ANNUAL FINANCIAL STATEMENTS 2026

sasria SOC LTD



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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Registration Number:
1979/000287/30

These annual financial statements were prepared under the supervision of:

Dirk Kunz CA(SA)
Chief Financial Officer

The annual financial statements have been audited
in compliance with section 30 of the Companies Act 71 of 2008 of South Africa



PROTECTING POSSIBILITY
BUILDING RESILIENCE BEYOND THE CLAIM

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Approval of the annual financial statements

The Board, assisted by its Audit Committee, is responsible for the preparation, integrity and fair presentation of the annual financial statements. The external auditors are responsible for independently reviewing and reporting on the annual financial statements.

The annual financial statements set out in this report have been prepared by management in accordance with the provisions of the Companies Act, 2008 (Act No. 71 of 2008) (Companies Act) and the Public Finance Management Act (Act No.1 of 1999) (PFMA) and comply with IFRS Accounting Standards and the South African Reporting Requirements. They are based on appropriate accounting policies that have been consistently applied and are supported by reasonable and prudent judgements and estimates.

The going concern basis was adopted in preparing the annual financial statements. The directors have no reason to believe that the Company will not be a going concern in the foreseeable future based on forecasts and available cash resources. The Company's viability is supported by the annual financial statements.

The Company's internal controls and systems are designed to provide reasonable assurance on the integrity and reliability of the annual financial statements and to adequately safeguard, verify and maintain accountability of assets. Such controls are based on established written policies and procedures that are monitored throughout the Company and all employees are required to maintain the highest ethical standards in ensuring that the Company's business practices are conducted in a manner that in all reasonable circumstances is above reproach.

These financial statements have been audited in compliance with the requirements of section 30(2)(a) of the Companies Act 71 of 2008 by the Company's auditors, Forvis Mazars and Growthstone Assurance Inc.

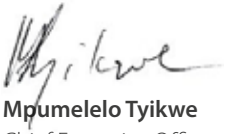
The auditor was given unrestricted access to all financial records and related data, including minutes of meetings with the shareholder, the Board and Board committees. The Board is satisfied with the integrity of all information and representations made to the independent auditor during their audit. The unqualified audit report is presented on page 12.

The Board, assisted by its committees, also considered and approved the issues material to Sasria's continued sustainability, which included key non-financial outcomes attributable to or associated with stakeholders other than the shareholder. It has considered the risks, opportunities and material matters. The directors have not noted anything to indicate that there was any material breakdown in the functioning of internal controls, systems and procedures during the year under review. The directors are of the opinion that Sasria's risk management process is effective.

The Company's annual financial statements for the year ended 31 March 2026, set out on pages 21 to 74, were approved by the Board of Directors in accordance with their responsibilities and were signed on their behalf by:



Dr Nolwandle Mgoqi-Mbalo
Chairperson
27 August 2026



Mpumelelo Tyikwe
Chief Executive Officer
27 August 2026

Company Secretary's certificate

In accordance with section 88(2)(e) of the Companies Act 71 of 2008 as amended (the Act), it is hereby certified that the Company has lodged with the Companies and Intellectual Property Commission, all such returns required of a public company in terms of the Act and that such returns are true, correct and up to date.



Mziwoxolo Mavuso
Company Secretary
27 August 2026

Directors' report

The directors are pleased to submit the annual financial statements of Sasria SOC Limited (Sasria) for the year ended 31 March 2026.

Nature of the business

Sasria is the short-term insurer that offers special risk cover to all individuals and businesses that own assets in South Africa, as well as government entities.

This is unique cover against risks such as civil commotion, public disorder, strikes, riots and terrorism, making South Africa one of the few countries in the world that provides this insurance, particularly at affordable premiums.

By enabling businesses to restore their liquidity or operations quickly and efficiently after experiencing loss or damage due to special risk events, Sasria plays a significant role in preventing job losses, maintaining livelihoods, restoring pride and dignity and facilitating economic stability.

As a state-owned company, Sasria has a legislative mandate that governs day-to-day business operations and a broader strategic mandate to make a positive contribution to transformation within the industry and South Africa.

There have been no material changes to the nature of the Company's business during the year.

Financial affairs

The statement of comprehensive income of the Company shows a net profit after tax of R5.19 billion for the year ended 31 March 2026 compared to a net profit after tax of R4.47 billion for the previous year. The annual financial statements for the year ended 31 March 2026 appear on pages 21 to 74 and comply with IFRS Accounting Standards and the requirements of the Companies Act and PFMA and the South African Reporting Requirements.

