts Initially Recognised in the Period for Insurance

R million	30 June 2026 Profitable contracts issued	30 June 2026 Onerous contracts issued	30 June 2026 Total	30 June 2025 Profitable contracts issued	30 June 2025 Onerous contracts issued	30 June 2025 Total
Insurance Contracts Issued Initially Recognised in the Period						
Estimates of the present value of future cash outflows:	**1 138**	**88**	**1 226**	1 040	55	1 095
Insurance acquisition cash flows	**346**	**33**	**379**	315	28	343
Claims and other cash outflows	**792**	**55**	**847**	725	27	752
Estimates of the present value of future cash inflows	**(1 879)**	**(85)**	**(1 964)**	(1 565)	(55)	(1 620)
Risk adjustment for non-financial risk	**191**	**10**	**201**	126	5	131
Contractual service margin	**550**	**–**	**550**	399	–	399
Losses for the net outflow recognised on initial recognition	**–**	**13**	**13**	–	5	5

27.15 Life risk – Effect of Contracts Initially Recognised in the Period for Reinsurance

R million	30 June 2026 Contracts Initiated: Without Loss Recovery Component	30 June 2026 Contracts Initiated: With Loss Recovery Component	30 June 2026 Total	30 June 2025 Contracts initiated: Without Loss Recovery Component	30 June 2025 Contracts initiated: With Loss Recovery Component	30 June 2025 Total
Reinsurance Contracts Held Initially Recognised in the Period						
Estimates of the present value of future cash inflows	**(360)**	**–**	**(360)**	(329)	–	(329)
Estimates of the present value of future cash outflows	**389**	**–**	**389**	287	–	287
Risk adjustment for non-financial risk	**(15)**	**–**	**(15)**	(6)	–	(6)
Loss recovery related to losses on underlying insurance contracts at initial recognition	**–**	**3**	**3**	–	3	3
Contractual Service Margin	**14**	**3**	**17**	(48)	3	(45)

27. Insurance and Reinsurance contracts continued

27.16 Life Risk – Expected recognition of CSM

Movement in CSM

The CSM increased by R328 million (2025: R340 million) for the current financial year. This was driven by the sale of profitable new business, increasing the CSM with R532 million (2025: R444 million). Furthermore, the CSM increased by R161 million (2025: R131 million) due to interest accrued during the period under review, as well as with R8 million (2025: R43 million) due to the reversal of the loss component.

Assumptions were updated to reflect actual experience and methodology changes introduced which improved the accuracy of the valuation model, leading to a further increase in the CSM of R5 million. The material assumption changes included improved decrement and expense experience, as well as the recalibration of the risk adjustment.

These were offset by a R45 million decrease in the CSM due to updated reinsurance premium expectations, whereby possible future reinsurance reprices are expected earlier, eliminating the long-term reinsurance asset, as well as updated lapse experience.

The impact of the abovementioned changes were partly offset due to CSM amortisation as services are provided and profits recognised, which decreased the CSM with R378 million (2025: R318 million).

The following table represents a reconciliation of the opening to closing of the CSM balance for the period under review:

R million	**30 June 2026**	30 June 2025
Opening CSM	**1 667**	1 326
Statement of financial position movement		
New business	**532**	444
Method and non-economic assumptions	**5**	41
– In-force business	**(32)**	95
– New business	**37**	(54)
Statement of profit and loss movement		
Unwind of discount rate	**161**	131
– In-force business	**142**	111
– New business	**19**	20
Reversal of loss component	**8**	43
– In-force business	**8**	41
– New business	**–**	2
Closing balance before CSM amortisation	**2 373**	1 985
– In-force business	**1 784**	1 573
– New business	**589**	412
CSM amortisation	**(378)**	(318)
– In-force business	**(308)**	(266)
– New business	**(70)**	(52)
Closing CSM	**1 995**	1 667

The expected recognition of the CSM balance is front-loaded, with the majority releasing within 5 to 10 years reflecting the short-duration nature and higher lapse experience of Partnership products in conjunction with the impact of discounting on the longer duration life direct products resulting in smaller profit recognition the later the duration becomes. The remaining CSM in the more than 10 years bucket relates primarily to the remaining portion of the underwritten life book which will run off in a decelerating pattern.

27. Insurance and Reinsurance contracts continued

27.16 Life Risk – Expected recognition of CSM continued

An analysis of the expected recognition of the CSM remaining at the end of the reporting period in profit or loss is provided in the following table:

	30 June 2026							
R million	**Total**	**Less than 1 year**	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**4 to 5 years**	**5 to 10 years**	**More than 10 years**
Insurance contracts issued	**2 103**	**359**	**294**	**243**	**201**	**166**	**492**	**348**
Reinsurance contracts held	**(108)**	**(15)**	**(13)**	**(11)**	**(9)**	**(8)**	**(26)**	**(26)**
Total	**1 995**	**344**	**281**	**232**	**192**	**158**	**466**	**322**

	30 June 2025							
R million	Total	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 to 10 years	More than 10 years
Insurance contracts issued	1 685	275	228	191	161	135	406	289
Reinsurance contracts held	(18)	11	3	–	(2)	(2)	(10)	(18)
Total[1]	1 667	286	231	191	159	133	396	271

The yield curves that were used in discounting the insurance and reinsurance liabilities:

30 June 2026	**1 year**	**5 years**	**10 years**	**20 years**	**30 years**
Life Risk (issued and reinsurance held)	**7.2%**	**7.3%**	**7.8%**	**9.1%**	**8.6%**
Fulfilment cash flows (R million)	**(45)**	**2**	**(23)**	**(3)**	**20**

30 June 2025	1 year	5 years	10 years	20 years	30 years
Life Risk (issued and reinsurance held)	7.0%	7.3%	8.7%	12.2%	11.9%
Fulfilment cash flows (R million)	(46)	28	(21)	(1)	22

1 The prior year has been updated to better reflect the expected recognition of the CSM.

27.17 Interest rate sensitivity

The table below represents the impact in profit or loss, should there be a change in the yield curve. The sensitivity was performed on the fulfilment cash flows of the insurance contracts which is the components of the liability measured using a market related interest rate.

	30 June 2026		30 June 2025	
R million	**2% increase in yield curve**	**2% decrease in yield curve**	2% increase in yield curve	2% decrease in yield curve
Insurance contract assets	**117**	**(142)**	72	(84)
Insurance contract liabilities	**(44)**	**213**	18	16
Reinsurance contract assets	**–**	**–**	(8)	9
Reinsurance contract liabilities	**(17)**	**16**	–	–

The results of the sensitivity only indicate the impact on profit and loss and do not reflect the change in the statement of financial position of the insurance and reinsurance contracts as a result of the change in yield curves.

The sensitivity impact on equity equals the sensitivity impact in profit or loss.

27. Insurance and Reinsurance contracts continued

27.18 Critical accounting estimates and adjustments relating to long-term insurance

The following events and considerations have been considered in the fulfilment cash flows of OUTsurance Life

In the current financial year, valuation improvements have been introduced, enhancing the accuracy of contract liability projection. The impact of these changes in assumptions are as follows:

Change in expected reinsurance repricing assumption

The assumption regarding future reinsurance repricing was updated during the year, with the expected timing of a plausible reinsurance reprice being revised from five years to one year based on actual claims experience. This change provides an updated best estimate expectation of future reinsurance costs.

The net impact on the reinsurance asset for remaining coverage was a decrease of R2 million and an increase in the reinsurance finance income from reinsurance contracts in the statement of profit or loss of R2 million, for the effect of measuring changes in estimates and adjusting the CSM at the locked in interest rate.

Statement of financial position R million	**Estimates of Present Value of Future Cash Flows**	**Risk Adjustment**	**CSM**	**Net impact**
Assets for remaining coverage (ARC)	**(74)**	**26**	**46**	**(2)**

Statement of profit or loss impact R million	**Effect of measuring changes in estimates and adjusting the CSM at locked in interest rate**
Reinsurance finance income from reinsurance contracts held	**(2)**

Best estimate assumptions applied in the valuation of the insurance contract liabilities

The best estimate assumptions in respect of dread disease & disability, mortality and retrenchment rates were set taking into consideration the rates provided by the reinsurers, actual past experience and modified by expected future trends. These rates have further been reviewed and approved by the Head of Actuarial Function. The underwritten business has continued to exhibit improved experience resulting in mortality expectation being lightened. The Partnership class of business showed improvements resulting in mortality expectations being lightened.

The best estimate assumptions for renewal expenses were set taking into consideration the board approved business budget, which is based on past experience as well as expected changes in the business' landscape. Continuous cost efficiencies resulted in this assumption being lowered.

The following risk adjustments per assumption were applied in the valuation of the insurance contract liabilities at 30 June 2026:

Assumption	Margin	
Mortality	2.67%	increase
Morbidity	6.87%	increase
Disability	6.87%	increase
Retrenchment	7.85%	increase/decrease*
Expenses	9.75%	increase
Lapses	10.34%	increase/decrease* on best estimate

* Depending on which change increases the liability.

27. Insurance and Reinsurance contracts continued

27.18 Critical accounting estimates and adjustments relating to long-term insurance continued

Economic assumptions

Investment return

The Group calculates its investment return assumption using a full yield curve as opposed to using a point estimate on the underlying yield curve. The comparative point estimate of the current yield curve at the valuation date is 8.80% (2025: 10.96%).

Inflation

The Group calculates its inflation assumption using a full inflation curve as opposed to using a point estimate on the underlying inflation curve, derived from nominal and real curves. The comparative point estimate of the current inflation curve at the valuation date is 3.65% (2025: 5.98%).

Taxation

The tax position is taken into account and the taxation rates, consistent with that position and the likely future changes in that position, are allowed for.

The below table illustrates the non-economic assumptions considered in the valuation of fulfilment cashflows:

Economic Assumptions	2026	2025
Discounted Mean Term	**9.55**	7.18
Securities backing non-bonus liabilities	**8.8%**	11.0%
Securities backing bonus liabilities	**7.7%**	7.8%
Inflation rate	**3.7%**	6.0%

* The rates are calculated as cash flow weighted average rates to reflect the sensitivity of the liabilities to the shape of the yield curve.

27.19 Sensitivity on CSM

The below table represent the impact on the unrealized profit if the underlying assumptions increased or decreased:

		Insurance contract		Reinsurance contract	
Assumption	Change in variable	2026	2025	2026	2025
Life contracts					
Effect on CSM					
Change in assumptions					
Lapses	+10%	**(152)**	(72)	**23**	11
	-10%	**187**	92	**(35)**	(18)
Morbidity/Mortality/Retrenchment	+10%	**(308)**	(274)	**188**	(28)
	-10%	**350**	312	**(209)**	20
Expenses	+10%	**(33)**	(30)	**(2)**	(2)
	-10%	**34**	30	**2**	2
Nett effect on profit or loss					
Change in assumptions					
Lapses	+10%	**(42)**	(58)		
	-10%	**35**	57		
Morbidity/Mortality/Retrenchment	+10%	**(153)**	52		
	-10%	**137**	(78)		
Expenses	+10%	**(11)**	(8)		
	-10%	**11**	7		

Insurance risk sensitivities are applied as a proportional percentage change to the assumptions made in the measurement of policyholder liabilities and the impact is reflected as the change in policyholder liabilities.

Each sensitivity is applied in isolation with all other assumptions left unchanged.

The sensitivity impact on equity equals the sensitivity impact in profit or loss.

The impact of the sensitivities applied to the reinsurance contract assets or liabilities reversed when compared to 30 June 2025 due to the impact of the updated reinsurance contract boundaries applied in the current reporting period as disclosed earlier in this note.

28. Investment contract liability

The investment contract liability relates to linked endowment products sold by OUTsurance Life. The balance and the movements on the liability equally offsets against the investment contract asset held, with a third party.

R million	2026	2025
Balance at beginning of the year	**1 863**	1 738
Terminations	**(49)**	(64)
Fair value adjustments	**(42)**	22
Interest accrued on linked endowment product	**168**	167
Balance at end of the year	**1 940**	1 863

29. Lease liabilities

R million	2026	2025
Balance at beginning of the year	**379**	294
Cash movements		
Lease payments	**(115)**	(120)
Non-cash movements		
Modification[1]	**139**	–
New leases entered into and lease extensions during the year	**34**	172
Terminations/cancellations[2]	**(7)**	–
Interest	**17**	38
Foreign exchange adjustments	**(17)**	(5)
Balance at the end of the year	**430**	379

1 During the current financial year the lease contract for the Head office in OUTsurance Ireland was renegotiated to extend the lease term. In addition to the extended lease term, additional floor space was acquired for compensation that was commensurate with the increase in scope and therefore recognised as a separate lease. Refer to note 17 for more information.

2 Terminations include motor vehicles leased by Youi with a cost of R10.7 million and an accumulated depreciation of R4.4 million. Cancellations include motor vehicles leased by OUTsurance with a cost of R1.0 million and an accumulated depreciation of R0.9 million.

The following table summarises the contractual maturity dates for lease liabilities. The maturity analysis is represented on an undiscounted contractual cash flow basis.

R million	Within year	1 – 5 years	More than 5 years	Total
30 June 2026				
Lease liability	**125**	**260**	**109**	**494**

R million	Within year	1 – 5 years	More than 5 years	Total
30 June 2025				
Lease liability	114	294	–	408

Short-term leases are leases that have a duration of 12 months or less from date of inception. At 30 June 2026, the Group was not committed to any to short-term leases.

Low-value leases are immaterial and are recognised in profit or loss.

30. Share based payments

The various Group share schemes are as follows:

Name of scheme	Method of settlement	IFRS 2 classification
OUTsurance Holdings notional scheme	Cash – fully run off in September 2025	Cash-settled
Divisional incentive scheme	Cash	Cash-settled
OUTsurance Holdings Conditional Share Plan scheme	Equity – OUTsurance Group shares	Equity-settled
Youi Holdings share scheme	Equity – Youi Holdings shares	Equity-settled
OUTsurance Irish Holdings share scheme	Equity – Irish Holdings shares	Equity-settled

The purpose of these schemes is to attract, incentivise and retain managers within the Group by exposing them to growth in the Group's equity value and providing them with an option to acquire shares.

Consolidated view of share-based payment liability and movement for the year

R million	2026	2025
Cash settled share-based payment liability	**187**	1 454
Total liability	**187**	1 454
Reconciliation of cash settled share-based payment liability		
Opening balance	**1 454**	811
Charge to profit or loss for the year[1]	**140**	1 358
Liability settled	**(1 368)**	(715)
Cancellation of Youi DIS	**(30)**	–
Foreign exchange difference	**(9)**	–
Closing balance	**187**	1 454

1 The large reduction in the share-based payments expense arises where the final tranche of Employee Share Option Scheme (ESOP) vested in the current financial year. This is in line with the expectation following the replacement of the ESOP with the Conditional Share Plan (CSP). The CSP is significantly less geared to share price movements.

The charge to profit or loss for share-based payments is as follows:

R million	2026	2025
Equity settled share scheme[1]		
Youi Holdings equity-settled scheme	**6**	13
OUTsurance Irish Holdings equity-settled scheme	**25**	28
OUTsurance Holdings CSP equity-settled scheme	**81**	84
Charge to Share-based payment reserve	**112**	125
Cash settled share schemes		
Youi Holdings Divisional Incentive cash-settled scheme[2]	**–**	28
OUTsurance Holdings cash-settled scheme[3]	**29**	1 301
OUTsurance Holdings Divisional Incentive cash-settled scheme	**111**	29
Charge to Statement of Profit or Loss	**140**	1 358

1 Refer to the Statement of Changes in Equity for a reconciliation of the opening and closing balances.
2 The Youi Holdings Divisional Incentive cash-settled scheme was cancelled in the current financial year.
3 The Employee Share Option Plan (ESOP) related to the OUTsurance Holdings cash-settled scheme was settled in the current financial year.

30. Share based payments continued

OUTsurance Holdings Limited cash-settled share scheme

Description and valuation methodology of the scheme

Under this cash-settled scheme, participants received notional shares which had a value equal to the market value of an OUTsurance Holdings Limited ordinary share if the employee was still under the employment of the Group. Participants received an after-tax gain in the market value over the vesting period of three years as a cash payment.

This scheme was phased out on 1 July 2023 with the last tranche having vested on 30 September 2025 and was fully paid in October 2025.

The cash-settled scheme was valued using a Black-Scholes option pricing model with all notional shares vesting in one tranche at the end of year three. The scheme is cash-settled and will thus be repriced at each reporting date.

Share scheme expenditure

The following assumptions were applied in determining the OUTsurance cash-settled share-based payment liability:

	OUTsurance Holdings notional scheme	
	2026	2025
Share price	–	R34.43
Exercise price range	–	R11.95 to R15.19
Remaining duration	–	< 1 year
Expected volatility	–	22.83%
Risk free interest rate	–	8.06%
Dividend yield	–	3.50%

Number of notional shares linked to the OUTsurance Holdings notional scheme

	OUTsurance Holdings notional scheme	
	2026	2025
Number of options in force at the beginning of the year	**121 211 100**	121 211 100
Number of options delivered during the year[1]	**(121 211 100)**	(54 339 800)
Number of options cancelled/forfeited during the year	–	(2 775 000)
Number of options/notional units in force at the end of the year	–	64 096 300
Range of strike prices/notional units of closing balance	–	R11.95 – R15.19
Price per ordinary share[2]/notional unit	–	R34.43
Number of scheme participants	–	217
Maximum remaining vesting period (years)	–	0,83

1 The market value of the OHL share price on vesting date of the final tranche was R32.27.
2 The market value of the ordinary shares for OUTsurance Holdings scheme is based on the 15 day VWAP share price as at the end of the financial year.

30. Share based payments continued

OUTsurance Holdings Limited cash-settled share scheme continued

OUTsurance Holdings Share Trust

The objective of the OUTsurance Holdings Share Trust (the Trust) was to facilitate the employee share incentive scheme of the OUTsurance Holdings Limited's (OHL) group of entities. The purpose in holding the treasury shares was to back the OUTsurance Holdings Share Option Scheme (ESOP). Furthermore, the Trust has played the market making role for OHL employee shareholders wishing to dispose of their OHL shares. With the introduction of the OUTsurance Conditional Share Plan (OGL CSP), which ultimately settles in OUTsurance Group Limited (OGL) shares, the Trust served no further purpose due to the CSP instruments issued being listed OGL shares with no requirement for internal market making.

The Share trust was fully wound-up in the prior financial year. Any OHL shares now being sold by employees will be purchased by OGL directly.

	2026	2025
Number of treasury shares and market value		
Number of shares in portfolio at the beginning of the year	–	69 996 930
Number of shares sold during the year	–	(42 333 020)
Number of shares swapped for OGL shares	–	(27 663 910)
Number of shares held in portfolio at the end of the year	–	–
Market value per share held in portfolio at transaction date and year-end (Rand)[1,2]	–	21.26
Market value of portfolio at year-end	–	–
Cost price of treasury shares		
Cost price of shares held in portfolio at the beginning of the year (R million)	–	439
Cost price of shares sold to OGL and swapped for OGL shares (R million)	–	(439)
Cost price of shares held in portfolio at the end of the year	–	–
Loans to the share trust		
Value of loans made to the trust at the beginning of the year (R million)	–	439
Value of loans made to the trust at the end of the year (R million)	–	–

1 From December 2022, the market value of ordinary shares has been based off the 15 day VWAP of the OGL share price.
2 Transaction date is the effective date that transactions relating to the share trust wind-up took place.

30. Share based payments continued

Divisional Incentive cash-settled Scheme

Description and valuation methodology of the scheme

With effect 1 July 2019, a Divisional Incentive Scheme (DIS) was implemented with the objective to incentivise senior management based on the success of new and emerging business units which are in the South African and Australian operations. These new and emerging business units include OUTsurance Business and OUTsurance Life. The scheme is designed to closely align management and shareholders by mirroring equity participation in these business units.