Dividends

Sasria has adopted a dividend policy that aligns dividend declarations with the Company's strategic objectives, risk appetite, current and future capital requirements, and shareholder expectations. The policy also ensures compliance with regulatory and statutory requirements as well as prudent financial and capital management practices. Having considered these factors, the Board did not declare a dividend during the financial year ended 31 March 2026 (2025: Rnil).

Share capital

There were no changes to the authorised shares or issued shares during the financial year. The number of authorised shares remained unchanged at 1 000 000 (2025: 1 000 000) and issued shares remained at 220 001 (2025: 220 001). Further details regarding the authorised and issued shares are disclosed in note 11 to the annual financial statements.

Performance information

The table below sets out the actual performance of the Company's Key Performance Indicators (KPIs) against the targets as per the shareholder compact. The indicators were carefully chosen to measure progress across core business functions, strategic initiatives, and service delivery expectations.

PERFORMANCE INFORMATION FOR THE PERIOD ENDED 31 MARCH 2026						
STRATEGIC OBJECTIVE/ PILLAR	**WEIGHTING**	**KEY PERFORMANCE INDICATOR**	**PERFORMANCE TARGET**	**BUDGET PERIOD ENDED 31 MARCH 2026**	**ACTUAL PERFORMANCE**	**VARIANCES FOR THE PERIOD AND ACTION PLANS**
Deliver sustainable growth / Sustainable growth	10%	Premium growth (GWP) - Percentage growth of gross written premium income compared to the previous financial year	8%	Budgeted GWP: R6.2 billion.	KPI achieved. Actual GWP current year: R6.4 billion Actual GWP prior year: R5.9 billion. GWP is 9.2% above prior year.	Variance: None
Deliver sustainable growth / Optimise investment returns	10%	Investment returns - Percentage of net investment income for the year divided by average assets under management for the year	CPI + 2,5%	Budgeted net investment income: R1.1 billion.	KPI achieved. The portfolio has exhibited a gross return of 7.51% compared to CPI +2.5% of 5.47% on a 1-year basis Net investment income for the period amounted to R1.3 billion.	Variance: None
Deliver sustainable growth /Sustainable growth	10%	Combined Ratio – Net insurance service result less CAT event claims (where the CAT event exceeded R2 billion in claims) plus the XoL premium less other operating expenses divided by Insurance revenue.	80%	Budgeted net insurance service result less CAT event claims (where the CAT event exceeded R2 billion in claims) plus the XoL premium less other operating expenses: R1.7 billion.	KPI achieved. Actual percentage: 40.0%	Variance: None

PERFORMANCE INFORMATION FOR THE PERIOD ENDED 31 MARCH 2026						
STRATEGIC OBJECTIVE/ PILLAR	**WEIGHTING**	**KEY PERFORMANCE INDICATOR**	**PERFORMANCE TARGET**	**BUDGET PERIOD ENDED 31 MARCH 2026**	**ACTUAL PERFORMANCE**	**VARIANCES FOR THE PERIOD AND ACTION PLANS**
Deliver sustainable growth /Sustainable growth	10%	Operational efficiency -Expenses for administration and marketing (less depreciation, amortisation and performance bonuses) as a percentage of GWP	6-7%	Included in the budget	KPI achieved. Actual operating efficiency ratio for the reporting period is 5.1%.	Variance: None
Secure Capital to run the business / Maximise building of reserves	10%	Level of Equity – Equity line in balance sheet	R20 252 million	Budgeted Equity balance: R20.3 billion	KPI achieved. Actual equity balance as at 31 March 2026 is R23.8 billion	Variance: None
Provide desired solutions to customers / Increase policyholder satisfaction	7.5%	Claims overturned by the ombudsman – Claims overturned by the National Financial Ombudsman (NFO) for Short-term Insurance	≤0.5%	Included in the budget	KPI achieved. No overturns during the financial year. (0%) Three (3) NFO complaints received against the total number of 789 claims received during the financial year. NFO ruled against the insured and removed one (1) claim.	Variance: None.
Provide desired solutions to customers / Increase agent company / broker satisfaction	7.5%	Net promoter score - Net promoter score as per annual surveys	55	Included in the budget	KPI achieved. Achieved 68 Net promoter score	Variance: None