Management has replaced the Youi DIS scheme, which included the Youi CTP and Youi BZI business units, with Youi ESOP instruments with the objective of simplifying the remuneration strategy considering the sale of our interest in BZI and focusing on organic growth in the core Direct channel. The replacement was effective September 2025.

The scheme is designed to closely align management and shareholders by mirroring an equity participation in these business units.

Upon cancellation of the Youi DIS scheme, the participants were entitled to receive an equivalent value of shares or Youi Holdings ESOP options. The conversion ratio of Youi DIS units to Youi Holdings options has been calculated as the fair value of the DIS units using a Black Scholes valuation and compared to the Black-Scholes value of a Youi Holdings ESOP option.

A modification loss of R29.7 million was recognised and shares to the value of R20.5 million were issued with the settlement of the scheme.

	R million
Youi DIS opening balance	**70**
Fair value movement recognised in profit or loss	**(30)**
Settlement in Youi Holdings shares	**(20)**
Settlement in cash	**(10)**
Foreign exchange adjustments	**(9)**
Youi DIS closing balance	**–**

The mechanics of the remaining South African DIS is as follows:

- The DIS is exposed to the net economic value created by the Business Unit. This gain is calculated as the difference between increase in the valuation of the Business Unit and a capital charge levied, on a cumulative basis, on the valuation of the Business Unit on 1 July 2019. The capital charge is referenced to weighted average cost of capital and reduced for any dividend distributions deemed to have been made from the business unit. Subsequent capital contributions also attract the capital charge.
- Notional Incentive Units have been created to reference individual participation in each of the Business Units. These Notional Incentive Units are valued bi-annually in accordance with the net measurement above. The eventual strike price at each of the vesting dates is variable in nature and before the scheme vested the value was calculated using a Monte Carlo simulation, which has been designed to create a normal distribution of eventual strike prices.

The scheme vested as follows:

- 50% of the Notional Incentive Units vest on the 5th anniversary
- 25% of the Notional Incentive Units vest on the 6th anniversary
- 25% of the Notional Units vest on the 7th anniversary

The Scheme is now fully vested. No units have been exercised by any of the participants as at 30 June 2026.

Participants may elect to defer the exercise of the vested Notional Incentive Units up to the 10th anniversary of the DIS at 30 June 2029.

With the scheme reaching it vesting date, its nature changed to that of a Bermudian option where its more appropriate to measure the Notional Incentive Units, using a binomial option-pricing model, which explicitly reflects the remaining exercise optionality of the participants.

Upon exercise, participants will receive OUTsurance Holdings ordinary shares depending on the gain released and their participation in the Business Units.

30. Share based payments continued

Divisional Incentive cash-settled Scheme continued

Description and valuation methodology of the scheme continued

These shares will be held for a year before it can be disposed of at the ruling market value of the shares on date of disposal. The following conditions apply:

- Minimum Group and Company normalised earnings hurdles as vesting conditions.
- The DIS allows for the claw-back of vested gains where warranted by the conduct of the participants.

The scheme is accounted for as a cash-settled scheme for the purposes of IFRS 2 at a Group level. This accounting approach results in the cost of the scheme being expensed through profit or loss over the lifetime thereof. A corresponding liability is recognised until settlement.

The respective subsidiaries participating in the DIS are allocated the cost associated with the Business Units represented by such entities.

To determine IFRS 2 charge, the following input assumptions were used for the Business Units:

	2026			
	OUTsurance Business	**OUTsurance Life**	**Youi CTP**	**Youi BZI**
Risk-free rate	**7.46%**	**7.46%**	**–**	**–**
Volatility	**12.96%**	**18.75%**	**–**	**–**
Dividend yield	**3.50%**	**0.00%**	**–**	**–**
Employee exit rate[1]	**0.00%**	**0.00%**	**–**	**–**

1 With the scheme having reached its vesting date, the exit rate has been adjusted to zero, as it is assumed that participants will exercise their units upon resignation.

Upon vesting of the scheme, further refinements included a revision of the volatility assumptions that was revised to reflect the volatility of the business unit as opposed to that of the OGL shares.

	2025			
	OUTsurance Business	OUTsurance Life	Youi CTP	Youi BZI
Risk-free rate[1]	7.44% – 8.47%	7.44% – 8.47%	2.60% – 4.30%	2.60% – 4.30%
Volatility	22.83%	22.83%	30.00%	30.00%
Dividend yield	3.50%	3.50%	0.00%	0.00%
Employee exit rate	10.00%	10.00%	0.00%	0.00%

1 The vesting date that is being calculated will determine which risk-free rate is used within the disclosed range.

30. Share based payments continued

Divisional Incentive cash-settled Scheme continued

Description and valuation methodology of the scheme continued

The following assumptions were applied in the calculation of the DIS units:

	2026			
	Divisional Incentive cash-settled Scheme			
	OUTsurance Business	**OUTsurance Life**	**Youi CTP**	**Youi BZI**
Fair value per notional unit	**R103.05**	**R146.57**	**–**	**–**
Exercise price	**R585.09**	**R270.16**	**–**	**–**
Remaining vesting period	**–**	**–**	**–**	**–**
Remaining exercise period	**3 years**	**3 years**	**–**	**–**
Expected volatility	**12.96%**	**18.75%**	**–**	**–**
Risk free interest rate	**7.46%**	**7.46%**	**–**	**–**
Dividend yield (0% yield as cost of capital charge will be reduced by dividends distributed)	**3.50%**	**0.00%**	**–**	**–**
Annual employee turnover	**10.00%**	**10.00%**	**–**	**–**

	2025			
	Divisional Incentive cash-settled Scheme			
	OUTsurance Business	OUTsurance Life	Youi CTP	Youi BZI
Fair value per notional unit	R560.62	R245.71	A$21.52	A$5.25
Exercise price	R560.62 – R821.11	R245.74 – R359.93	A$21.52 – A$24.59	A$5.25 – A$6.00
Remaining duration	1 – 2 years	1 – 2 years	1 – 2 years	1 – 2 years
Expected volatility	22.83%	22.83%	30.00%	30.00%
Risk free interest rate	7.44% – 8.47%	7.44% – 8.47%	2.60% – 4.30%	2.60% – 4.30%
Dividend yield (0% yield as cost of capital charge will be reduced by dividends distributed)	3.50%	3.50%	0.00%	0.00%
Annual employee turnover	10.00%	10.00%	0.00%	0.00%

30. Share based payments continued

Divisional Incentive cash-settled Scheme continued

Description and valuation methodology of the scheme continued

	2026			
	OUTsurance Holdings Divisional Incentive cash-settled scheme			
	OUTsurance Business	**OUTsurance Life**	**Youi CTP**	**Youi BZI**
Number of options in force at the beginning of the year	**895 500**	**607 500**	**1 060 000**	**930 000**
Number of options cancelled/ forfeited during the year	**(30 000)**	**(10 000)**	**(60 000)**	**(80 000)**
Youi options converted in shares	**–**	**–**	**(245 000)**	**(245 000)**
Youi options converted in cash	**–**	**–**	**(125 000)**	**(125 000)**
Youi options converted in ESOP options	**–**	**–**	**(630 000)**	**(480 000)**
Number of options/notional units in force at the end of the year	**865 500**	**597 500**	**–**	**–**
Intrinsic value per unit				
2019 tranche	**R88.00**	**R158.00**	**A$4.72**	**A$2.58**
2022 tranche	**R236.00**	**R182.00**	**–**	**–**
Price per notional unit[1]	**R103.05**	**R146.57**	**–**	**–**
Number of scheme participants	**39**	**26**	**–**	**–**
Weighted average remaining vesting period (years)	**–**	**–**	**–**	**–**

	2025			
	OUTsurance Holdings Divisional Incentive cash-settled scheme			
	OUTsurance Business	OUTsurance Life	Youi CTP	Youi BZI
Number of options in force at the beginning of the year	898 000	770 000	930 000	960 000
Number of options/notional units granted during the year	–	–	150 000	–
Number of options cancelled/ forfeited during the year	(2 500)	(162 500)	(20 000)	(30 000)
Number of options/notional units in force at the end of the year	895 500	607 500	1 060 000	930 000
Intrinsic value per unit				
2019 tranche	(R11.72)	R4.00	A$4.72	A$2.58
2022 tranche	R85.41	(R21.00)	–	–
Price per notional unit[1]	R560.62	R245.71	–	–
Number of scheme participants	41	27	20	15
Weighted average remaining vesting period (years)	1.00	1.00	1.60	1.08

1 The market value of ordinary shares resets six monthly on 1 July and 1 January each year.

30. Share based payments continued

OUTsurance Holdings Conditional Share Plan (CSP)

Description and valuation methodology of the scheme

A new CSP was introduced in the first half of the 2024 financial year to create long-term incentive for employees which is more aligned to shareholder value creation and appropriate in a listed environment. The CSP is designed to enable participants to share in the growth of the Group and create alignment between the interests of shareholders and participants. The intention of the incentive is to drive performance of the participants through a strong link between remuneration, financial, strategic performance and corporate sustainability. The shares are granted under the plan for no consideration and carry no dividend or voting rights. The scheme is classified as a cash-settled scheme at OHL. In OUTsurance Group Limited (OGL) the scheme is classified as equity settled because it is ultimately settled in OGL shares.

The maximum number of shares issued, or treasury shares used to settle CSP awards shall not exceed 5% of the issued share capital of OGL. The maximum number of shares that can be settled to any one participant under the CSP is 0.5% of the issued share capital.

The following instruments will be awarded in terms of the CSP:

- Performance Shares – full value conditional share awards, which will vest on condition that participants fulfil pre-determined performance conditions and remain in the employment of the company for the duration of the performance period. Only executive directors and core senior management will receive performance shares. A separate set of performance conditions are calibrated for executives and senior management of the South African operation, which are specific to their area of influence. These are disclosed as part in the integrated report.
- Restricted Shares – full value conditional share awards which are awarded based on the performance of an employee and will vest on condition that a participant remains in the employment of the company for the duration of the performance period. Restricted Shares are awarded to employees below executive committee level and to CSP participants who do not receive Performance Shares.

Valuation methodology

A share-based payment expense is recognised based on the measurement of the fair value of employee service received. The fair value of share options is determined at grant date and expensed over the vesting period. The fair value of options at grant date is determined by the use of the Black-Scholes option pricing model. The 'option duration' is 3 years which is the number of years before the options expire per the share scheme rules.

Market data consists of the following:

- The volatility is derived with reference to the volume weighted average share price of the OGL share price.
- The 'risk-free interest rate' input is derived from government bonds with a remaining term equal to the term of the option being valued.

Other model inputs include:

- Dividend growth is based on the best estimate of expected future dividends.
- The average 'annual employee turnover' estimates the number of participants in the option schemes that will leave before the options have vested.

Performance conditions:

- During the current financial year, the performance conditions applicable to the CSP performance shares, reached between 120% and 125% of the targeted requirements. An additional expense of R38.2 million (2025: R22.9 million) was recognised to account for the remeasurement of the estimated outcome.

Accrual of special dividends:

- The participants may receive the economic benefit of special dividends on underlying OGL shares. Following the payment of a special dividend by OGL, the Group recognised an additional share-based payment liability of R11.1 million at the reporting date, representing the accrued special dividend entitlement.

Share scheme expenditure

The following assumptions were applied in determining the OUTsurance Holdings CSP scheme liability:

	OUTsurance Holdings CSP scheme	
	2026	2025
Share price	**R76.03**	R69.87
Award date price range	**R40.49 – R75.23**	R40.49 – R53.47
Remaining duration	**0.25 – 2.25**	1.25 – 2.25
Expected volatility	**23.23%**	22.83%
Risk free interest rate	**7.58%**	8.06%
Dividend yield	**3.50%**	3.50%

30. Share based payments continued

OUTsurance Holdings Conditional Share Plan (CSP) continued

Share options

	OUTsurance Holdings CSP scheme	
	2026	2025
Number of awards in force at the beginning of the year	**6 806 799**	4 700 802
Number of awards granted during the year	**1 743 474**	2 419 625
Range of strike prices of options granted during the year	**R75.23**	R53.37
Number of awards cancelled/forfeited during the year	**(581 479)**	(313 628)
Number of awards in force at the end of the year	**7 968 794**	6 806 799
Range of strike prices of awards in force at the end of the year	**R40.49 – R75.23**	R40.49 – R53.47
Price per ordinary share	**R75.56**	R78.85
Number of scheme participants	**221**	250
Average remaining vesting period (years)	**0.25 – 2.25**	1.25 – 2.25

CSP Instruments under issue

	OUTsurance Holdings CSP scheme			
	2025 tranche	**2024 tranche**	**2023 tranche**	**Total**
At issue date				
Number of OUTsurance Group CSP instruments issue	**1 743 474**	**2 419 625**	**4 964 434**	**9 127 533**
Restricted	**451 280**	**807 344**	**3 741 102**	**4 999 726**
Subject to performance conditions	**1 292 194**	**1 612 281**	**1 223 332**	**4 127 807**
Share price at date of issuance	**R75.23**	**R53.37**	**R40.49**	
Total participant value of CSP's at issue date (Rand)	**131 161 549**	**129 135 386**	**201 009 933**	**461 306 868**
Number of participants – at issue	**109**	**104**	**269**	
Current balance – 30 June 2026				
Number of OUTsurance Group CSP instruments remaining in issue	**1 571 285**	**2 099 047**	**4 298 462**	**7 968 794**
Restricted	**420 569**	**725 641**	**3 117 461**	**4 263 671**
Subject to performance conditions	**1 150 716**	**1 373 406**	**1 181 001**	**3 705 123**
Current OUTsurance Group share price	**R75.56**	**R75.56**	**R75.56**	
Total participant value of CSP's at issue date (Rand)	**118 726 295**	**153 603 991**	**324 791 789**	**602 122 075**
Number of participants – current	**104**	**95**	**217**	
Number of years to vesting	**2.25**	**1.25**	**0.25**	
Current balance – 30 June 2025				
Number of OUTsurance Group CSP instruments remaining in issue	–	2 334 867	4 471 932	6 806 799
Restricted	–	767 794	3 290 931	4 058 725
Subject to performance conditions	–	1 567 073	1 181 001	2 748 074
Share price at date of issuance	–	R53.37	R40.49	
Total participant value of CSP's at issue date (Rand)	–	124 611 852	181 068 527	305 680 379
Number of participants – current	–	100	231	
Number of years to vesting	–	2.25	1.25	

30. Share based payments continued

Youi Holdings Pty Limited equity-settled share scheme

Description and valuation methodology of the scheme

In terms of the plan rules, 10% of the issued share capital of the company is available under the plan for the granting of options to employees. Scheme participants currently own 5.6% (2025: 5.6%) of the issued ordinary shares of Youi Holdings Pty Limited.

Valuation methodology

A share-based payment expense is recognised based on the measurement of the fair value of employee services received. The fair value of share options is determined at grant date and expensed over the vesting period. The fair value of options at grant date is determined by the use of the Black-Scholes option pricing model.

The 'option duration' is the number of years before the options expire. Market data consists of the following:

- Since Youi Holdings Pty Limited is not listed, 'expected volatility' is derived with reference to the Australian market using the ASX volatility for Youi share prices. The volatility reflects an historic period matching the duration of the option.
- The 'risk-free interest rate' input is derived from government bonds with a remaining term equal to the term of the option being valued.

Dividend data consists of the following:

- 'Dividend growth' is based on the best estimate of expected future dividends.
- The average 'annual employee turnover' estimates the number of participants in the option schemes that will leave before the options have vested.

The inputs to the share option pricing model to determine the fair value of Youi equity settled grants were as follows:

	Youi Holdings equity-settled scheme	
	2026	2025
Share price[1]	**A$1.869**	A$1.225 – $1.515
Exercise price	**A$1.869**	A$1.225
Remaining duration	**3 – 4 years**	3 – 4 years
Expected volatility	**22.00%**	21.86% – 22.29%
Risk free interest rate	**3.33% – 3.46%**	3.51% – 3.84%
Annual employee turnover	**8.93%**	3.84%
Dividend yield	**4.22%**	4.22%

1 After 30 June 2026, the share price reset to A$2.22.

Share options

	Youi Holdings equity-settled scheme	
	2026	2025
Number of options in force at the beginning of the year	**59 100 000**	64 284 000
Number of options granted during the year	**30 155 915**	21 200 000
Range of strike prices of options/granted during the year	**A$1.869**	A$1.225
Number of options delivered during the year	**(14 900 000)**	(23 384 000)
Number of options cancelled/forfeited during the year	**(739 417)**	(3 000 000)
Number of options in force at the end of the year	**73 616 498**	59 100 000
Range of strike prices of closing balance	**A$0.644 to A$1.855**	A$0.592 to A$1.225
Price per ordinary share[1]	**A$2.01**	A$0.592 to A$1.225
Number of scheme participants	**38**	42
Weighted average remaining vesting period (years)	**1.57**	1.39

1 The market value for the Youi Holdings shares resets six monthly on 1 July and 1 January each year.

30. Share based payments continued

Youi Holdings Pty Limited equity-settled share scheme continued

Youi Holdings Share Trust

The Youi Holdings Share Trust holds shares to back the options in issue. The Trust's investment in Youi Holdings for the year ending 30 June was as follows:

	2026	2025
Number of treasury shares and market value		
Number of shares in portfolio at the beginning of the year (full number)	**12 470 626**	11 706 160
New Treasury shares issued by Youi to the Employee Share Trust (full number)	**–**	5 030 000
Number of shares purchased during the year (full number)	**8 767 387**	13 867 000
Number of shares released during the year (full number)	**(12 351 190)**	(18 132 534)
Number of shares held in portfolio at the end of the year (full number)	**8 886 823**	12 470 626
Market value per share held in portfolio at year-end (A$)	**2.01**	1.515
Market value of portfolio at year-end (A$ million)	**18**	19
Cost price of treasury shares		
Cost price of shares held in portfolio at the beginning of the year (A$ million)	**16**	8
Cost price of shares purchased during the year (A$ million)	**16**	23
Cost price of shares released during the year (A$ million)	**(15)**	(15)
Cost price of shares held in portfolio at the end of the year (A$ million)	**17**	16

30. Share based payments continued

OUTsurance Irish Insurance Holdings Limited equity-settled share scheme

Description and valuation methodology of the scheme

In terms of the plan rules, 15% of the issued share capital of the company is available under the plan for the granting of options to employees. Scheme participants currently don't hold any of the issued ordinary shares of OUTsurance Irish Insurance Holdings Limited as the first tranche of options has yet to vest.

Valuation methodology

The fair value of share options is determined at grant date and expensed over the vesting period. The fair value of options at grant date is determined by the use of the Black-Scholes option pricing model.

A share-based payment expense is only recognised if the options issued have a positive intrinsic value, therefore, if the market value of the underlying shares is expected to rise above the strike price over the vesting period of the options, the expense is recognised.

The 'option duration' is the number of years before the options expire. Market data consists of the following:

- Since OUTsurance Irish Insurance Holdings Limited is not listed, 'expected volatility' is derived based on S&P Insurance Index benchmark with annualised volatility of 26%.
- The 'risk-free interest rate' input is derived from government bonds with a remaining term equal to the term of the option being valued.

The following table lists the inputs to the model used for the long term incentive plan for the year ended 30 June 2026:

	OUTsurance Irish Holdings equity-settled scheme	
	2026	2025
Share price	**€0.10**	€0.10
Exercise price	**€0.13**	€0.13
Remaining duration	**–**	1
Expected volatility	**31.16%**	31.16%
Risk free interest rate	**3.05%**	3.05%
Annual employee turnover	**0.00%**	0.00%
Dividend yield	**0.00%**	0.00%

The following table illustrates the number and weighted average exercise prices of, and movements in share options during the year:

Share options

	OUTsurance Irish Holdings equity–settled scheme	
	2026	2025
Number of options in force at the beginning of the year	**269 176 471**	269 176 471
Number of options granted during the year	**22 588 235**	–
Range of strike prices of options granted during the year	**€0.13 – €0.15**	€0.13 – €0.15
Number of options delivered during the year	**–**	–
Number of options cancelled/forfeited during the year	**(32 000 000)**	–
Number of options in force at the end of the year	**259 764 706**	269 176 471
Range of strike prices of closing balance	**€0.13 – €0.15**	€0.13 – €0.15
Price per ordinary share	**€0.13 – €0.15**	€0.13 – €0.15
Number of scheme participants	**24**	24
Weighted average remaining vesting period (years)	**0.00**	1.00

31. Employee benefits

Uncertainty exists relating to the timing and extent of cash flows from the leave pay provision. The outstanding balance represents the current value of leave due to employees in the employ of companies within the Group.

The value of the discretionary bonus is determined through employees' performance which is linked to a balanced scorecard that is approved by the Remuneration Committee of the Group. The balanced scorecard is determined for each business unit annually.

R million	2026	2025
Leave pay liability	**357**	342
Non-discretionary bonus liability	**36**	39
Discretionary bonus liability	**304**	289
Total liability	**697**	670
Reconciliation of leave pay liability		
Opening balance	**342**	315
Charge for the year	**272**	180
Liability utilised	**(250)**	(145)
Foreign translation difference	**(7)**	(8)
Closing balance	**357**	342
Reconciliation of non-discretionary bonus liability		
Opening balance	**39**	42
Charge for the year	**77**	79
Liability utilised	**(80)**	(82)
Closing balance	**36**	39
Reconciliation of discretionary bonus liability		
Opening balance	**289**	269
Charge for the year	**314**	279
Liability utilised	**(296)**	(255)
Foreign translation difference	**(3)**	(4)
Closing balance	**304**	289

Refer to note 38 for the current and non-current analysis of employee benefits.

32. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss relate to the preference shares issued by OUTsurance and OUTsurance Life for the profit sharing arrangements. Profits arising from these arrangements are distributed by way of bi-annual preference dividends payable bi-annually in February and August by OUTsurance and annually in August by OUTsurance Life. The preference dividend attributable to the profit-share for the financial year is recognised in profit or loss as a fair value adjustment to the liability. The portion of the unpaid preference dividend at 30 June is recognised as a financial liability at fair value through profit or loss.

R million	2026	2025
Shareholders for preference dividends on profit-share arrangement	**136**	126

Refer to note 3.3.1 for a reconciliation of the opening and closing balance.

Refer to note 38 for the current and non-current analysis of shareholders for preference dividends.

33. Financial liabilities at amortised costs

R million	2026	2025
Movement Analysis		
Opening balance for the year	**–**	774
Repayment of loan facility	**–**	(774)
Closing balance for the year	**–**	–

Group revolving credit facility

The Group has a revolving credit facility (RCF) in place to assist with additional funding for strategic investments and capital support in the Group. The amount available under the RCF is R1 000 million (2025: R1 350 million) with the interest rate calculated at JIBAR plus a margin of 145bps. This will transition to a ZARONIA-based rate in the first half of the next financial year. Refer to note 3.3.2 for more information.

Interest is split and payable equally to each lender participating in the RCF.

A commitment fee of 50bps plus VAT is charged on the undrawn facility and interest is charged at a rate per annum compounded quarterly on the amount drawn down.

During the prior financial year, the RCF balance outstanding in the amount of R774 million was settled in full.

General banking facility for liquidity assessments

As part of OUTsurance Life's annual available liquidity assessment, specifically considering the cashflows arising from the Asset Liability Matching (ALM) and the forecast of operational expenditure in OUTsurance Life, an additional General Banking Facility (GBF) was taken out to support the increasing available liquidity in OUTsurance Life, should the company experience any shock events.

During the current financial year, a drawdown of R30 million (2025: R nil) was made against the facility and was subsequently repaid in full. Accordingly, there were no amounts outstanding and no borrowings under the facility at the reporting date.

A commitment fee of 50bps plus VAT is charged on the undrawn facility and interest is charged at a rate per annum compounded quarterly on the amount drawn down.

34. Other payables

R million	2026	2025
Due to intermediaries	**20**	13
Trade creditors	**78**	162
Other payables and accruals	**802**	787
Indirect tax liability	**138**	155
Stamp duty payable	**204**	202
Payroll provisions and accruals	**117**	115
Total other payables	**1 359**	1 434

The carrying amount of other payables approximates the fair value. Refer to note 38 for the current and non-current analysis of other payables.

35. Cash generated from operations

R million	2026	2025
Reconciliation of profit before taxation to cash generated from operations:		
Profit before taxation	**8 648**	7 681
Loss/(profit) on sale of held for sale assets	**5**	(35)
Profit on sale of associates	**–**	(176)
Loss on sale of property and equipment	**5**	1
Foreign currency movements	**7**	15
Equity accounted earnings	**(26)**	(189)
Impairment of investments in associates/assets held for sale	**42**	10
Depreciation of property and equipment	**155**	151
Depreciation of right of use asset	**107**	90
Amortisation of intangible assets	**51**	49
Intangible assets acquired	**(62)**	(19)
Movement in share-based payment liability	**(1 048)**	761
Movement in employee benefits liability	**27**	44
Investment income	**(1 726)**	(1 636)
Finance costs	**132**	174
Net fair value movements on financial assets at fair value through profit or loss	**(198)**	(568)
Fair value adjustments to financial liabilities	**10**	13
Derecognition of retained earnings on deregistration of subsidiary	**–**	(3)
Discounting of proceeds on sale of held for sale assets	**(3)**	2
Non-cash items relating to transactions with non-controlling interests	**18**	109
Other non-cash items	**(200)**	147
Change in insurance contracts	**3 067**	3 134
Change in reinsurance contracts	**(302)**	(658)
Finance expenses from insurance contracts issued	**348**	452
Finance income from reinsurance contracts held	**–**	(156)
Investment contracts	**77**	125
Changes in working capital		
Current receivables and prepayments	**195**	92
Current payables and provisions	**(75)**	274
Cash generated by operations	**9 254**	9 884

36. Taxation paid

R million	2026	2025
Taxation payable – opening balance	**(349)**	(35)
Charge to profit or loss	**(2 468)**	(2 462)
Adjustment for deferred tax charge	**(22)**	(213)
Taxation payable – closing balance	**298**	349
Other adjustments – equity	**30**	48
Deferred tax settled – other reserves	**(35)**	–
Foreign currency adjustments	**7**	(2)
Taxation paid	**(2 539)**	(2 315)

37. Preference dividends paid

R million	2026	2025
Preference dividends unpaid at the beginning of the year	**(126)**	(113)
Preference dividend charged to the statement of profit or loss in respect of profit share arrangements	**(212)**	(211)
Preference dividend unpaid at the end of the year	**136**	126
Preference dividend paid	**(202)**	(198)

38. Current/non-current split of amounts recognised on the statement of financial position

The analysis shows the current/non-current split of assets and liabilities based on the expected contractual maturities thereof. Items classified as current have expected or contractual maturities within the next twelve months. Non-current items are expected or will legally mature in longer than twelve months. Equity instruments are considered to have no contractual maturity.

R million	Carrying amount	Current	Non-current
30 June 2026			
Assets			
Property and equipment	**1 186**	**–**	**1 186**
Intangible assets	**227**	**–**	**227**
Right-of-use assets	**378**	**–**	**378**
Investments in associates	**228**	**–**	**228**
Deferred income tax	**459**	**–**	**459**
Reinsurance assets	**2 599**	**1 951**	**648**
Insurance assets	**536**	**60**	**476**
Financial assets			
Fair value through profit or loss	**7 525**	**2 915**	**4 610**
Fair value through other comprehensive income	**7 995**	**7 995**	**–**
Measured at amortised cost	**16 930**	**16 842**	**88**
Derivative financial instrument	**185**	**6**	**179**
Other receivables	**934**	**934**	**–**
Taxation	**7**	**7**	**–**
Cash and cash equivalents	**1 633**	**1 633**	**–**
Total assets	**40 822**	**32 343**	**8 479**
Liabilities			
Reinsurance liabilities	**51**	**(2)**	**53**
Insurance liabilities	**19 311**	**14 162**	**5 149**
Derivative financial instrument	**140**	**28**	**112**
Investment contract liability	**1 940**	**39**	**1 901**
Lease liabilities	**430**	**110**	**320**
Share-based payment liability	**187**	**187**	**–**
Employee benefits	**697**	**672**	**25**
Deferred income tax	**65**	**–**	**65**
Financial liabilities at fair value through profit or loss	**136**	**136**	**–**
Taxation	**305**	**305**	**–**
Other payables	**1 359**	**1 359**	**–**
Total liabilities	**24 621**	**16 996**	**7 625**

38. Current/non-current split of amounts recognised on the statement of financial position continued

R million	Carrying amount	Current	Non-current
30 June 2025			
Assets			
Property and equipment	1 205	–	1 205
Intangible assets	224	–	224
Right of use assets	354	–	354
Investment in associates	258	–	258
Deferred income tax	501	–	501
Reinsurers assets	2 353	1 556	797
Insurance assets	370	49	321
Financial assets			
Fair value through profit or loss	6 758	2 787	3 971
Fair value through other comprehensive income	8 111	7 637	474
Measured at amortised cost	14 355	14 350	5
Derivative financial instruments	326	259	67
Other receivables	1 866	1 866	–
Taxation	1	1	–
Assets held for sale	102	102	–
Cash and cash equivalents	1 865	1 865	–
Total assets	38 649	30 472	8 177
Liabilities			
Reinsurance liabilities	35	12	23
Insurance liabilities	16 229	12 678	3 551
Derivative financial instrument	7	–	7
Investment contract liability	1 863	16	1 847
Lease liabilities	379	101	278
Share-based payment liability	1 454	1 447	7
Employee benefits	670	634	36
Deferred income tax[1]	158	9	149
Financial liabilities at fair value though profit or loss	126	126	–
Taxation	350	350	–
Other payables	1 434	1 434	–
Total liabilities	22 705	16 807	5 898

1 The current deferred tax originated on profit from share-buy backs which realised in the current financial year.

39. Related party transactions

The Group defines related parties as:

- The principle shareholders are Remgro Limited and Royal Bafokeng Holdings Proprietary Limited (2025: Remgro Limited and Royal Bafokeng Holdings Proprietary Limited). Details of major shareholders are disclosed in the directors' report.
- Key management personnel such as the OUTsurance Group Limited Board of directors and the OUTsurance Holdings executive committee.

Subsidiaries

Details of investments in subsidiaries are disclosed in note 18.

Transactions between OUTsurance Group Limited and its subsidiaries have been eliminated on consolidation and are not disclosed in this note.

Associates

Details of investments in associates are disclosed in note 19.

39. Related party transactions continued

For the financial year under review, the OUTsurance Group Limited entered into arms-length transactions with related parties:

R million	2026	2025
Transactions with related parties		
Principal shareholders		
Dividends paid	**2 220**	1 660
Key management personnel		
Dividends paid on OGL shares held	**12**	9
Associates		
Income statement effect:		
RMI Investment Managers associate		
Dividend received	**13**	146
Blue Zebra Insurance Proprietary Limited[1]		
Dividend received	**–**	38
Commissions paid	**–**	(251)
CloudBadger Technologies Proprietary Limited[1]		
Dividend received	**–**	20
Key management personnel		
Remuneration		
Salaries and bonuses	**(211)**	(219)
Non-executive directors fees	**(10)**	(9)
Non-executive directors fees subsidiaries	**(15)**	(17)
Other short-term employee benefits	**(7)**	(8)
Share-based payments expense for the year	**(24)**	(391)
	(643)	(644)
Insurance related transactions		
Premiums received	**2**	1
Claims paid	**(1)**	(1)
Year end balances with key management personnel		
Share-based payment liability	**(178)**	(466)
Year end balances with related parties		
RMI Investment Managers associates		
Dividend receivable	**–**	146

1 Associates derecognised as at 30 June 2025 as a result of being sold or classification to assets held for sale. Refer to notes 19 and 24 for more detail.

In the prior financial year OUTsurance International (Pty) Ltd (OUTsurance International) had issued a guarantee to the Common Wealth Bank of Australia for the loan obtained by the Youi ESOP trust to fund the shares issued to employees. OUTsurance International had full recourse against employees who default on their loan repayments. As part of the guarantee OUTsurance International also provided a term deposit as collateral to the value of 20% of the loan facility amount. The value of the term deposit was R23.9 million in 2025. The guarantee was released during the current financial year and therefore had no fair value at 30 June 2026.

All related party transactions are entered into on an arm's length basis.

39. Related party transactions continued

Remuneration

Prescribed officers' and directors' emoluments for the year ended 30 June is as follows:

R'000[1]	Services as directors	Cash package	Performance related bonus	Benefit derived from share incentive scheme	Total
2026					
Non-executive directors					
HL Bosman	**1 707**	**–**	**–**	**–**	**1 707**
JJ Durand[2]	**687**	**–**	**–**	**–**	**687**
A Kekana[2]	**473**	**–**	**–**	**–**	**473**
F Knoetze (alternate)[3]	**–**	**–**	**–**	**–**	**–**
UH Lucht (alternate)[4]	**–**	**–**	**–**	**–**	**–**
MM Mahlare	**611**	**–**	**–**	**–**	**611**
ET Moabi	**955**	**–**	**–**	**–**	**955**
SV Naidoo	**1 009**	**–**	**–**	**–**	**1 009**
RSM Ndlovu[5]	**1 013**	**–**	**–**	**–**	**1 013**
K Pillay[6]	**955**	**–**	**–**	**–**	**955**
WT Roos	**553**	**–**	**–**	**–**	**553**
JA Teeger	**671**	**–**	**–**	**–**	**671**
JE van Heerden	**1 009**	**–**	**–**	**–**	**1 009**
CPF Vosloo (alternate)[7]	**–**	**–**	**–**	**–**	**–**
Executive directors and prescribed officers					
Executive directors					
MC Visser	**–**	**8 072**	**8 112**	**66 934**	**83 118**
JH Hofmeyr	**–**	**6 140**	**6 171**	**54 269**	**66 580**
Prescribed officers					
DH Matthee	**–**	**6 326**	**6 357**	**50 075**	**62 758**
N Simpson	**–**	**10 549**	**5 584**	**8 546**	**24 679**
Total	**9 643**	**31 087**	**26 224**	**179 824**	**246 778**

1 Directors remuneration has been rounded to R'000 to better present the fees paid to each director.
2 Directors' fees for services rendered by Mr Durand was paid to Remgro and for Ms Kekana was paid to Royal Bafokeng for their time spent on the OGL Board.
3 Alternative to Mr Durand, resigned on 31 January 2026.
4 Alternative to Ms Kekane.
5 Appointed as chair of Remuneration Committee on 2 January 2026.
6 Resigned as chair of Remuneration Committee on 2 January 2026.
7 Alternative to Mr Durand, appointed on 1 February 2026.

39. Related party transactions continued

Remuneration continued

Prescribed officers' and directors' emoluments for the year ended 30 June is as follows:

R'000[1]	Services as directors	Cash package	Performance related bonus	Benefit derived from share incentive scheme	Total
2025					
Non-executive directors					
HL Bosman	1 308	–	–	–	1 308
JJ Durand[2]	648	–	–	–	648
B Hanise[3]	340	–	–	–	340
A Kekane[2]	438	–	–	–	438
F Knoetze (alternate)[4]	–	–	–	–	–
UH Lucht (alternate)[5]	–	–	–	–	–
MM Mahlare	438	–	–	–	438
GL Marx[6]	254	–	–	–	254
ET Moabi	880	–	–	–	880
MM Morobe[3]	261	–	–	–	261
SV Naidoo	895	–	–	–	895
RSM Ndlovu	816	–	–	–	816
K Pillay	946	–	–	–	946
WT Roos	498	–	–	–	498
JA Teeger	498	–	–	–	498
JE van Heerden	895	–	–	–	895
Executive directors and prescribed officers					
Executive directors					
MC Visser	–	7 859	8 068	36 995	52 922
JH Hofmeyr	–	5 979	6 138	29 269	41 386
Prescribed officers					
DH Matthee	–	6 159	6 323	29 269	41 751
N Simpson	–	9 132	6 338	33 642	49 112
Total	9 115	29 129	26 867	129 175	194 286

1 Directors remuneration has been rounded to R'000 to better present the fees paid to each director.
2 Directors' fees for services rendered by Mr Durand was paid to Remgro and for Ms Kekana was paid to Royal Bafokeng for their time spent on the OGL Board.
3 Resigned 26 November 2024.
4 Alternative to Mr Durand.
5 Alternative to Ms Kekane.
6 Retired 12 September 2024.

39. Related party transactions continued

Remuneration continued

Directors' and prescribed officers' participation in Group share incentive schemes

OUTsurance Holdings share incentive schemes

		Strike price rands	Issue date	Vesting period (years)	Final exercise date	Settlement type	Opening balance 1 July 2025 Number of notional shares/ options	Exercised during the financial year	Granted in current year	**Closing balance 30 June 2026 Number of notional shares/ options**	Gain realised Rand
MC Visser	Group	11.95	2022/10/01	3	2025/09/01	Cash	2 901 600	(2 901 600)	–	–	60 643 440
DH Matthee	Group	11.95	2022/10/01	3	2025/09/01	Cash	2 295 600	(2 295 600)	–	–	47 978 040
JH Hofmeyr	Group	11.95	2022/10/01	3	2026/09/01	Cash	2 295 600	(2 295 600)	–	–	47 978 040

39. Related party transactions continued

Remuneration continued

Directors' and prescribed officers' participation in Group share incentive schemes continued

OUTsurance Holdings share incentive schemes continued

	DIS Incentive Unit				
	OUTsurance Business	OUTsurance Life	Youi Commercial and BZI	Youi CTP	**Total intrinsic value**
Issue date	2019-07-01	2019-07-01	2019-07-01	2019-07-01	
DIS unit value at issue date	R0	R0	R0	R0	
Vesting term	5 – 7 years	5 – 7 years	5 – 7 years	5 – 7 years	
Latest exercise date	2029-07-01	2029-07-01	2029-07-01	2029-07-01	
DIS intrinsic unit value at 30 June 2026 – Rand[1]	88.00	158.00			
Executive interest – current intrinsic value					
MC Visser					
Number of units	75 000	75 000			
30 June 2026 intrinsic value – Rand	6 600 000	11 850 000			**18 450 000**
Settlement value received – Rand				6 290 478	
DH Matthee					
Number of units	125 000	125 000			
30 June 2026 intrinsic value – Rand	11 000 000	19 750 000			**30 750 000**
Settlement value received – Rand				2 096 833	
JH Hofmeyr					
Number of units	75 000	75 000			
30 June 2026 intrinsic value – Rand	6 600 000	11 850 000			**18 450 000**
Settlement value received – Rand				6 290 478	
N Simpson					
Settlement value received in ESOP instruments – $				A$ 563 592	

1 The Youi DIS scheme was cancelled during the year under review and replaced with the equivalent value of Youi Holdings ESOP options.

The above individuals have been granted rights to participate in the Divisional Incentive Scheme as follows:

- MC Visser
  – 7.5% participation in the OUTsurance Business and OUTsurance Life schemes.
- DH Matthee
  – 12.5% participation in the OUTsurance Business and OUTsurance Life schemes.
- JH Hofmeyr
  – 7.5% participation in the OUTsurance Business and OUTsurance Life schemes.