PERFORMANCE INFORMATION FOR THE PERIOD ENDED 31 MARCH 2026						
STRATEGIC OBJECTIVE/ PILLAR	**WEIGHTING**	**KEY PERFORMANCE INDICATOR**	**PERFORMANCE TARGET**	**BUDGET PERIOD ENDED 31 MARCH 2026**	**ACTUAL PERFORMANCE**	**VARIANCES FOR THE PERIOD AND ACTION PLANS**
Create capabilities to optimise performance / Improve cost control; efficiency of the claims process	10%	Claims effectiveness & efficiency - Average Claims Turnaround time	85%	Included in the budget	KPI achieved. Average Claims Turnaround time for the reporting period is 93%.	Variance: None
Create capabilities to optimise performance / Employee Retention	10%	Employee turnover rate - Turnover rate of all employees	≤10%	Included in the budget	KPI achieved. The turnover rate for the period is 9,96%.	Variance: None
Transform the financial services industry/Socio-Economic Development (SED)	10%	B-BBEE scorecard element: SED - Number of points scored in terms of the B-BBEE scorecard for SED as per the Financial Sector Code	4	Included in the budget.	KPI Not achieved. Number of points scored in terms of the B-BBEE scorecard for SED as per the Financial Sector Code is 2.5	2.45 points were achieved on the SED Contributions, only 0.5 points were achieved on the Consumer Education Contributions, and no bonus points were earned.
Business as usual/ Create Capabilities to Optimise Performance	5%	Irregular, fruitless, and wasteful expenditure - Reported in the annual financial statements	Nil	Included in the budget	KPI not achieved. Budgeted Fruitless and wasteful expenditure: R0. Actual Fruitless and wasteful expenditure YTD: R30 550 291 Budgeted irregular expenditure: R0. Actual irregular expenditure YTD: R2 735 666	The fruitless and wasteful expenditure relates to an overpayment of a supplier, event non-attendance cost and interest paid to SARS. The irregular expenditure relates to payments made to unapproved auto-renewed contracts and an unapproved sole source appointment.

Directors and Company Secretary

During the year under review, no contracts were entered into in which directors of the Company had an interest.

As at the date of this report, the directors of the Company were as follows:

Chairperson and independent non-executive director
Dr Nolwandle Mgoqi-Mbalo

Independent non-executive directors
Reginald Haman
Margaret Phiri
Deshni Subbiah
Johannes Venter
Nkhumeleni Musekwa
Afika Macingwane
Vuyelwa Matsiliza
Mmathabo Sukati
Nomusa Mufamadi

Executive directors
Mpumelelo Tyikwe (Chief Executive Officer)

The Company Secretary is Mziwoxolo Mavuso, and his business and postal addresses appear on the inside back cover of these annual financial statements.

Movement of directors during the financial year

Non-executive directors
Sathie Gounden[1]
Japhtaline Maisela[1]
Desmond Marumo[1]
Nkhumeleni Musekwa[2]
Afika Macingwane[2]
Vuyelwa Matsiliza[2]
Mmathabo Sukati[2]
Nomusa Mufamadi[2]

Notes:
[1] Term Ended on 04 March 2026
[2] Appointed on 04 March 2026

Shareholder's special resolutions
The following special resolutions were passed by the Company during the year:

- Approval of remuneration of executive directors and executive managers of Sasria; and
- Approval of an annual inflationary adjustment on the remuneration of non-executive directors.

Regulatory matters

The Audit Committee and Risk Committee discharged all functions delegated to them in terms of their mandate and section 94(7) of the Companies Act.

Auditor

Forvis Mazars and Growthstone Assurance Inc. were appointed as Sasria's external auditors for the year ended 31 March 2026.

Subsequent events

No significant events have occurred between the reporting date and the date of signature. Please refer to note 31 of the annual financial statements.

Going concern

The Board believes that the Company will continue as a going concern in the year ahead and, consequently, adopted the going concern basis in preparing the annual financial statements. Factors that were considered by the Board when conducting the going concern assessment are disclosed in note 32 of the annual financial statements.

Audit Committee report

For the year ended 31 March 2026

The Audit Committee is pleased to present its report for the year ended 31 March 2026.

Audit Committee responsibilities

The Audit Committee has complied with its responsibilities arising from section 51 of the PFMA, Treasury Regulation 27.1 and the Companies Act. In addition, the Audit Committee has adopted appropriate formal terms of reference as its Audit Committee charter, which have been approved by the Board. It has also regulated its affairs in compliance with this charter and discharged all its responsibilities in the charter.

Membership

The Audit Committee is an independent statutory committee whose members are appointed at the annual general meeting by the shareholder.

The Audit Committee consists of the following non-executive directors:

Margaret Mosibudi Phiri (Chairperson)
Reginald Haman
Deshni Subbiah
Johannes Jacobus Venter

Combined assurance

King IV recommends a combined assurance model to enable an effective control environment to strengthen decision-making. Sasria has addressed this. Horizontal assurance includes internal audit, risk, compliance and head of actuarial function (HAF), while vertical assurance comprises line managers. The Audit Committee ensures that the assurance functions of management and internal and external audit are sufficiently integrated. The Audit Committee reviewed and approved the annual combined assurance plan and is satisfied with the combined assurance model arrangements in place.