39. Related party transactions continued

Remuneration continued

Directors' and prescribed officers' participation in Group share incentive schemes

OUTsurance Holdings share incentive schemes

		Conditional share scheme								
		Strike price rands	Issue date	Vesting period (years)	Final exercise date	Settlement type	Opening balance 1 July 2025 Number of notional shares/ options	Forfeited in current year	Granted in current year	**Closing balance 30 June 2026 Number of notional shares/ options**
MC Visser	Group	40.49	2023–09–22	3	2026–09–22	Equity	286 499	–	–	**286 499**
	Group	53.37	2024–09–26	3	2027–09–26	Equity	228 876	–	–	**228 876**
	Group	75.23	2025–09–25	3	2028–09–25	Equity	–	–	166 754	**166 754**
	Total Group									**682 129**
DH Matthee	Group	40.49	2023–09–22	3	2026–09–22	Equity	230 313	–	–	**230 313**
	Group	53.37	2024–09–26	3	2027–09–26	Equity	183 991	–	–	**183 991**
	Group	75.23	2025–09–25	3	2028–09–25	Equity	–		134 051	**134 051**
	Total Group									**548 355**
JH Hofmeyr	Group	40.49	2023–09–22	3	2026–09–22	Equity	212 480	–	–	**212 480**
	Group	53.37	2024–09–26	3	2027–09–26	Equity	169 745	(169 745)	–	**–**
	Group	75.23	2025–09–25	3	2028–09–25	Equity	–	(123 672)	123 672	**–**
	Total Group									**212 480**

40. Events after the reporting period, contingencies and commitments

Events after the reporting period

Dividend

The board of directors approved the declaration of an ordinary dividend of 170.8 cents per ordinary share and a special dividend of 87.5 cents per ordinary share on 9 September 2026, payable on 5 October 2026. This is a non-adjusting event.

Sale of Polar Star Management

Subsequent to year-end, the Group entered into a sale agreement to dispose of its investment in Polar Star Management. This is a non-adjusting event.

There are no other matters which are material to the financial affairs of the Group that occurred between the reporting date and date of the approval of the financial statements.

Contingent liabilities and contingent assets

The Group has no other contingent liabilities and contingent assets in place.

Commitments

Details of the Group's obligations in respect of leases can be found in note 29.

41. Summary of material accounting policies

The accounting policies were consistent with that of the prior financial year, unless where stated under the relevant accounting policy.

41.1 Consolidated financial statements

The consolidated financial statements include the assets and liabilities of the holding company and all its subsidiary companies. Although the OUTsurance Holdings Share Trust is consolidated, it's in process of being wound-up and currently dormant.

41.1.1 Subsidiary companies

Subsidiaries are all entities (including structured 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 the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

41.1.2 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised gains arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

41.1.3 Non-controlling interest

Non-controlling interest can be measured at either:

- the proportionate share in the fair value of the identifiable net assets of the subsidiary at acquisition date; or
- fair value at acquisition date.

This measurement choice is applied at acquisition date per business combination transaction.

Non-controlling interest is presented in the group statement of financial position within equity, separately from the equity of the owners of the company. Profit or loss and each component of other comprehensive income are attributed to the owners of the group and to the non-controlling interests in proportion to their relative holdings.

Non-controlling interests are treated as equity participants of the subsidiary company. Therefore, all transactions of the Group with non-controlling interests in their capacity as owners, where there is no change in control, are treated as transactions within equity. In such transactions, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non- controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity in the "Transactions with non-controlling interests" reserve and attributed to the owners of the Group. Gains and losses on disposals to non-controlling interests are also recorded in equity.

41.1.4 Separate financial statements

Interests in subsidiaries and associates in the separate financial statements are shown at cost less any impairment. The carrying amounts of these investments are reviewed annually for impairment.

41. Summary of material accounting policies continued

41.1 Consolidated financial statements continued

41.1.5 Associates

Associates are entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Significant influence is the power to participate in the financial and operating policy decisions of the investee, without having control. The indicators that the group use in this assessment is representation on the board of directors of the investee, participation in policy-making processes, including participation in decisions about dividends and other distributions, material transactions with the investee company, interchange of managerial personnel and provision of essential technical information.

Investments in associates are accounted for using the equity method of accounting, from the effective date of acquisition to the effective date of disposal. The investment is initially recognised at cost. For acquisition of an associate in stages the Group follow a cost approach by accumulating the cost of all purchases (including transaction costs), to determine the amount of the investment. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss. The Group assesses at each reporting period whether there is objective evidence that an associate or joint venture is impaired. If such evidence of impairment exists, the entire carrying amount, including the goodwill, is tested for impairment in terms of IAS 36.

The Group's share of its associates' earnings is recognised in profit or loss and its share of associates' other comprehensive movements is accounted for in the group's other comprehensive income. The group's share of associates' movement in other equity is accounted for directly in equity. The cumulative post acquisition movements are adjusted against the carrying amount of the investment.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments were made to the accounting policies of associates to ensure consistency with the policies adopted by the Group.

41.1.6 Changes in ownership interest

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes 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.

41.2 Insurance Contracts

41.2.1 Summary of measurement approaches

Contracts	Measurement approach
Non-life insurance contracts Personal, business and CTP (South Africa, Australia and Ireland)	PAA
Non-life reinsurance contracts held Reinsurance contracts supporting PAA contracts	PAA
Life insurance contracts Life contracts – risk business	GMM
Life reinsurance contracts held Reinsurance contracts supporting GMM contracts	GMM

41. Summary of material accounting policies continued

41.2 Insurance Contracts continued

41.2.2 Definition and classification

The Group applies IFRS 17: Insurance Contract to insurance contracts issued, and reinsurance contracts held. Contracts under which the Group accepts significant insurance risk from another party (the policyholder), by agreeing to compensate the policyholder or other beneficiary if a specified uncertain future event (the insured event) adversely affects the policyholder or other beneficiary, are classified as insurance contracts. The Group considers all substantive rights and obligations, including those that arise from law or regulation, in making this assessment on a contract-by-contract basis.

The Group cedes risk to reinsurers in the normal course of business to limit its net loss potential through the diversification of its risks. Reinsurance arrangements do not relieve the Group from its direct obligations to its policyholders. Reinsurance expenses and reinsurance income are presented on a net basis. Only reinsurance agreements that give rise to a significant transfer of insurance risk are accounted for as reinsurance contracts.

The classification of contracts is performed at the inception of each contract. The classification of the contract at inception remains the classification of the contract for the remainder of its lifetime unless the terms of the contract change to such an extent that it necessitates a change in classification.

41.3 Recognition and measurement of insurance contracts

41.3.1 Separation and combination of insurance contracts

An insurance contract may contain several components. These components should be separated if they are distinct and can be offered separately from the insurance contract. The Group assessed the additional services provided as part of the insurance contract and separated the material distinct services. For services containing insurance risk, IFRS 17 is applied to the contract. The Group have insurance contracts that can also contain more than one insurance cover in one contract. Please refer to note 27 for the judgement regarding the unit of account.

A contract can contain a non-distinct investment component. This is the amount an insurance contract requires the Group to repay a policyholder in all circumstances regardless of whether an insured event occurs. The Group has assessed all contracts and has determined that there are no contracts with distinct investment components.

The Group does not issue any individual contracts of which the combination of two or more contracts, creates insurance risk or to the contrary eliminates the transfer of insurance risk.

41.3.2 Level of aggregation

The Group identified several portfolios of insurance contracts. A portfolio is defined as insurance contracts with similar risks that are managed together.

- For contracts measured under the PAA, a portfolio equals the risk class and where applicable, overlaid with distribution channel.
- For contracts measured under the GMM, a portfolio equals products as there is a unique one-to-one relationship between the products and their respective underlying risks. These products are priced separately and experience analysis is performed on a product level.

Portfolios are divided into groups, as follows:

- Insurance contracts that are onerous at initial recognition.
- Insurance contracts that have no significant possibility of becoming onerous.
- All remaining insurance contracts.

Management utilises reasonable and supportable information to determine the appropriate level for assessing profitability of the insurance contracts issued.

These groups are determined at inception and not subsequently reassessed. The groups do not contain contracts issued more than one year apart.

The Group has reasonable and supportable information to conclude the grouping of insurance contracts. Please refer to note 27.1 for the significant judgements relating to the grouping of contracts.

41. Summary of material accounting policies continued

41.3 Recognition and measurement of insurance contracts continued

41.3.2 Level of aggregation continued

Reinsurance contracts held

Portfolios of reinsurance contracts held are assessed based on contracts that are collectively managed and hold similar risk. The aggregation assessment is performed independently from the portfolios of the underlying insurance contracts. In the context of similar risks, it is assumed that a "risk" is an event that would cause loss on the contract. The collective management of risks considers reinsurance structures and regulatory implications. Portfolios do not include reinsurance contracts issued more than one year apart.

Applying the group requirements, reinsurance contracts held are grouped within annual cohorts into three groups:

- contracts for which there is a net gain at initial recognition;
- contracts for which, at initial recognition, there is no significant possibility of a net gain arising subsequently; and
- any remaining contracts.

41.3.3 Recognition

The Group recognises a group of issued insurance contracts at the earliest of the beginning of the coverage period, the date the first payment is due or when the group becomes onerous. For the majority of contracts issued, the date of payment received and the date coverage starts are the same.

Reinsurance contracts held

The Group recognises a group of reinsurance contracts at the earliest of the beginning of the coverage period and the date the entity recognises an onerous underlying insurance contract if the reinsurance contract held was entered into at or before that date. However, the Group recognises proportional reinsurance contracts at the later of the beginning of the coverage period and the initial recognition of the underlying contracts.

The Group only recognises insurance contracts and reinsurance contracts held that meet the recognition criteria during the reporting period. Any insurance contracts or reinsurance contracts held entered into after the reporting period are recognised in the period they were entered into.

41.3.4 Contract boundary

Cash flows are within the boundary of contract if they arise from the substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay premiums or the Group has a substantive obligation to provide the policyholder with services. A substantive obligation ends when the Group has the practical ability to reassess the risk of the policyholder and reprice for that risk or the practical ability to reassess the risk of the portfolio and reprice for the risk. In assessing the ability to reprice for risk, only insurance and financial risk is assessed. Risk relating to non-financial risk is not included.

The Group does not include cash flows outside the insurance contract boundary. These cashflows are recognised when those contracts meet the recognition criteria.

Contracts measured under the GMM

OUTsurance Life's products have a contract boundary of whole of life.

Contracts measured under the PAA

Insurance contracts are measured using the PAA if at the inception of the group, the Group reasonably expects that such simplification would produce a measurement of liability for remaining coverage (LRC) for the group that would not differ materially from using the GMM or the coverage period of each insurance contract in the group of insurance contracts held is one year of less. The Group's short term products have contract boundaries that range from one to 12 months, given policy wording and "practical abilities" through the right to cancel and amend the excess. Please refer to note 27.1 for contracts that were assessed using the eligibility criteria.

Reinsurance contracts held

Cash flows are within the boundary of a reinsurance contract held if they arise from the substantive right and obligations that exist during the reporting period in which the Group is compelled to pay the reinsurer premiums or to receive services. A substantive obligation ends when there is a unilateral right to cancel the reinsurance contract.

41. Summary of material accounting policies continued

41.3 Recognition and measurement of insurance contracts continued

41.3.4 Contract boundary continued

Reinsurance contracts measured under the GMM

Reinsurance contracts associated with OUTsurance Life's contract boundary are aligned with the underlying insurance contracts and measured using the GMM. Each reinsurance contract relates to a specific product therefore, each portfolio will consist of a specific product. This is consistent with the portfolios defined for the underlying contracts. OUTsurance Life will group reinsurance contracts of the same portfolio recognised within the same cohort into the same six monthly cohort.

Reinsurance contracts measured under the PAA

Reinsurance contracts are measured using the PAA if, at the group's inception, the coverage period of each insurance contract in the group of reinsurance contracts held is one year or less, or if the asset for remaining coverage (ARC) for a group of reinsurance contracts using the GMM does not differ materially from the ARC of a group of reinsurance contracts held using the PAA.

The coverage period for loss occurring contracts was determined to be twelve months and the PAA was applied. Where the coverage period for risk attaching reinsurance contracts is more than twelve months due to the underlying contracts having a twelve-month contract boundary, the Group used the eligibility criteria to measure the reinsurance contracts using the PAA.

41.3.5 Measurement

Fulfilment cash flows – Direct Insurance contracts

The fulfilment cash flows are the current estimates of future cash flows within the boundary of the contract. It includes premiums, claims, OUTbonuses and expenses adjusted for timing and uncertainty. The fulfilment cash flows include a risk adjustment for non-financial risks.

The estimates of future cash flows are probability weighted, best estimate cash flows that are directly attributable to the insurance contract. These estimates are current, explicit and unbiased, and represent the perspective of the Group. They are based on experience, considering expected future experience where applicable. Please refer to note 27.1 for the judgements regarding the assumptions included.

Cash flows within the boundary of the contract are those that relate directly to the fulfilment of an insurance contract. These include, but are not limited to, premiums, claims, acquisition costs, claims handling costs and a proportion of overheads directly related to fulfilling the obligations under the insurance contract. Costs that are not directly attributable are recognised in other marketing and administration expenses.

Acquisition costs are defined as cash flows arising from the cost of selling, underwriting and starting a group of issued insurance contracts and are directly attributable. These costs are not determined at an individual insurance contract but at a portfolio level and then allocated to a group of contracts. In addition, acquisition costs are included in the assessment of onerous contracts.

The estimates of future cash flows are adjusted for the time value of money and the financial risks associated with those cash flow. Please refer to note 27.1 for the determination of the discount rate.

The risk adjustment adjusts the best estimate of the present value of the future cash flows to reflect the compensation that the entity requires for bearing the uncertainty regarding the amount and timing of the cash flows. Please refer to note 27.1 for the judgement regarding the risk adjustment. Risk of the Groups' non-performance is not included in the measurement of insurance contracts issued.

Fulfilment cash flows – Reinsurance Insurance contracts

For reinsurance contracts held, the reinsurance risk of non-performance is included in the probability weighted estimates of the present value of future cash flows. The risk of non-performance is calculated based on the best estimate of the credit loss and other disputes of the reinsurer.

The risk adjustment for non-financial risk for reinsurance contracts held represents the amount of risk being transferred by the Group to the reinsurer. The Group determines the risk adjustment for reinsurance contracts held by using the same method as used for the underlying insurance contracts.

41. Summary of material accounting policies continued

41.3 Recognition and measurement of insurance contracts continued

41.3.6 Onerous contracts

The Group recognises an onerous contract if at initial recognition, the total of insurance acquisition cash flows and the fulfilment cash flows, result in a net cash outflow.

Onerous contracts are recognised as a loss component of the LRC. The Group allocates the expected incurred claims and expenses, the change in the RA and the insurance finance expenses between loss component and LRC, on a systematic basis (please refer to note 27).

In the event of unfavourable changes in the fulfilment cash flows allocated to the group as a result of changes in estimates of future cash flows to future services, a group of contracts can become onerous on subsequent measurement.

Profitability groupings

Contracts measured under the PAA are assumed to be profitable unless facts and circumstances suggest otherwise. Management monitors profitability by tracking the combined ratio of the portfolio over a period and considers pricing adequacy to determine if a risk class is onerous.

For the Group, a portfolio for contracts measured under the PAA will be mostly aligned to the classes used for regulatory risk reporting. Where applicable the risk classes are split by distribution channel to ensure the portfolio is homogeneous in nature. Additionally, this division facilitates the build for the segmental classification for the purpose of financial statement disclosure.

41.3.7 Contracts measured under the GMM

The GMM is the default model prescribed in IFRS 17. The Group applies the GMM to all its long-term contracts written and reinsurance contracts held in OUTsurance Life.

Initial recognition

On initial recognition the group of insurance contracts is measured as the fulfilment cash flows which consist of the best estimate probability weighted future cash flows adjusted for the time value of money and a risk adjustment for non-financial risk and a CSM.

The CSM equals the unearned profit over the coverage period. At initial recognition the CSM is the balance of the fulfilment cash flows plus the risk adjustment and cannot be negative. If the CSM is negative, an onerous contract exists. The loss from the onerous contract is immediately accounted for in profit or loss and a loss component is established in the LRC.

Reinsurance contracts held

On initial recognition of reinsurance contracts held, the CSM is measured at an amount equal to the sum of:

- the fulfilment cash flows;
- any income recognised in profit or loss when the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to an existing group.

However, if the net cost of purchasing reinsurance coverage relates to past events, the Group recognises such costs immediately in profit or loss.

Subsequent measurement

The insurance asset or liability is subsequently measured as the sum of the LRC and the LIC. The LRC consists of fulfilment cash flows relating to future services and the CSM. The LIC consists of the fulfilment cash flows related to past services.

At the end of each reporting period, the fulfilment cash flows are adjusted to reflect the current assumptions using the current estimates of the amount, timing and uncertainty of future cash flows and discount rates.

Changes relating to the LRC are recognised in the statement of profit or loss as follows:

- Insurance revenue relating to services provided in the period.
- Insurance expenses relating to losses and reversal of losses on onerous contracts.
- Insurance finance income and expenses for the effect of time value of money.

Changes relating to the LIC recognised in the statement of profit or loss:

- Insurance service expenses relating to claims and expenses incurred in the financial year as well as any changes in the fulfilment cash flows relating to insured claims and cash flows.
- Insurance finance income and expenses for the effect of time value of money.

41. Summary of material accounting policies continued

41.3 Recognition and measurement of insurance contracts continued

41.3.7 Contracts measured under the GMM continued

Subsequent measurement continued

The carrying amount of the CSM is also adjusted subsequently. The CSM at the end of each reporting period is calculated as follows:

- The opening balance,
- plus newly issued contracts added to the group in the reporting period,
- plus interest accreted at the locked in rate,
- plus/minus the changes in fulfilment cash flows that relate to future periods and experience adjustments,
- minus the release of the CSM to profit or loss (based on coverage units).

The CSM is only adjusted for changes in future services. Changes to current cash flows i.e. premiums, expenses and claims, risk adjustments and assumptions do not change the CSM.

Reinsurance contracts held

On subsequent recognition, the CSM is measured as:

- The opening balance,
- plus/minus the effect of new contracts added to the group,
- interest accretion,
- income recognised in profit or loss due to onerous underlying contracts,
- reversals of the loss recovery component,
- changes to the fulfilment cash flows to the extent that the change relates to future services (unless the change does not change the CSM as it relates to the group of underlying insurance contracts),
- the release of the CSM based on the coverage period.

Interest accretion on the CSM

Interest is accreted on the carrying amount of the CSM and loss component at the start of the reporting period using the locked-in rate linked to the underlying insurance contract groups.

OUTsurance Life utilizes six-monthly cohorts and as a result, the rate used is a weighted average based on the size of the cash flows over the lifetime of the contracts belonging to the six-monthly cohort. Please refer to note 27.11 for the determination of the discount rate.

Loss component on onerous contracts

The CSM and loss component balance is influenced by the fulfilment cash flows associated with future services, which are subsequently affected by changes in non-financial assumptions. Adverse changes in the cash flows associated with the provision of future services may result in an increase of the loss component. Consequently, an additional loss equal to this increase is recognised as insurance service expense for onerous contracts.

For profitable contracts, the unfavourable changes result in a decrease in the CSM balance. It is possible for a CSM balance to decrease to zero. Any further decreases would result in a loss component being established and a loss being immediately recognised as an insurance service expense.

Favourable changes in the fulfilment cash flows relating to future services decreases the loss component. The CSM is re-established if the loss component is completely reversed and any further decreases would result in a CSM being established. The notional loss component balance is to be completely reversed by the end of the coverage period of a particular group by allocating subsequent changes in fulfilment cash flows of the liability for remaining coverage between the loss component of the LRC and the LRC excluding the loss component on a systematic basis. The systematic basis is calculated using a systematic allocation ratio (SAR). The SAR is calculated by taking the loss component balance at the start of the financial period and dividing it with the risk adjustment at the start of the financial period summed with the present value of all future cash-outflows excluding acquisition cash flows and premiums.

The impact of interest accretion, release of the expected fulfilment cash-flows and non-financial assumption updates on contracts with a loss component is systematically allocated between the loss component of the LRC and the LRC excluding the loss component. At the end of the coverage period, the loss component is zero.

41. Summary of material accounting policies continued

41.3 Recognition and measurement of insurance contracts continued

41.3.7 Contracts measured under the GMM continued

Loss component on onerous contracts continued

Interest is accreted on the LRC using the current rate. The calculation of the SAR involves dividing the loss component balance at the commencement of the financial period by the sum of the risk adjustment and the present value of all future cash-outflows, excluding acquisition cash flows.

Interest is accreted on the loss component of the LRC using the locked-in rate. Premium and acquisition cash flows do not impact the interest accreted on the loss component balance.

Loss recovery component for onerous contracts

The Group establishes (or adjusts) a loss-recovery component for each group of reinsurance contracts held depicting the recovery of losses made on onerous contracts. The loss-recovery component is presented in profit or loss as a gain depicting the amount of losses the Group recovers on onerous contracts by having reinsurance arrangements in place.

The Group calculates a recovery ratio linked to each group of reinsurance contracts held which is used to determine the amount of losses to be recovered from onerous contracts.

The Group does not have any reinsurance contracts held measured under the GMM with underlying contracts measured under the PAA.

41.3.8 Contracts measured under the PAA

The PAA is applied to insurance/reinsurance contracts with a coverage period of one year or less at inception, or where the LRC measured under the PAA is not materially different from the LRC under the GMM.

At initial recognition, the LRC is calculated as the premiums received less acquisition cash flows paid (where acquisition cost is deferred, please refer to note 27). Subsequently, the liability is released over the passage of time.

Reinsurance contracts held

On initial recognition, the asset for remaining coverage (ARC) for the reinsurance contract held is measured as the amount of premiums paid (including ceding commissions not dependent on claims) plus broker fees paid. Subsequently the ARC is increased for ceding premiums and broker fees paid during the period and decreased for ceding premiums and broker fees recognised as reinsurance expenses for the period. Reinsurance asset for incurred claims (AIC) is adjusted for time value of money.

Broker fees are recognised over the coverage period of the contract.

Reinsurance commission that is not contingent on claims, is accounted for as a deduction of reinsurance premiums. The component of reinsurance commission that is contingent on claims is netted off against reinsurance income.

PAA eligibility

Where the coverage period is greater than one year, the contract needs to be assessed to determine if the PAA can be applied. For the Group, the majority of contracts have a coverage period ranging from 31 days to one year, with smaller risk classes with a coverage period of more than one year. The premiums received on a rolling 12-month basis for these contracts, are immaterial and therefore measured under the PAA model.

The Group will continue to assess materiality of contracts with a coverage period of more than one year, to ensure PAA eligibility is assessed appropriately.

PAA eligibility is assessed as follows:

- The average absolute difference between evaluating a group of contracts using the LRC calculated using the GMM and the LRC using the current PAA approach adopted is assessed.
- The PAA approach is adopted where the absolute difference of this assessment is immaterial based on pre-determined materiality thresholds.

The Group continues to assess the contracts to ensure that pre-determined materiality levels are not breached.

41. Summary of material accounting policies continued

41.3 Recognition and measurement of insurance contracts continued

41.3.8 Contracts measured under the PAA continued

Reinsurance contracts held

Where the coverage period is greater than one year, the reinsurance contract held needs to be assessed to determine if the PAA can be used. For the Group, the excess of loss contracts have a coverage period of one year, however for the quota share and risk attaching reinsurance contracts held, the coverage period is more than one year. As a result, both the quota share and risk attaching contracts are assessed for PAA eligibility as follows:

- The potential difference in the asset for remaining coverage is assessed between evaluating the quota share and risk attaching contracts using the GMM and the current PAA approach adopted.
- The PAA approach is adopted where the absolute difference of this assessment is immaterial based on pre-determined materiality thresholds.
- The Group continues to assess the contracts to ensure that pre-determined materiality levels are not breached.

Acquisition cash flows

The PAA allows a policy choice regarding whether to expense or defer insurance acquisition cash flows. The Group has elected to expense the insurance acquisition cash flows as incurred for contracts with a 31-day contract boundary and defer the acquisition costs over the coverage period for contracts with a contract boundary of between 31 days and 12-months. This policy choice was elected to recognise it in line with the revenue being earned under these contracts. For contracts with a 12-month boundary, acquisition costs are amortised systematically in line with revenue recognition of the underlying insurance contract as the acquisition costs do not relate to future contracts.

The Group does not have any insurance acquisition assets, i.e. insurance acquisition cash flows that are recognised before the group of insurance contracts is recognised.

Subsequent Measurement

At the end of the reporting period, the insurance liability/asset is measured as the sum of the LRC and the LIC, which consists of the fulfilment cash flows relating to past services allocated to the group.

The carrying amount of the LRC is measured as follows:

- Opening balance:
- plus the premiums received,
- less the insurance acquisition cash flows, where deferred,
- plus any amounts relating to the amortisation of any deferred acquisition cash flows,
- plus any adjustment to a financing component,
- minus insurance revenue for the period.

Where intermediaries are used to collect premiums on behalf of the Group, premiums are deemed to be received when the policyholder's obligation under the insurance contract is discharged.

The LRC is not adjusted for time value of money.

The Group recognises the following changes in the carrying amount of the LIC in the statement of profit or loss:

- Insurance service expenses relating to claims and expenses incurred in the financial year as well as any changes in the fulfilment cash flows relating to insured claims and cash flows.
- Insurance finance income and expenses relating to the effect of time value of money.

Discount rate

Contracts measured under the PAA have long-tail claim components (of more than one year) and therefore the LIC is discounted for all outstanding claims. Please refer to note 27.1 for the calculation of the discount rate.

Risk adjustment

The risk adjustment adjusts the estimate of the present value of the future cash flows to reflect the compensation that the entity requires for bearing the uncertainty regarding the amount and timing of the cash flows. Please refer to note 27.1 for the judgements made in the calculation of the risk adjustment. The risk of the Groups' non-performance is not included in the measurement of insurance contracts issued.

41. Summary of material accounting policies continued

41.3 Recognition and measurement of insurance contracts continued

41.3.8 Contracts measured under the PAA continued

Onerous contracts

The Group assumes that no contracts measured under the PAA are onerous at initial recognition, unless facts and circumstances indicate otherwise.

The following facts and circumstances may indicate that risk groups are onerous:

- A new risk class that is yet to achieve scale.
- A premium-weighted combined ratio of more than 100% based on three years' of data.
- Pricing and repricing strategies for marginal cases.

The Group recognises an onerous contract if, at initial recognition, the total of insurance acquisition cash flows and the fulfilment cash flows result in a net cash outflow.

If at any time during the coverage period, facts and circumstances indicate that a group of insurance contracts are onerous, the Group calculates the difference between the current LRC and the LRC using the GMM. The GMM is measured as the probability weighted cash flow adjusted for time value of money and risk adjustment for non-financial risk.

If the LRC calculated under the GMM exceeds the LRC calculated using the PAA, the Group recognises a loss in profit or loss and increases the LRC.

Loss component

The release of fulfilment cash-flows on contracts with a loss component is systematically allocated between the loss component of the LRC and the LRC excluding the loss component. As the LRC is released/earned, the loss component is also released. At the end of the coverage period, the loss component is zero.

Given that the LRC measured under the PAA is not discounted, the loss component is also not discounted.

Loss recovery component

The Group establishes (or adjusts) a loss-recovery component for each group of reinsurance contracts held depicting the recovery of losses made on onerous contracts. The loss-recovery component adjusts the reinsurance asset for remaining coverage and is presented in profit or loss as a gain depicting the amount of losses the Group recovers on onerous contracts by having reinsurance arrangements in place.

The Group calculates a recovery ratio linked to each group of reinsurance contracts held which is used to determine the amount of losses to be recovered from onerous contracts.

The Group does not have any reinsurance contracts held measured under the PAA with underlying contracts measured under the GMM.

41.3.9 Modification and derecognition

If the terms of an insurance contract are modified, the Group derecognises the original contract and recognises a new contract only if the modified contract:

- would have been excluded from the scope of IFRS 17 at inception of the contract.
- would have resulted in the Group separating components from the insurance contracts.
- would have had a different contract boundary.
- would have been included in a different group of contracts.

If the modification meets none of the above conditions, the Group treats the modification as a change in fulfilment cash flow.

When the Group recognises the new contract, it is recognised from the date of modification and re-assessed for classification, separation, aggregation and measurement.

A contract is derecognised when the contract is extinguished or the above conditions are met. When the Group derecognises an insurance contract from a group of contracts, measured under the GMM, the fulfilment cash flows allocated to the group are adjusted to eliminate the present value of the future cash flows and risk adjustment for non-financial risk relating to the derecognised contract. The CSM is adjusted for the change in the fulfilment cash flows and the change in the number of coverage units. The number of coverage units are adjusted to reflect the coverage units derecognised.

When the Group derecognises an insurance contract from a group of contracts, measured under the PAA, the changes in the LRC are recognised in profit or loss.

41. Summary of material accounting policies continued

41.3 Recognition and measurement of insurance contracts continued

41.3.10 Presentation and disclosure in the statement of profit or loss and other comprehensive income

Insurance revenue

Contracts measured under the PAA

The Group recognises insurance revenue by allocating expected premiums based on the passage of time over the coverage period of a group of contracts. Expected premiums excludes any amounts that relates to transaction-based taxes collected on behalf of third parties (such as premium taxes, value added taxes and goods and services taxes) and expected credit risk.

Contracts measured under the GMM

The Group determines revenue as the sum of the changes in the LRC in the period that relate to the services for which the Group expects to receive consideration.

The changes consist of:

- insurance service expenses incurred in the period (measured at the amounts expected at the beginning of the period), excluding:
  - amounts allocated to the loss component of the LRC,
  - amounts that relate to transaction-based taxes collected on behalf of third parties (such as premium taxes, value added taxes and goods and services taxes), and
  - insurance acquisition expenses.
- the change in the risk adjustment for non-financial risk, excluding:
  - changes that adjust the CSM because they relate to future services and amounts allocated to the loss component of the LRC.
- the amount of the contractual service margin recognised in profit or loss in the period.

The portion of premiums that relate to the recovery of insurance acquisition cash flows is calculated by using the relevant coverage units as determined for the purpose of amortising the CSM to calculate the portion of premiums that relate to the recovery of the acquisition cost.

Insurance service expense

Insurance service expenses consist of incurred claims, other incurred insurance service expenses, amortisation of insurance acquisition costs, changes to past services and changes to future services (i.e. changes in the fulfilment cash flows that results in onerous contracts or the reversal of losses).

For contracts measured under the GMM, amortisation of the acquisition cash flows reflected in insurance service expense equals the portion recognised as revenue.

For contract measured under the PAA, where acquisition cost have been deferred, acquisition cash flows are amortised in line with revenue recognition.

Reinsurance

The Group has elected to present income and expenses from reinsurers as a net amount on the statement of comprehensive income.

Reinsurance expense

For reinsurance contracts measured under the PAA, the Group recognises reinsurance premiums paid based on the passage of time over the coverage period of the group of contracts.

For reinsurance contracts measured under the GMM, the Group recognises reinsurance expenses as changes in the asset for remaining coverage. Reinsurance expense consists of:

- the portion of ceding premium,
- other directly attributable expenses excluding amounts allocated to the loss recovery component
- changes in the risk adjustment
- CSM release
- Experience adjustments that relates to past premiums paid.

41. Summary of material accounting policies continued

41.3 Recognition and measurement of insurance contracts continued

41.3.10 Presentation and disclosure in the statement of profit or loss and other comprehensive income continued

Amounts recovered from reinsurers

Amounts recovered from reinsurers consists of recoveries received on claims

- less commission contingent on claims
- less mandatory reinstatement premiums
- less loss recovery expenses.

Insurance finance income and expenses

Insurance finance income and expenses consist of the following:

- Changes of time value of money on the fulfilment cash flows for contracts measured under the GMM.
- Effects of financial risk and the changes in financial risk.
- Effect of discounting on the LIC for contracts measured under the PAA.

The Group disaggregate the risk adjustment between insurance service expenses and insurance finance income and expenses.

The Group accounts for all insurance finance income and expenses (PAA and GMM) in profit or loss.

41.3.11 Other

At each reporting date, the Group disregards the treatment of estimates made in previous interim financial statements. At the financial year-end, the estimates are updated on a year-to-date basis. As a result, the treatment has been modified in the most recent reporting period compared to prior interim financial statements.

41.3.12 Transition

The Group has determined that it has reasonable and supportable information for all insurance contracts in force at the time of transition. Therefore, the Group transitioned all insurance contracts issued and reinsurance held using the full retrospective method. Accordingly, the Group classified and measured each group of insurance contracts as if IFRS 17 has always applied.

41.4 Accounting for profit sharing arrangements

A profit sharing arrangement has been entered into between OUTsurance and FirstRand Bank Limited and OUTsurance Life and Shoprite Investments Limited. In terms of this profit sharing arrangement with FirstRand, ninety percent of the operating profit generated on the homeowners' insurance business referred by FirstRand Bank Limited businesses is paid to FirstRand Bank Limited by way of a biannual preference dividend. Operating losses incurred are for the Group's account. The Group however, retains the right to offset such losses against future profits generated in the determination of any preference dividends to be paid to the preference shareholder.

In terms of this profit sharing arrangement with Shoprite Investments Limited, a portion of the operating profit generated on the funeral insurance business distributed through the Shoprite distribution network is paid to Shoprite Investments Limited by way of an annual preference dividend. Operating losses incurred are for the Group's account.

These shareholders for preference share dividends are accounted for as a financial liability on the face of the statement of financial position. The profit attributable to the preference shareholder is the fair value movement and the payment of a dividend is treated as a partial settlement of the liability. No reference is made to future profit estimates as these profit-sharing arrangements are executory in nature, i.e. the other party has certain performance obligations to satisfy in order to share in the profit.

The profitability of the profit sharing business is reviewed on a monthly basis to ensure that the Group is not exposed to uneconomical risks over which it has no day-to-day management control.

The policy for the recognition and measurement of insurance contracts applied to the profit sharing arrangements is similar to the policy under 41.3 above.

41. Summary of material accounting policies continued

41.5 Segment reporting

The Group's products and services are managed by various business units along geographical lines and product categories. The segment information is presented by each distinct revenue-generating area representing groups of similar products, consistent with the way the Group manages the business. Given the nature of operations, there are no major single customers within any of the segments.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers when making operating decisions and for allocating resources and assessing performance. The chief operating decision maker has been identified as the group executive committee ("EXCO"). Segments with a majority of revenue earned from charges to external customers and whose revenue, results or assets are 10% or more of all the segments, are reported separately. Certain reporting adjustments are provided separately to reconcile to IFRS reported earnings.

41.6 Foreign currency

41.6.1 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

The consolidated financial statements are presented in South African Rand (R), which is the functional and presentation currency of OUTsurance Holdings Limited.

None of the Group entities operate in a hyperinflationary environment.

41.6.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated to South African Rand using the rates of exchange ruling at the financial year-end. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

41.6.3 Group companies

- Assets and liabilities for each reporting date presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of profit or loss and other comprehensive income are translated at the average exchange rate for the financial year. If this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction date, the income and expenses are translated at the transaction date rate;
- all resulting exchange differences are recognised as a separate component of other comprehensive income (foreign currency translation reserve); and
- items that are recognised directly in equity are translated using the historical rate.

When a foreign operation is partially disposed of or sold, and control is lost, the Group's portion of the cumulative amount of the exchange differences that were recorded in other comprehensive income are reclassified to profit or loss when the gain or loss on disposal is recognised. For partial disposals where control is retained, the Group re- attributes the proportionate share of the cumulative exchange differences, recognised in other comprehensive income to the non- controlling interest of the foreign operation.

41.7 Property and equipment

Property and equipment is carried at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of property and equipment.

Gains or losses on disposals are determined by comparing sales proceeds with the carrying amount of the asset, and are included in profit or loss. Repairs and renewals are charged to profit or loss when the expenditure is incurred.

41. Summary of material accounting policies continued

41.7 Property and equipment continued

Depreciation

Depreciation is calculated using the straight-line method to allocate the depreciable amount, being cost less residual value, over the estimated useful lives of the assets, as follows:

Building fixtures and owner-occupied property	between 20 and 50 years
Computer equipment	2 to 11 years
Fittings and office equipment	5 to 13 years
Motor vehicles	5 years

Land is not depreciated.

Annual reviews of the residual values and useful lives of the assets are conducted in order to evaluate the continued appropriateness of the above policy. The residual values of these assets are assumed to be R nil, unless there is an indicator to the contrary. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is immediately written down to its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs of disposal and value in use.

The depreciation period, useful lives and the depreciation method for property,plant and equipment with a finite useful life is reviewed at least at each financial year-end.

Owner-occupied properties

Owner-occupied properties are held by the Group for use in the supply of services or, for its own administration purposes.

41.8 Intangible assets

41.8.1 Computer software development costs

Costs that are directly attributable to identifiable software products controlled by the Group are recognised as intangible assets if certain criteria are met. These costs comprise of all directly attributable costs necessary to create, produce and prepare the asset for its intended use.

Development costs are recognised as an intangible asset when all of the following criteria are met:

- The technical feasibility of the development can be demonstrated.
- The Group is able to demonstrate its intention and ability to complete and use the software.
- It can be demonstrated how the software product will generate probable future economic benefits.
- It can be demonstrated that adequate technical, financial and other resources to complete the development and to use or sell the software product are available.
- The expenditure attributable to the software product during its development can be reliably measured.

Development costs that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs are recognised as assets from the point where the recognition criteria above are satisfied, and are amortised once the asset is ready for use, on a straight line basis over the expected useful life.

The carrying amount of intangible assets are assessed annually for indication of impairment.

The intangibles are subsequently measured at cost less accumulated amortisation and impairment.

Amortisation is calculated using the straight-line method to allocate the depreciable amount, being cost less residual value, over the estimated useful lives of the assets as follows:

Purchased computer software	2 to 7 years
Internally generated computer	5 to 10 years software

The amortisation charge is reflected in marketing and administration expenses in profit or loss.

The amortisation period, useful lives and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end. The residual values of these assets are assumed to be R nil, unless there is an indicator to the contrary.

41. Summary of material accounting policies continued

41.9 Leases under IFRS 16

41.9.1 General

Agreements where the counterparty retains control of the underlying asset are classified as leases.

Leases are recognised as a right-of-use asset with a corresponding lease liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest (the incremental borrowing rate) on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Periods covered by an option to extend the lease is included if the Group is reasonably certain to exercise that option taking into account, among others, the remaining term of the original lease, refurbishments, changing technology and cost-saving initiatives. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis discounted using the lessee's incremental borrowing rate.

The incremental borrowing rate utilised by the Group for the various lease assets is as follows:

- Properties – a risk-free rate with a market risk premium/spread added to it.
- Vehicles – the prime lending rate.
- Equipment – the prime lending rate.

In determining the incremental borrowing rate, the expiry date of each individual lease contract is considered in setting the forward risk-free rate applicable on the date of the termination of the lease to valuation date.

41.9.2 Lease liabilities

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments, but excluding payments for service components), less any lease incentives receivable;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease liability is measured using the effective interest method. It is remeasured:

- when there is a change in future lease payments arising from a change in an index or rate;
- if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.
- If there is a change in the lease term.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The group accounts for a lease modification as a separate lease if the modification increases the scope of the lease by adding the right to use one or more underlying assets and the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

41. Summary of material accounting policies continued

41.9 Leases under IFRS 16 continued

41.9.3 Right-of-use assets

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and adjusted for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.

Depreciation

Subsequent to initial measurement, a right-of-use asset is depreciated on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset should this term be shorter. However, if ownership of the underlying asset transfers to the group at the end of the lease term, the right-of-use assets are depreciated on a straight- line basis over the remaining economic life of the asset.

This depreciation is recognised as part of general marketing and administration expenses.

41.9.4 Short-term leases and low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

41.9.5 Derecognition

When the Group or lessor terminates or cancels a lease, the right-of-use asset and lease liability are derecognised.

On derecognition of the right-of-use asset and lease liability, any difference is recognised as a derecognition gain or loss together with termination or cancellation costs in profit or loss.

41.10 Impairment review – Non financial assets

A periodic review of the carrying amount of the Group's assets is conducted and, where there are indications that the value of an asset may be impaired, an impairment loss is recognised.

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 of disposal and value in use. The difference between the carrying amount and the recoverable amount is charged to profit or loss for the financial year in which the impairment is identified, to reduce the carrying amount of such impaired asset to its estimated recoverable amount. Should an event occur after the recognition of an impairment, which increases the recoverable amount of the previously impaired asset, the impairment of the asset, or a portion thereof, is reversed through profit or loss. The adjusted carrying value may not exceed what the carrying value would have been had the impairment not been recognised before.

41.11 Assets held for sale

Non-currents assets are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and groups of contracts within the scope of IFRS 17 Insurance Contracts, which are specifically exempt from this requirement.

Once classified as held-for-sale, assets are no longer depreciated or amortised, and any equity-accounted investee is no longer equity accounted.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the noncurrent asset (or disposal group) is recognised at the date of derecognition.

41. Summary of material accounting policies continued

41.11 Assets held for sale continued

Consideration deferred overtime, is recognised at the cash value of the deferred consideration at the date of the sale.

Consideration contingent on the outcome of certain performance measures, post the sale of an asset, is initially recognised at the best estimate of the consideration at the date of the sale, and subsequently remeasured at the fair value of the consideration receivable at each reporting period.

41.12 Financial instruments

41.12.1 General

The Group recognises a financial asset or a financial liability on its statement of financial position when and only when, it becomes a party to the contractual provisions of the instrument.

Regular way purchases and sales of financial assets are recognised and derecognised, as applicable, on trade-date being the date on which the group commits to purchase or sell the asset.

The Group classifies its financial assets in the following measurement categories:

- financial assets at fair value through profit or loss (FVPL);
- financial assets at fair value through other comprehensive income (FVOCI); and
- financial assets at amortised cost.

Financial liabilities are classified in the following categories:

- financial liabilities at fair value through profit or loss (FVPL); and
- financial liabilities at amortised cost.

Management determines the classification of its financial instruments at initial recognition. Financial assets are not reclassified subsequent to their initial recognition, unless the Group changes its business model for managing financial assets. In such a case, all affected financial assets are reclassified prospectively from the reclassification date.

At initial recognition, the Group measures a financial asset or financial liability at its fair value plus, in the case of an asset not at fair value through profit or loss, the transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

The Group assesses the business model in which a financial asset is held at a portfolio level. Information considered in determining the applicable business model includes:

- policies and objectives for the relevant portfolio;
- how the performance and risks of the portfolio are managed, evaluated and reported to management; and
- the frequency, volume and timing of sales in prior periods, sales expectation for future periods, and the reasons for such sales.

The contractual cash flow characteristics of financial assets are assessed with reference to whether the cash flows represent solely payments of principal and interest (SPPI).

Principal is defined as the fair value of the financial asset on initial recognition. However, the principal may change over time, e.g. on repayment of the principal. Interest is defined as consideration primarily for the time value of money, the credit risk of the principal outstanding, other basic lending risks and costs and a profit margin.

In assessing whether contractual cash flows are SPPI compliant, contractual terms that could change the contractual cash flows so that it would not meet the condition for SPPI are considered, including:

- contingent events that could change the amount or timing of cash flows;
- leverage features;
- prepayment and extension features;
- non-recourse arrangements; and
- features that modify the time value of money (e.g. periodic reset of interest rates).

A prepayment feature meets the SPPI criterion if the prepayment amount substantially represents unpaid amounts of principal and interest, which may include compensation for early termination of the contract.

41. Summary of material accounting policies continued

41.12 Financial instruments continued

41.12.1 General continued

For a financial asset acquired at a premium or discount to its contractual nominal amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued contractual interest (which may include compensation for early termination of the contract) is considered SPPI compliant if the fair value of the prepayment feature is insignificant on initial recognition.

Equity instruments are instruments that meet the definition of equity from the issuer's perspective i.e. instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The Group subsequently measures all equity investments at fair value through profit or loss, except where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI. The Group's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends are recognised in profit or loss when the Group's right to receive payments is established.

41.12.2 Financial instruments at fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at FVOCI, if these financial assets are not designated at FVPL.

Debt instruments

Interest income calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other movements in the carrying amount are taken through OCI. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified to profit or loss.

Equity instruments

Other movements, including foreign exchange gains and losses in the carrying amount are taken through, OCI. When the equity instrument is derecognised, the cumulative gain or loss previously recognised in OCI is transferred within equity.

Financial assets classified as FVOCI comprise various debt investments in money market and capital market instruments, including government bonds, collective investment schemes and unlisted equity.

41.12.3 Financial instruments at fair value through profit or loss (FVPL)

Financial assets not classified at amortised cost or FVOCI are measured at FVPL. In addition, on initial recognition the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Net gains or losses, including any interest or dividend income and foreign exchange gains and losses are recognised in profit or loss.

Financial assets classified as FVPL comprise:

- Collective investment schemes
- Unsecured loans
- Ordinary shares
- Debt instruments
- NCNR preference shares
- Zero coupon deposits
- Derivative financial instruments
- Contingent consideration receivable

Financial liabilities designated at fair value through profit or loss comprise preference shares held in terms of a profit-sharing arrangements as these are managed on a fair value basis. Net gains and losses including interest expense and foreign exchange gains and losses are recognised in profit or loss, unless they arise from derivatives designated as economic hedging instruments in net investment hedges.

41. Summary of material accounting policies continued

41.12 Financial instruments continued

41.12.4 Financial instruments measured at amortised cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective interest method, if these financial assets are not designated at FVPL.

Interest income, foreign exchange gains and losses and impairments are recognised in profit or loss. Any gain or loss arising on derecognition is recognised directly in profit or loss.

Financial assets classified as amortised cost comprise:

- Redeemable preference shares
- Other receivables
- Term deposits
- Loan facility
- Cash and cash equivalents

A financial asset is classified as a receivable when it arises from a non-financing transaction. Typically generated from normal operating activities.

The group classifies a loan as a financial asset when it arises from a formal lending arrangement.

Financial liabilities are measured at amortised cost using the effective interest method. Net gains and losses including interest expense and foreign exchange gains and losses are recognised in profit or loss as part of finance cost. Any gain or loss arising on derecognition is recognised directly in profit or loss.

41.12.5 Derivatives

Derivatives are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently remeasured at fair value. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. Derivatives are measured at FVPL.

The Group uses derivatives for the following reasons:

- to offset the interest rate risk inherent in some of the life insurance products underwritten by the Group. The Group has elected not to apply hedge accounting to the asset-liability matching strategy;
- to offset the exchange rate exposure inherent in certain Group cross-border transactions; and
- to offset the equity price risk contained in the share based payment schemes.

41.12.6 Impairment

The Group recognises loss allowances for expected credit losses (ECL) on:

- financial assets measured at amortised cost
- debt investments measured at FVOCI
- financial guarantee contracts
- loan commitments

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, which are measured as 12-month ECL:

- financial assets that are determined to have low credit risk at the reporting date;
- financial assets where credit risk has not increased significantly since initial recognition; and
- financial assets which are callable on demand or within a period of 12 months from reporting date.

Lifetime ECL are the ECL that result from all possible default events over the expected life of a financial instrument. 12-month ECL are the portion of ECL that results from default events that are possible within the 12 months after the reporting date. In all cases, the maximum period considered when estimating ECL is the maximum contractual period over which the Group is exposed to credit risk.

41. Summary of material accounting policies continued

41.12 Financial instruments continued

41.12.6 Impairment continued

At each reporting date, the Group assesses whether financial assets measured at amortised cost and FVOCI are credit impaired. The Group writes off a financial instrument when the entity has no reasonable expectation of recovery of the outstanding balance of the instrument. Determining when to write off financial assets is a matter of judgement and incorporates both quantitative and qualitative information. Evidence that a financial asset is credit-impaired includes:

- significant financial difficulty of the issuer or debtor;
- a breach of contract, such as a default or delinquency in payments;
- a restructuring of an amount due to the Group on terms that would not otherwise be considered by the Group;
- it becoming probable that the issuer or debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

A financial asset that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In assessing whether an investment in sovereign debt is credit-impaired, the Group considers the following factors:

- the market's assessment of creditworthiness as reflected in the bond yields;
- the rating agencies' assessment of creditworthiness;
- the country's ability to access the capital markets for new debt issuance;
- the probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness; and
- the international support mechanisms in place to provide the necessary support as 'lender of last resort' to the country as well as the intention, communicated in public statements, of governments and agencies to access those mechanisms, including an assessment of the depth of the mechanisms and the capacity to fulfil the required criteria.

Loss allowances for ECL on financial assets measured at amortised cost is deducted from the gross carrying amount of the financial assets. Loss allowances for ECL on debt investments measured at FVOCI is recognised in OCI and does not reduce the carrying amount of the financial asset in the statement of financial position.

The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospects of recovery by the Group. Financial assets that are written off may still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

41.12.7 Derecognition

The Group derecognises a financial asset:

- when the contractual rights to the asset expires; or
- where there is a transfer of the contractual rights to receive the cash flows of the financial asset in a transaction in which:
  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognises a financial liability when it is extinguished, i.e. when the obligation specified in the contract is discharged, cancelled or expires. A substantial modification of the terms and conditions of an existing financial liability or part of an existing financial liability is accounted for as an extinguishment of the original financial liability and recognition of a new one.

The group only considers quantitative indicators in assessing whether there is a modification or extinguishment. On derecognition, the difference between the carrying amount of the financial liability, including related unamortised costs, and the amount paid for it is included in profit or loss.

41. Summary of material accounting policies continued

41.12 Financial instruments continued

41.12.8 Modifications

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the group recalculates the gross carrying amount of the financial asset and recognises a modification gain or loss in profit or loss. The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate or, when applicable, the revised effective interest rate. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

41.12.9 Measurement of fair value

The fair value of financial instruments traded in an organised financial market is measured at the closing price for financial assets and financial liabilities. The fair value of the financial instruments that are not traded in an organised financial market is determined using a variety of methods and assumptions that are based on market conditions and risk existing at reporting date, including independent appraisals and discounted cash flow methods. Fair values represent an approximation of possible value, which may differ from the value that will finally be realised.

41.13 Cash and cash equivalents

Cash and cash equivalents include cash on hand and short-term deposits held with banks. All balances included in cash and cash equivalents have a maturity date of less than three months from the date of acquisition.

Short-term deposits with banks are considered to be instruments which are highly liquid and have maturity dates of not more than three months from the date of acquisition. Short-term deposits which cannot be accessed within this period are classified as financial assets.

41.14 Provisions

The group recognises provisions when it has a present legal or constructive obligation 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. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Where applicable, a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability is used to determine the present value.

41.15 Contingent Liabilities

The group discloses a contingent liability where:

- it has a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise; or
- a present obligation that arises from past events but is not recognised because:
  - it is not probable that an outflow of resources will be required to settle an obligation; or
  - the amount of the obligation cannot be measured with sufficient reliability.

41.16 Share capital

Ordinary shares are classified as equity when there is no obligation to transfer cash or other assets. Ordinary shares and non-redeemable non-cumulative preference shares together with share premium are classified as equity. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of taxation.

Treasury shares

Where the OUTsurance Holdings Share Trust purchases the Group's equity share capital, the consideration paid is deducted from total shareholders' equity as treasury shares until they are reissued or cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

On consolidation, the cost of the shares acquired is deducted from equity. Subsequently, any proceeds on the re-issue or cancellation of these shares is recognised directly in shareholder's equity.

41. Summary of material accounting policies continued

41.16 Share capital continued

Treasury shares continued

Any net income in relation to treasury shares is eliminated in the Group's results. Dividends paid in respect of treasury shares are similarly eliminated in the Group's results.

Dividends paid

Dividends payable on ordinary shares are recognised in equity in the period in which there is unconditional certainty that the dividend will become payable, which would include approval of the dividend declaration by the Group's Board of directors, regardless of whether the formalities of the payment thereof have been finalised. Dividends declared after the reporting date are not recognised but disclosed as a post reporting date event.

41.17 Other reserves

Other reserves recognised by the Group include:

Comprehensive income reserve

The Group has certain debt investments (from the segregated portfolios) measured at FVOCI. For these investments, changes in fair value are accumulated within the FVOCI reserve within equity. The accumulated changes in fair value are transferred to profit or loss when the investment is derecognised or impaired.

Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income, as described in the accounting policies, and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Share based payments reserve

The share-based payments reserve is used to recognise:

- the grant date fair value of options issued to employees but not exercised;
- the grant date fair value of shares issued to employees;
- the grant date fair value of deferred shares granted to employees but not yet vested; and
- the issue of shares held by Employee Share Trust to employees.

Equity accounted reserve

This is the Group's proportionate share of the associates equity reserves.

Transactions with non-controlling interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Group.

41. Summary of material accounting policies continued

41.18 Current and deferred income tax

The income tax expense for the period comprises current and deferred tax. Current tax comprises tax payable as calculated on the basis of the expected taxable income for the financial year, using tax rates substantively enacted at the reporting date. Adjustments to provisions made for tax payable in previous financial years as a result of a change in the estimated amount payable, or to the extent that actual assessments differ from the provision created in prior financial years, are charged or credited to the current financial year profit or loss.

Deferred tax is provided using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss, it is not accounted for. Where a different tax rate will be applicable to the tax year in which such assets or liabilities are realised, those tax rates are used to determine deferred income tax.

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.

Insurance liabilities are recognised in full for accounting purposes and, to the extent that accounting losses arise, deferred tax assets are created as these will be reversed upon the release of such short-term insurance provisions.

Deferred tax assets relating to the carry-forward of unused tax losses are recognised in profit or loss to the extent that it is probable that future taxable income will be available against which the unused tax losses can be utilised

Taxation in respect of South African life insurance operations is determined using the five fund method applicable to life insurance companies. The taxation of life insurers in South Africa was amended to introduce a separate tax fund for risk products sold in tax periods beginning on or after 1 January 2016. From 1 July 2016, OUTsurance Life has allocated all risk products except one to the risk fund.

Indirect taxes comprise Value Added Tax. All transactions are accounted for net of the relevant Value Added Tax component.

Tax is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it is recognised in other comprehensive income or changes in equity.

National Treasury released the Draft Taxation Laws Amendment Bill, 2022 on 29 July 2022, which was subsequently promulgated in January 2023 and enacted in December 2022.

This amendment, amended section 28 of the Act to cater for the implementation of IFRS 17. The changes consist of changes in terminology and a phase-in period of six years for life insurers and three years for non-life insurers.

The Group has determined that the global minimum top-up tax – which it is required to pay under Pillar two legislation – is an income tax under IAS 12. The Group has applied a temporary relief and determined that no tax is payable for the forthcoming year. However, the Group will monitor the relief requirements annually and will account for the current tax when it is incurred.

41. Summary of material accounting policies continued

41.19 Employee benefits

Short-term employee benefits

The undiscounted cost of all short-term employee benefits is recognised during the period in which the employee renders the related service. The provision for employee entitlements to salaries and annual leave represents the amount which the Group has as a present obligation to pay, resulting from employees' services provided up to the reporting date. The provision is calculated at undiscounted amounts based on current salary rates. A provision for employee benefits in respect of their annual leave entitlement from past service is recognised in full.

Employees may elect to adopt a remuneration structure to allow for a non-discretionary bonus.

Non-discretionary bonuses are provided for at reporting date.

Post-employment benefits

The Group's employees contribute to the OUTsurance Insurance Company Limited defined pension and provident contribution funds. Under defined contribution plans, the legal or constructive obligation of the Group is limited to the contributions made to the plan, thus benefits received by the employee is determined by the contributions made to the plan together with investment returns arising from the contributions.

The pension plans are funded by payments from employees. The amount paid in respect of defined pension and provident contribution fund plans during the financial year is charged to profit or loss and is included in employment cost. The Group has no further payment obligations once contributions have been made.

Intellectual property bonuses

In terms of the intellectual property bonus plan, employees are paid intellectual property bonuses based on management's discretion. The beneficiaries under the plan, which included executive directors, executive management, senior and middle management employed on a full-time basis, are subject to retention periods and amounts would need to be repaid should the employee be in breach of the retention period. The intellectual property bonuses are recognised as current service costs over retention periods ranging from six months to two years and are straight lined over the period of the contract.

41.20 Share-based payments

The Group operates both equity and cash-settled share incentive schemes.

Equity-settled share-based payment transactions

The Group operates an equity-settled share-based compensation plan for employees of the Group.

The Group expenses the fair value of the employee services received in exchange for the granting of the options or shares, over the vesting period of the options or shares, as employee costs, with a corresponding credit to equity. The total value of the services received is calculated with reference to the fair value of the options or shares on grant date.

The fair value of the options or shares is determined excluding non-market vesting conditions. These vesting conditions are included in the assumptions of the number of options or shares expected to vest. At each reporting date, the Group revises its estimate of the number of options or shares expected to vest. The Group recognises the impact of the revision of original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Amounts recognised for services received if the options or shares granted do not vest because of failure to satisfy a vesting condition, are reversed through profit or loss.

The proceeds received net of any attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Cash-settled share-based payment transactions

The Group operates the following cash-settled share-based payment schemes:

- a compensation plan for employees of OUTsurance, OUTsurance Life and OSS for notional shares (share appreciation rights); and
- a Divisional Incentive Scheme for Notional Incentive Units to incentivise senior management based on the success of new and emerging business units which are in the South African and Australian operations.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit for the year.

41. Summary of material accounting policies continued

41.21 Share trust

The OUTsurance Holdings share incentive scheme is operated through a Share Trust. The Share Trust is considered to be a structured entity of the Group and therefore consolidated. All shares issued to the Share Trust are issued against the Share Trust loan which is measured at fair value.

41.22 Investment income

Interest

Interest income is recognised in profit or loss as investment income for instruments measured at amortised cost using the effective interest method. Interest on cash and cash equivalents is recognised as earned.

Dividends

Dividends are recognised in investment income when the right to receive payment is legally established. This is on the 'last day to trade' for listed shares and on the 'date of declaration' for unlisted shares. In the case of certain cumulative prime rate linked preference share investments, dividends are accrued for using the effective interest method regardless of the status of their declaration. This accounting treatment is consistent with the provisions of the agreements governing such investments.

41.23 Administration and other revenue

The Group derives its main source of revenue from insurance revenue as referred to in note 27. Other immaterial sources of revenue within the Group, disclosed as 'other revenue' in note 5, are as follows:

Investment administration services

Administration fees are calculated and recognised as revenue on a daily basis over time. The fees are recognised on an earned basis calculated as a percentage of the assets under management, measured at a client level.

Income from contact centre services

Ongoing support call centre administration fees are calculated and recognised as revenue on a daily basis over time.

Government grants

Grants from the Government are recognised at fair value when there is a reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants relating to costs are recognised in profit over the period necessary to match them with the costs they are intended to compensate.

Commission income

Commission is earned for collecting premiums on behalf SASRIA and is recognised over time.

41.24 Abbreviations

CAS	Contractor's All Risk – Specific contract
CSM	Contractual Service Margin
CTP	Compulsory Third Party
GMM	General Measurement Model
FCF	Fulfilment Cash Flow
LIC	Liability for Incurred Claims
LRC	Liability For Remaining Coverage
PAA	Premium Allocation approach

41. Summary of material accounting policies continued

41.25 Amendments to published standards effective in the current year

During the year new accounting standards, interpretations and amendments are mandatory for the Group:

Number	Effective date	Executive summary and impact on the Group
Amendments to IAS 21 – Lack of Exchangeability	Annual periods beginning on or after 1 January 2025	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. *The Group currently only trades in currencies that are exchangeable within the normal administrative time frame, therefore no material impact.*

41. Summary of material accounting policies continued

41.26 Standards, amendments, and interpretations published that are not yet effective and have not been early adopted

Number	Effective date	Executive summary and impact on the Group
Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Annual periods beginning on or after 1 January 2026 (early adoption is available)	These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system. In addition, these amendments clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion. New disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets) have been added. The amendments make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI). *No material changes are expected for the Group.*
Amendment to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity	Annual periods beginning on or after 1 January 2026 with earlier application permitted.	These amendments change the 'own use' and hedge accounting requirements of IFRS 9 and include targeted disclosure requirements to IFRS 7. These amendments apply only to contracts that expose an entity to variability in the underlying amount of electricity because the source of its generation depends on uncontrollable natural conditions (such as the weather). These are described as 'contracts referencing nature-dependent electricity.' *The Group doesn't have any contracts referencing nature-dependent electricity.*
Annual Improvements to IFRS Accounting Standards – Volume 11	Annual periods beginning on or after 1 January 2026	Contains a number of narrow-scope amendments intended to clarify wording, remove inconsistencies and improve the application of existing IFRS Accounting Standards. The amendments affect IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 but do not introduce significant changes to the underlying accounting principles. *No material impact on the Group.*
IFRS 18 Presentation and Disclosure in Financial Statements	Annual periods beginning on or after 1 January 2027	IFRS 18 is a new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key concepts introduced relate to the structure of the statement of profit or loss, required disclosures for management-defined performance measures, and enhanced principles on aggregation and disaggregation applicable to primary statements and notes. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of cash flows. *The Group has commenced its assessment of the impact of IFRS 18. The adoption of IFRS 18 may result in changes to the composition of operating profit due to the introduction of prescribed categories and subtotals in the statement of profit or loss. The Group will revise existing disclosures to comply with the Management Performance Measures, including reconciliations to the most directly comparable IFRS measures where required. The Group is in process of assessing what changes in the data are required to comply with the new structure changes.*

41. Summary of material accounting policies continued

41.26 Standards, amendments, and interpretations published that are not yet effective and have not been early adopted continued

Number	Effective date	Executive summary and impact on the Group
IFRS 19 Subsidiaries without Public Accountability: Disclosures	Annual periods beginning or after 1 January 2027 with early adoption possible subject to local endorsement where required.	IFRS 19 Subsidiaries without public accountability: Disclosures work alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. The reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. *The Group has assessed IFRS 19 Subsidiaries without Public Accountability: Disclosures, effective for annual periods beginning on or after 1 January 2027. The standard is not expected to have a material impact on the Group's consolidated financial statements. The Group is assessing the applicability of the reduced disclosure requirements to certain non-licensed subsidiaries in their separate financial statements.*
Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21)	Effective for annual periods beginning on or after 1 January 2027	The IASB issued Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21), effective for annual periods beginning on or after 1 January 2027. The amendments clarify the translation requirements when financial statements are presented in a hyperinflationary currency, but the functional currency of the reporting entity or a foreign operation is not hyperinflationary. *Neither the Group nor any of its subsidiaries present financial statements in a hyperinflationary currency. The Group does not currently expect the amendments to have a material impact on its consolidated financial statements.*
Amendments to the Fair Value Option for Investments in Associates and Joint Ventures (IAS 28)	Effective for annual periods beginning on or after 1 January 2027	The IASB issued Amendments to the Fair Value Option for Investments in Associates and Joint Ventures, effective upon adoption of IFRS 18. The amendments clarify which entities are eligible to elect the fair value option for investments in associates and joint ventures under IAS 28. *The Group is assessing the impact of the amendments but does not currently expect them to have a material impact on its consolidated financial statements.*

OUTsurance Group Limited
Separate financial statements
for the year ended 30 June 2026

Contents

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Separate statement of profit or loss

for the year ended 30 June

R million	Notes	Company 2026	Company 2025
Revenue – Investment income	4	**4 370**	4 303
Interest income on financial assets using the effective interest method	4	**21**	26
Expected credit loss expense reversed		**3**	26
Net income		**4 394**	4 355
Impairment of subsidiaries	7	**–**	(1 248)
Operating expenses	5	**(16)**	(15)
Profit before taxation		**4 378**	3 092
Taxation	6	**(6)**	(6)
Profit for the year		**4 372**	3 086
Attributable to:			
Equity holders of the company		**4 372**	3 086

Separate statement of comprehensive income

for the year ended 30 June

R million	Company 2026	Company 2025
Profit for the year	**4 372**	3 086
Other comprehensive income for the year	**–**	–
Total comprehensive income for the year	**4 372**	3 086
Attributable to:		
Equity holders of the company	**4 372**	3 086

Separate statement of financial position

as at 30 June

R million	Notes	Company 2026	Company 2025
Assets			
Investment in subsidiaries	7	**12 532**	13 100
Financial assets			
Measured at fair value through profit or loss	8	**10**	10
Measured at amortised cost	8	**–**	3
Taxation receivable[1]		**–**	–
Cash and cash equivalents	9	**57**	201
Total assets		**12 599**	13 314
Equity			
Share capital and premium	10	**16 293**	16 229
Accumulated loss	11	**(3 709)**	(2 927)
Total equity		**12 584**	13 302
Liabilities			
Trade and other payables	12	**15**	12
Total liabilities		**15**	12
Total equity and liabilities		**12 599**	13 314

1 The current and prior financial year amount is below R500 000.

Separate statement of changes in equity

for the year ended 30 June

R million	Share capital[1]	Share premium	Retained income/ (Accumulated loss)	Total equity
Balance as at 30 June 2024	–	15 667	(2 282)	13 385
Total comprehensive income for the year	–	–	3 086	3 086
Issue of ordinary shares	–	562	–	562
Dividends paid	–	–	(3 731)	(3 731)
Balance as at 30 June 2025	**–**	**16 229**	**(2 927)**	**13 302**
Total comprehensive income for the year	**–**	**–**	**4 372**	**4 372**
Issue of ordinary shares	**–**	**64**	**–**	**64**
Dividends paid	**–**	**–**	**(5 154)**	**(5 154)**
Balance as at 30 June 2026	**–**	**16 293**	**(3 709)**	**12 584**
Notes	10	10	11	

1 Share capital of R154 723 in the current financial year (R153 754 in the prior financial year) has been excluded due to rounding.

Separate statement of cash flows

for the year ended 30 June

R million	Notes	Company 2026	Company 2025
Cash flows from operating activities			
Cash utilised by operations	14	**(13)**	(14)
Dividends received		**4 370**	3 876
Interest received		**21**	23
Taxation paid	15	**(6)**	(5)
Net cash generated from operating activities		**4 372**	3 880
Cash flows from investing activities			
Proceeds on repayment of amortised cost assets		**6**	128
Proceeds on return of capital by subsidiary		**663**	718
Purchase of additional shares in subsidiary		**(31)**	(981)
Net cash inflow/(outflow) from investing activities		**638**	(135)
Cash flows from financing activities			
Dividends paid to shareholders		**(5 154)**	(3 731)
Net cash outflow from financing activities		**(5 154)**	(3 731)
Net (decrease)/increase in cash and cash equivalents for the year		**(144)**	14
Cash and cash equivalents at the beginning of the year		**201**	187
Cash and cash equivalents at the end of the year		**57**	201

1. General information

OUTsurance Group Limited (the Company) is a listed company incorporated and domiciled in South Africa.

2. Basis of preparation

The Company's financial statements for the year ended 30 June 2026 are prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards), the Financial Pronouncements as issued by the Financial Reporting Standards Council, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, JSE Listing Requirements and the Companies Act of South Africa.

The financial statements are prepared in accordance with the going concern principle using the historical cost basis, except for certain financial assets and liabilities where it adopts the fair value basis of accounting. The preparation of the financial statements necessitates the use of estimates, assumptions and judgements that affect the reported amounts in the statement of financial position and the statement of profit or loss and other comprehensive income. Where appropriate, details of estimates are presented in the accompanying notes to the separate annual financial statements. All monetary information and figures presented in these financial statements are stated in millions of Rand (R million), unless otherwise indicated.

3. Financial risk management

The Company is exposed to various financial risks in connection with its current operating activities, such as market risk, credit risk and liquidity risk.

Market risk

The risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Currency risk

Currency risk is the risk that the value of the financial instrument denominated in a currency other than the functional currency may fluctuate due to changes in the foreign currency exchange rate between the functional currency and the currency in which such instrument is denominated.

The Company had no exposure to currency risk at 30 June 2026 and 30 June 2025.

Interest rate risk

Interest rate risk is when the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The table below reflects the Company's exposure to interest rate risk. An increase or decrease in the market interest rate would result in the following changes in the profit before taxation and equity of the Company. A 2% movement is reflective of potential changes in the interest rate in the current economic environment. The analysis assumes that all other variables are held constant.

R million	**Company 2026**	Company 2025
Cash and cash equivalents – 200 bps increase	**1**	4
Cash and cash equivalents – 200 bps decrease	**(1)**	(4)

Equity risk

Equity risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company's equity investment of R10 million (2025: R10 million) is not exposed to any market related fluctuations and as a result equity risk is considered immaterial.

3. Financial risk management continued

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The key areas where the Company is exposed to credit risk are:

- Other receivables; and
- Cash and cash equivalents.

Significant concentrations of credit risk, if applicable, are disclosed in the financial statements. The credit exposure to any one counterparty is managed by the board of directors and by setting transaction/exposure limits, which are reviewed at each board and audit and risk committee meeting. The creditworthiness of existing and potential clients is monitored by the board.

The table below provides information on the credit risk exposure by credit ratings at year-end:

R million	BB	Not rated	Total
30 June 2026			
Cash and cash equivalents	**57**	**–**	**57**
Total	**57**	**–**	**57**

R million	BBB	Not rated	Total
30 June 2025			
Cash and cash equivalents	201	–	201
Total	201	–	201

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of cash and cash equivalents.

Where available, the Company utilises the credit ratings per counterparty as provided by each of the major credit rating agencies to determine the credit quality of a specific instrument. Where the instrument credit rating is not available, the credit rating of the counterparty as provided by the major credit ratings agencies is utilised.

In instances where the credit rating for the counterparty is not available, the Company utilises the credit rating provided by a service provider amended to take into account the credit risk appetite of the Company. The internal methodology of the service provider provides a credit rating which assesses the counterparty's credit quality based on its financial standing.

During the current financial year, the Company improved its credit rating mapping process to map credit ratings from different ratings agencies to the Company's disclosable credit ratings, per the mapping guidance which is accepted by the Regulator and applied by the industry. This has caused movements in the credit ratings for cash and cash equivalents. The underlying credit quality of the instruments hasn't changed. Should the service provider not provide a credit rating, the counterparty is shown as unrated. The ratings disclosed are long-term international scale, local currency ratings.

Long-term investment grade

BBB Good credit quality. 'BBB' rating indicates a low expectation of credit risk. They indicate adequate capacity for timely payment of financial commitments. Changes in circumstances or in economic conditions are more likely to impair this capacity than is the case for higher ratings.

BB Speculative quality. 'BB' ratings indicate that there is a possibility of credit risk developing, particularly as the result of adverse economic change over time; however, business or financial alternatives may be available to allow financial commitments to be met. Securities rated in this category are not investment grade.

OGL has evaluated the expected credit loss (ECL) on its cash and cash equivalents and concluded that the amount is immaterial.

3. Financial risk management continued

Liquidity risk and asset liability matching

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's liabilities are matched by appropriate assets and it has significant liquid resources to cover its obligations. The Company's liquidity and ability to meet such calls are monitored quarterly at the board meetings.

R million	Call to 6 months	7 – 12 months	More than 1 year/no contractual maturity	Total
30 June 2026				
Assets				
Financial assets measured at fair value through profit or loss	**–**	**–**	**10**	**10**
Cash and cash equivalents	**57**	**–**	**–**	**57**
Total assets	**57**	**–**	**10**	**67**
Liabilities				
Trade and other payables	**15**	**–**	**–**	**15**
Total liabilities	**15**	**–**	**–**	**15**
30 June 2025				
Assets				
Financial assets measured at fair value through profit or loss	–	–	10	10
Financial assets measured at amortised cost	3	–	–	3
Cash and cash equivalents	201	–	–	201
Total assets	204	–	10	214
Liabilities				
Trade and other payables	12	–	–	12
Total liabilities	12	–	–	12

3. Financial risk management continued

Financial instruments measured at fair value

The table below analyses financial instruments carried at fair value, by level of fair value hierarchy. The different levels are based on the extent that quoted prices are used in the calculation of the fair value of the financial instruments. These levels are defined as follows:

Level 1 – fair value is based on quoted market prices (unadjusted) in active markets for identical instruments as measured at the reporting date.

Level 2 – fair value is determined from inputs other than quoted prices that are observable for the asset or liability, either directly (for example prices) or indirectly (for example derived from prices).

Level 3 – fair value is determined from inputs for the asset or liability that are not based on observable market data.

R million	Level 1	Level 2	Level 3	Total carrying amount
30 June 2026				
Financial assets measured at fair value through profit or loss				
Unlisted equity securities	**–**	**–**	**10**	**10**
Total financial assets valued at fair value	**–**	**–**	**10**	**10**
30 June 2025				
Financial assets measured at fair value through profit or loss				
Unlisted equity securities	–	–	10	10
Total financial assets valued at fair value	–	–	10	10

There was no movement in the Level 3 financial assets in the current and prior financial year.

The fair values of the above instruments were determined as follows:

Level 3

The fair is determined based on the value of the underlying investments. The nature of the underlying investments are high risk, small- and medium sized businesses which are exposed to start-up, scale and macro-economic risk.

4. Revenue – Investment income and Interest income on financial assets using the effective interest method

R million	Company 2026	Company 2025
Revenue – Investment income	**4 370**	4 303
Dividend income from subsidiary – Cash	**4 370**	3 876
Dividend income from subsidiary – Dividend in specie	**–**	427
Interest income on financial assets using the effective interest method	**21**	26
Total investment income	**4 391**	4 329

5. Operating expenses

R million	Company 2026	Company 2025
Expenses by nature:		
Professional fees and regulatory compliance cost	**(3)**	(4)
Printing costs	**(3)**	(3)
Audit fees	**(1)**	(1)
Management fee	**(6)**	(6)
Other expenses	**(3)**	(1)
Total operating expenses	**(16)**	(15)
External audit remuneration		
Financial statement audit	**(1)**	(2)
Other services	**–**	1
Total audit fees	**(1)**	(1)

6. Taxation

R million	Company 2026	Company 2025
SA normal taxation		
Current taxation		
– Current year	**(6)**	(6)
Total taxation	**(6)**	(6)
The taxation on the Company's profit before taxation differs from the theoretical amount that would arise using the basic rate of taxation in South Africa as follows:		
Profit before taxation	**4 378**	3 092
	%	%
Effective tax rate	**0.14**	0.19
Dividend income not subject to taxation	**26.95**	37.59
Other income not subject to taxation	**0.02**	0.26
Impairments	**–**	(10.89)
Expenses not deductible due to the large portion of dividends received in a holding company structure	**(0.11)**	(0.15)
Standard income taxation rate in South Africa	**27.00**	27.00

7. Investments in subsidiaries

R million	Company 2026	Company 2025
Unlisted subsidiaries		
Ordinary shares at cost		
OUTsurance Holdings Limited	**12 133**	12 039
RMI Treasury Company Limited	**7 314**	7 973
Main Street 1353 Proprietary Limited	**54**	58
Additiv Proprietary Limited	**9**	9
Total investments in subsidiaries at cost	**19 510**	20 079
Impairment balance		
Main Street 1353 Proprietary Limited	**(54)**	(55)
RMI Treasury Company Limited	**(6 917)**	(6 917)
Additiv Proprietary Limited	**(7)**	(7)
Impairment balance at the end of the year	**(6 978)**	(6 979)
Carrying value of subsidiaries at the end of the year	**12 532**	13 100
Reconciliation of investment in subsidiaries:		
Balance at the beginning of the year	**13 100**	13 093
Investment in:		
Additional shares in OUTsurance Holdings Limited		
– Cash consideration	**31**	981
– Asset-for-share transaction	**64**	990
RMI Treasury Company Limited		
– Return of capital distribution	**(659)**	(718)
Main Street 1353 Proprietary Limited		
– Return of capital distribution	**(4)**	–
RMI Asset Holdings Proprietary Limited (liquidated)		
– Derecognise investment at cost	**–**	(11 726)
– Return of capital distribution[1]	**–**	–
– Derecognise impairment balance	**–**	11 726
Additiv Proprietary Limited		
– Cost of shares	**–**	9
– Accumulated impairment balance	**–**	(7)
Impairment during the year		
– RMI Treasury Company Limited	**–**	(1 248)
– Main Street 1353 Proprietary Limited[2]	**–**	–
Balance at the end of the year	**12 532**	13 100

1 The prior financial year amount was below R500 000.
2 The current financial year amount is a credit below R500 000.

Movement in shares and capital returns

During the current financial year the Company acquired additional shares in OUTsurance Holdings Limited (OHL) through a cash-for-shares transaction valued at R31 million and a shares-for-shares transaction valued at R64 million. In the prior financial year the company acquired additional shares in OHL through a cash-for-share transaction valued at R981 million and a shares-for-shares transaction valued at R990 million.

On 17 October 2025 and 15 April 2026, the Company received R190 million and R469 million respectively in cash from RMI Treasury Company Limited as a return of capital distribution. In the prior year an amount of R718 million was received in cash from RMI Treasury Company Limited as a return of capital distribution.

On 30 June 2026, the Company received R3.7 million in cash from Main Street 1353 Proprietary Limited as a return of capital distribution.

In the prior financial year, the Company's investment in RMI Asset Holdings was derecognised on 15 January 2025 following the filing of the liquidation of the company. The net asset value (R7 821) comprising cash was returned to the company. This resulted in an impairment amounting to R1 876 bringing the investment to R nil.

7. Investments in subsidiaries continued

Movement in shares and capital returns continued

In the prior financial year, Additiv Proprietary Limited and its 100% subsidiary Additiv Capital Proprietary Limited changed from being previously treated as an associate to a 100%-owned subsidiary as at 30 June 2025. The increase in shareholding was as a result of the acquisition of all of the shares not previously held for a nominal amount.

Impairment assessment

Management performs an impairment assessment of its subsidiary investments on an annual basis. Management has assessed the recoverable amount of the cash-generating unit with reference to its fair value less costs of disposal. Given that the value of the entity is primarily derived from identifiable assets and liabilities measured at fair value, net asset value is considered an appropriate basis for estimating fair value. The net asset value reflects the current fair value of the underlying assets and liabilities and is therefore considered representative of the amount that a market participant would be willing to pay for the entity, subject to any appropriate adjustments for disposal costs and other market considerations. Where the carrying value of the investment exceeds the recoverable amount, that amount is considered for impairment.

OUTsurance Holdings Limited

The Company's investment in OUTsurance Holdings Limited (OHL) at current carrying value is below its recoverable amount and therefore no impairment is required for the investment in OHL.

RMI Treasury Company Limited

RMI Treasury Company Limited and its underlying investee companies were assessed to have a recoverable amount of R446 million which exceeds the Company's carrying value of its investment. In the prior financial year, the net asset value of R1 056 million was below the Company's carrying value of the investment, and this gave rise to an impairment loss of R1 248 million which was recognised in profit or loss.

The adjusted net asset value of The RMI Treasury Company Limited and its underlying investee companies mainly comprises an investment in associate of R228 million (2025: R258 million), a contingent receivable measured fair value through profit or loss R84 million (2025: R74 million), and the balance of the adjusted net asset value includes instruments which approximates fair value as it is realisable within the next financial year. In the prior financial year, an investment in unlisted equities measured at fair value through other comprehensive income (R436 million net of deferred tax liability) was also included in the adjusted net asset value. The unlisted equities measured at fair value through other comprehensive income was sold during the current financial year, and the proceeds thereof is included in the R659 million return of capital distribution in cash by RMI Treasury Company Limited.

The value of the investment in associate is considered by performing a discounted cash flow methodology valuation. The valuation is most sensitive to the fees and discount rate assumptions. A 30% increase or decrease in the fees assumption will result in a 28% increase or decrease in the valuation respectively. A 1 percentage point increase or decrease in the discount rate will result in a 5% decrease or 7% increase in the valuation respectively.

The value of the contingent consideration is inter alia determined based on performance fees earned by certain assets disposed of over a period of three years from the date of disposal. The contingent consideration originated from the sale of shares, during the 2024 financial year, held in RMI Investment Managers Affiliates 2 Proprietary Limited and the shares held in Royal Investment Managers Proprietary Limited.

In the prior financial year, at 30 June 2025, the fair value of the unlisted equity at fair value through other comprehensive income was valued at the negotiated sales price.

7. Investments in subsidiaries continued

Impairment assessment continued

Main Street 1353 Proprietary Limited

Following the return of capital distribution of R3.7 million in cash by Main Street 1353 Proprietary Limited on 30 June 2026, the accumulated impairment balance on the investment exceeded the cost of the shares by R384 271. As a result, a reversal of R384 271 of the impairment on investment in subsidiary was recognised in profit or loss.

Additiv Proprietary Limited

The Company's investment in Additiv Proprietary Limited (Additiv) at current carrying value is below its share of Additiv's net asset value and therefore no impairment is required for the investment in Additiv.

R million	Company 2026	Company 2025
OUTsurance Holdings Limited		
Number of shares held directly	**3 526 569 014**	3 523 520 226
% of equity	**92.83**	92.75
Principal place of business	**Centurion**	Centurion
RMI Treasury Company Limited		
Number of shares held	**27 623**	27 623
% of equity	**100.0**	100.0
Principal place of business	**Centurion**	Centurion
Additiv Proprietary Limited		
Number of shares held directly	**835**	835
% of equity	**100.0**	100.0
Principal place of business	**Centurion**	Centurion
Additiv Capital Proprietary Limited		
Number of shares held indirectly	**500**	500
% of equity	**100.0**	100.0
Principal place of business	**Centurion**	Centurion
Main Street 1353 Proprietary Limited		
Number of shares held directly	**5 100**	5 100
Number of shares held via OUTsurance Holdings Limited	**4 900**	4 900
% of equity	**100.0**	100.0
Principal place of business	**Centurion**	Centurion

8. Financial assets

R million	Company 2026	Company 2025
Measured at fair value through profit or loss		
Equity securities		
Unlisted investments	**10**	10
Balance at the end of the year	**10**	10

The movements in the fair value of the investment in The SA SME Fund Limited with a carrying value of R10 million (2025: R10 million) were immaterial in the current and prior financial year.

R million	Company 2026	Company 2025
Preference share investment measured at amortised cost		
Balance at the beginning for the year	**3**	101
Unwind of modification adjustment/dividend income earned	**–**	4
Receipts	**(6)**	(128)
Expected credit loss expense reversed	**3**	26
Balance at the end of the year	**–**	3

9. Cash and cash equivalents

R million	Company 2026	Company 2025
Cash at bank and on hand	**57**	201

Cash and cash equivalents represent current accounts and a call deposit. The fair value approximates the carrying value.

10. Share capital and share premium

	Number of shares	Ordinary share capital R million	Share premium R million	Total R million
Share capital and share premium as at 30 June 2024	1 537 535 862	–	15 667	15 667
Additional shares issued during the year	9 695 643	–	562	562
Share capital and share premium as at 30 June 2025	1 547 231 505	–	16 229	16 229
Additional shares issued during the year	896 387	–	64	64
Share capital and share premium as at 30 June 2026	**1 548 127 892**	**–**	**16 293**	**16 293**

Ordinary shares

The total authorised number of ordinary shares is 2 000 000 000, with a par value of R0.0001 per share. The total number of issued ordinary shares increased by 896 387 during the year (2025: 9 695 643) to 1 548 127 892 as at 30 June 2026 (2025: 1 547 231 505).

During the current financial year the Company issued 388 661 ordinary shares at a value of R28 million and another 507 726 ordinary shares at a value of R36 million on 17 November 2025 and 10 June 2026 respectively. These shares issued during the current financial year were in exchange for OHL shares.

During the prior financial year the Company issued 12 079 169 ordinary shares at a value of R588 million, another 5 552 510 ordinary shares at a value of R339 million and 829 477 ordinary shares at a value of R63 million on 16 September, 22 November 2024 and 20 June 2025 respectively. These shares issued during the prior financial year were in exchange for 42 283 911 OHL shares. 8 765 513 ordinary shares at a value of R428 million were cancelled on 14 October 2024 following an asset distribution (OGL shares) by OHL to its shareholders.

The unissued share capital is under the control of the board of directors until the forthcoming annual general meeting.

Preference shares

The total authorised number of cumulative, redeemable, par value preference shares is 100 000 000 with a par value of R0.0001 per share. The issued number of par value preference shares is nil (2025: nil).

The total authorised number of cumulative, redeemable, no par value preference shares is 100 000 000. The issued number of no par value preference shares is nil (2025: nil).

The Company created a new class of 100 000 000 authorised, cumulative, redeemable, no par value preference shares in the 2016 financial year. None of these preference shares have been issued yet.

11. Accumulated loss

R million	Company 2026	Company 2025
Accumulated loss	**3 709**	2 927

12. Trade and other payables

R million	Company 2026	Company 2025
Trade and other payables	**15**	12

13 Cash utilised by operations

R million	Company 2026	Company 2025
Reconciliation of profit before taxation to cash generated from operations:		
Profit before taxation	**4 378**	3 092
Adjusted for:		
Dividend income	**(4 370)**	(3 876)
Dividend in specie income	**–**	(427)
Interest income	**(21)**	(26)
Expected credit loss expense reversed	**(3)**	(26)
Impairments	**–**	1 248
Other non-cash income and expenses	**–**	(2)
Changes in working capital		
Other receivables	**–**	4
Trade and other payables	**3**	(1)
Total cash utilised by operations	**(13)**	(14)

14. Taxation paid

R million	Company 2026	Company 2025
Taxation per statement of financial position at the beginning of the year	**–**	1
Charge to income statement	**(6)**	(6)
Taxation per statement of financial position at the end of the year	**–**	–
Taxation paid	**(6)**	(5)

15. Dividend per share

R million	Company 2026	Company 2025
Total dividends paid during the year	**5 154**	3 731
Total dividends declared relating to the year	**6 336**	4 188
Number of ordinary shares in issue	**1 548 127 892**	1 547 231 505
Dividend declared per share (cents)		
Interim		
– Ordinary	**120.7**	88.6
– Special	**30.3**	–
Final		
– Ordinary	**170.8**	149.0
– Special	**87.5**	33.1
Total dividend per share declared	**409.3**	270.7

16. Related parties

Principal shareholders

Details of major shareholders are disclosed in the directors' report. The principal shareholders are Remgro Limited and Royal Bafokeng Holdings Proprietary Limited.

Key management personnel

Only OGL's directors are key management personnel. Information on directors' emoluments and their shareholding in the Company appears in note 39 to the consolidated annual financial statements and in the directors' report respectively.

Subsidiaries and associates

Details of investments in subsidiaries and associates are disclosed in note 18 and note 19 of the consolidated annual financial statements.

The following companies are subsidiaries of OGL:

- AlphaCode Proprietary Limited (100% held via RMI Treasury Company Limited)
- Additiv Proprietary Limited and Additiv Capital Proprietary Limited (100%) (was an associate prior to the prior financial year)
- Main Street 1353 Proprietary Limited (51% held directly and 49% held via OUTsurance Holdings Limited)
- OUTsurance Holdings Limited (92.83% actual holding)
- RMI Investment Holdings Proprietary Limited (100% held via RMI Treasury Company Limited)
- RMI Invest One Proprietary Limited (100% held via RMI Investment Holdings Proprietary Limited)
- RMI Invest Two Proprietary Limited (100% held via RMI Investment Holdings Proprietary Limited)
- RMI Invest Three Proprietary Limited (100% held via RMI Investment Holdings Proprietary Limited)
- RMI Invest Four Proprietary Limited (100% held via RMI Investment Holdings Proprietary Limited)
- RMI Invest Five Proprietary Limited (100% held via RMI Investment Holdings Proprietary Limited)
- RMI Invest Six Proprietary Limited (100% held via RMI Investment Holdings Proprietary Limited)
- RMI Investment Managers Affiliates 1 Proprietary Limited (100% held via RMI Investment Managers Group Proprietary Limited)
- RMI Investment Managers Group Proprietary Limited (100% held via RMI Treasury Company Limited)
- RMI Treasury Company Limited (100%)

R million	**Company 2026**	Company 2025
Related party transactions		
Transactions of OGL and its subsidiary companies with:		
Principal shareholders		
Dividends paid	**2 220**	1 660
Key management personnel		
Dividends paid on OGL shares held	**12**	9
Subsidiaries		
Effect on the statement of profit or loss:		
Dividends received		
– OUTsurance Holdings Limited	**4 303**	4 303
Management fee expense to OUTsurance Insurance Company Limited	**(6)**	(6)
Impairment loss		
– RMI Treasury Company Limited	**(1 248)**	(1 248)
– Main Street 1353 Proprietary Limited[1]	**–**	–
Effect on the statement of financial position:		
Return of capital distribution against the investment		
– RMI Treasury Company Limited	**(659)**	(718)
– Main Street 1353 Proprietary Limited	**(4)**	–

1 The current financial year amount is a credit below R500 000.

17. Events after the reporting period

Dividend

The board of directors approved the declaration of an ordinary dividend of 170.8 cents per ordinary share and a special dividend of 87.5 cents per ordinary share on 9 September 2026, payable on 5 October 2026. This is a non-adjusting event.

There are no other matters which are material to the financial affairs of the Company that occurred between the reporting date and date of the approval of the financial statements.

18. Current/non-current split of assets and liabilities

R million	Current	Non-current	Total
30 June 2026			
Assets			
Investment in subsidiaries	**–**	**12 532**	**12 532**
Financial assets measured at fair value through profit or loss	**–**	**10**	**10**
Cash and cash equivalents	**57**	**–**	**57**
Total assets	**57**	**12 542**	**12 599**
Liabilities			
Trade and other payables	**15**	**–**	**15**
Total liabilities	**15**	**–**	**15**
30 June 2025			
Assets			
Investment in subsidiaries	–	13 100	13 100
Financial assets measured at fair value through profit or loss	–	10	10
Financial assets measured at amortised cost	3	–	3
Cash and cash equivalents	201	–	201
Total assets	204	13 110	13 314
Liabilities			
Trade and other payables	12	–	12
Total liabilities	12	–	12

Shareholder information

	As at 30 June 2026			As at 30 June 2025		
	Number of shareholders	**Shares held (000's)**	**%**	Number of shareholders	Shares held (000's)	%
Analysis of shareholding						
Remgro	**1**	**469 449**	**30.3**	1	469 449	30.3
Royal Bafokeng Holdings	**2**	**196 935**	**12.7**	2	196 935	12.7
Public Investment Corporation	**14**	**157 778**	**10.2**	11	148 600	9.6
Total of shareholders holding more than 5%	**17**	**824 162**	**53.2**	14	814 984	52.6
Other	**31 640**	**723 966**	**46.8**	24 971	732 248	47.4
Total	**31 657**	**1 548 128**	**100.0**	24 985	1 547 232	100.0
Shareholder type						
Corporates		**666 384**	**43.0**		666 384	43.0
Unit trusts		**289 241**	**18.7**		310 848	20.1
Pension funds		**206 443**	**13.3**		198 523	12.8
Private investors		**47 307**	**3.1**		44 052	2.9
Insurance companies and banks		**56 230**	**3.6**		33 394	2.2
Other		**282 527**	**18.3**		294 031	19.0
Total		**1 548 128**	**100.0**		1 547 232	100.0
Public and non-public shareholders						
Public	**31 646**	**878 330**	**56.8**	24 973	877 477	56.8
Non-public	**11**	**669 798**	**43.2**	12	669 755	43.2
– Corporates	**2**	**666 384**	**43.0**	3	666 384	43.0
– Directors and associates	**9**	**3 414**	**0.2**	9	3 371	0.2
Total	**31 657**	**1 548 128**	**100.0**	24 985	1 547 232	100.0
Geographic ownership						
South Africa		**1 325 488**	**85.6**		1 260 644	81.5
International		**222 640**	**14.4**		286 588	18.5
Total		**1 548 128**	**100.0**		1 547 232	100.0

The information above is extracted from the shareholder analysis provided by Orient Capital Limited.

Glossary

Group companies

OGL
OUTsurance Group Limited (formerly Rand Merchant Investment Holdings Limited) is listed on the Johannesburg Securities Exchange (JSE).

OHL
OUTsurance Holdings Limited, the regulated insurance holding company.

Product

CTP
Compulsory Third-Party insurance issued only in Australia.

Accounting terminology

Premium allocation approach (PAA)
Simplified methodology to measure insurance contracts if certain criteria are met. The Group utilises this methodology to measure its property and casualty (short-term) insurance contracts.

General measurement model (GMM)
The default measurement model in IFRS 17 to measure insurance contracts. The Group utilised this measurement model to measure the insurance contracts issued by OUTsurance Life.

Liability For Remaining Coverage (LRC)
The Group's obligation to pay claims for insured events that have not yet occurred. It includes insurance service expenses for services not yet provided and amounts not included in the LIC.

Liability for Incurred Claims (LIC)
The Group's obligation to pay claims for an incurred insured event, incurred events but not yet reported, other insurance service expenses and amounts not included in the Liability for remaining coverage (LRC).

Asset for remaining coverage (ARC)
The services the Group is entitled to receive from the reinsurer for in-force contracts in future periods.

Asset for incurred claims (AIC)
The reinsurance recoveries the Group is entitled to receive from the reinsurer for incurred insured events.

Fulfilment Cash Flow (FCF)
A probability weighted present value estimate of future cash in- and outflows that arises as the Group fulfils the insurance contract. It includes a risk adjustment for non-financial risks.

Loss Component (LC)
Losses arising from onerous contracts under IFRS 17, where the present value of outflows plus risk adjustment exceeds the present value of inflows.

IFRS requirements
IFRS® Accounting Standards have been defined as IFRS® Accounting Standards (IFRS Accounting Standards).

Attributable expenses
Expenses that are directly attributable to fulfilling the insurance contract.

Non-attributable expenses
Expenses that are not directly attributable to fulfilling the insurance contract.

Insurance acquisition cash flows
Cash flows that originate when selling, underwriting and starting a group of insurance contracts. These cash flows are directly attributable to the insurance contract.

Risk adjustment for non-financial risk (RA)
The compensation the Group requires to take on the insurance risk in the contract.

Contractual service margin (CSM)
The CSM represents the unearned profit in a group of contracts that is measured using the GMM. The CSM is a component of the LRC and is released as the insurance contract services are delivered.

Insurance service expenses (ISE)
ISE includes incurred claims and expenses, the change in insurance liability relating to past claims and expenses as well as losses and reversal of losses on groups of contracts.

Weighted number of ordinary shares
Weighted number of ordinary shares in issue during the reporting period.

Regulatory terminology

Covered business
Business regulated by the Prudential Authority as long-term insurance business.

Own funds
The net asset value adjusted for regulatory remeasurement of assets and liabilities. Represents capital that qualifies for regulatory measurement.

Solvency capital requirement (SCR)/ Required capital
The amount of regulatory capital required as determined by the local regulatory authorities.

Management performance indicators

Annualised new business premium written
Annualised premium value of all new customer policies incepted during the period under review. This measure excludes the renewal of existing customer policies.

Combined ratio
Net claims expense including insurance finance expense (IFE) plus operating expenses (which includes both the non-attributable expenses and attributable expenses) divided by net earned premium. The ratio includes the profit share distributions to FirstRand Limited.

Cost-to-income ratio
Operating expenses (which includes both non-attributable and attributable expenses) divided by net earned premium. The ratio excludes the profit share distributions to FirstRand Limited.

Net claims expense
Insurance service expense (which includes non-claims bonus cost) plus insurance finance expense less reinsurance recoveries.

Net claims ratio
Net claims expense including insurance finance expense divided by net earned premium.

Net earned premium (NEP)
Insurance revenue less reinsurance premiums.

Normalised earnings
Normalised earnings adjustments are applied where the Group believes that certain transactions create a mismatch between the Group's accounting and economic performance. Normalised earnings is therefore considered to most accurately reflect the Group's economic performance.

Normalised return on equity (ROE)
Normalised earnings divided by average normalised ordinary shareholders equity.

Underwriting result
- Net earned premium
- less net claims expense
- add other income
- less marketing and administration expenses
- less profit share distribution.

Comprehensive Equity terminology

Comprehensive Equity (CE)
A non-IFRS, management -defined measure representing the estimated value attributable to shareholders from OUTsurance Life's in-force business and surplus assets. CE comprises IFRS net asset value, adjusted for shareholder-attributable CSM, partnership-attributable CSM under profit-sharing arrangements, and estimated tax on future profits. CE is provided as supplementary information and is not a measure defined or recognised under IFRS.

Value of new business (VNB)
The present value of the expected after-tax CSM arising at the point of sale in respect of new covered business contracts sold in the reporting period.

Our corporate information

OUTsurance Group Limited (OGL)

Registration number:	2010/005770/06
JSE ordinary share code:	OUT
ISIN code:	ZAE000314084

Directors

Chairman:	HL Bosman
Lead Independent:	K Pillay
Independent:	N Kahlon, K Kroll, MM Mahlare, ET Moabi, SV Naidoo, RSM Ndlovu, CML Taljaard, JA Teeger, JE van Heerden, RD Werbeloff (Govender)
Non-executive:	JJ Durand, A Kekana, WT Roos
Executive:	MC Visser *(CEO)*, JH Hofmeyr *(CFO)*
Alternates:	UH Lucht, CPF Vosloo

Mr F Knoetze retired as an alternate non-executive director on 31 January 2026 and Mr CPF Vosloo was appointed as alternate non-executive director with effect from 1 February 2026.

Ms K Kroll, Ms N Kahlon, Ms RD Werbeloff (Govender) and Mr CML Taljaard were appointed as independent non-executive directors on 17 August 2026.

Secretary and registered office

JS Human

Physical address:	1241 Embankment Road, Zwartkop Ext 7, Centurion, South Africa, 0157
Postal address:	PO Box 8443, Centurion, South Africa, 0046
Contact:	investorrelations@out.co.za
Web address:	https://group.outsurance.co.za/

Sponsor

(in terms of JSE Listings Requirements)

Rand Merchant Bank
(a division of FirstRand Bank Limited)

Physical address:	1 Merchant Place, Corner of Fredman Drive and Rivonia Road, Sandton, 2196
Contact:	investorrelations@out.co.za
Web address:	https://group.outsurance.co.za/

Transfer secretaries

Computershare Investor Services Proprietary Limited

Physical address:	Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196
Postal address:	Private Bag X9000, Saxonwold, 2132
Telephone:	+27 11 370 5000
Telefax:	+27 11 688 5221

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