Effectiveness of internal controls

The system of internal controls is designed to provide cost-effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. The effectiveness of internal controls and the system of internal controls were reviewed principally through a process of management self-assessment, including formal confirmation per representation letters by executive management. Other relevant input to the review included reports from Sasria's internal and external auditors, as well as its compliance and enterprise risk management processes. Where necessary, programmes for corrective action have been initiated. Nothing material has come to the attention of the Audit Committee, or to the attention of the internal auditors, to indicate that any material breakdown in the functioning of the internal controls and systems (which includes the internal financial controls) occurred during the period under review.

Effectiveness of internal audit

Internal audit remains a pivotal part of governance relating to assurance. Internal audit is an effective independent appraisal function using a risk-based audit approach. The internal audit function is relied on to contribute not only insight into the organisation, but foresight. The effectiveness of the internal audit function and the Chief Audit Executive are assessed annually by the Audit Committee and further tested through an external quality assessment review in line with international standards for the professional practice of internal auditing. The Chief Audit Executive has direct access to the chairpersons of the Audit Committee and the Board. The Audit Committee is satisfied with the independence and effectiveness of internal audit.

Enterprise risk management

The Board considers reports on the effectiveness of risk management activities. A strategic and operational risk assessment was conducted for the year under review. The Audit Committee reviewed the risk registers quarterly.

Quality of monthly and quarterly reports

The Audit Committee is satisfied with the content and quality of the reports prepared and submitted to it by Sasria management.

Regulatory compliance

The Audit Committee is satisfied with Sasria's compliance with the applicable legal, regulatory and other responsibilities.

Independent external audit

The external auditor is appointed for a five-year term. Each year of its five-year term, the auditor is assessed and formally reappointed. The Minister of Finance appointed Forvis Mazars and Growthstone Assurance Inc. as Sasria's external auditors for the 2026 financial year. In line with the Companies Act, the Audit Committee reviewed and is satisfied with the independence, skills and competence of the external auditors.

To assess the effectiveness of the external auditor, the Audit Committee reviewed:

- The fulfilment of the agreed audit plan and variations from the plan; and
- The robustness of the external auditors in their handling of key accounting and audit judgements.

In overseeing the external audit process, the Audit Committee reviewed:

- The areas of responsibility and scope of the audit;
- Issues that arose from the audit and their resolution;
- Key accounting and audit judgements; and
- Recommendations made by the external auditor and management's response.

The Audit Committee is satisfied with the audit work of the external auditors.

Effectiveness of finance function

The effectiveness of the Chief Financial Officer and the finance function are assessed annually. The Audit Committee believes that Mr Dirk Kunz CA(SA) has the appropriate expertise and experience to meet the responsibilities of the role.

Furthermore, the committee has considered and satisfied itself of the appropriateness, adequacy and effectiveness of the resources of the finance function.

Evaluation of financial statements in accordance with the framework

The Audit Committee reviewed and discussed with the external auditors and the Chief Financial Officer queries relating to the audited annual financial statements to be included in the integrated report.

Based on the processes and assurance obtained, the Audit Committee believes that the accounting practices applied in the period under review were effective.

The Audit Committee concurs with and accepts the opinion of the external auditor regarding the annual financial statements and is of the opinion that the audited annual financial statements should be accepted and read together with the report of the independent auditor.

Review of the annual financial statements

The Audit Committee reviewed the annual financial statements for the year ended 31 March 2026 and confirms that management is presenting an appropriate view of the Company's position and performance. Based on the information provided by management and the results of audits performed by the internal and external auditors, the Audit Committee verifies that the financial information provided by management to the users of such information is adequate, reliable and accurate. External auditors audited the annual financial statements.

IT governance

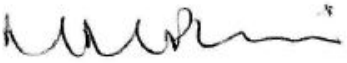
The Board's accountability for governance of information and technology (IT) is delegated to the Audit Committee. The Committee's responsibilities include ensuring that the IT strategy supports Sasria's strategic objectives and IT investments are made within acceptable risk parameters, enabling achievement of compliance and business cyber resilience. IT performance is monitored through quarterly reports submitted to the Audit Committee.

Conclusion

Based on information provided by management, the internal and external auditors, the Audit Committee considers that these statements comply, in all material respects, with the requirements of the PFMA, and the basis of preparation as set out in the accounting policies in note 1 to the annual financial statements. The Audit Committee concurs that adopting the going concern assertion in preparing the annual financial statements is appropriate.

The Audit Committee recommended the approval of the annual financial statements to the Board.

Signed on behalf of the Audit Committee,



Margaret Phiri
Audit Committee Chairperson
19 August 2026

Independent Auditor's Report

forvis mazars

Independent Auditor's report to Parliament on Sasria SOC Limited

Report on the audit of the financial statements

Opinion

1. We have audited the financial statements of Sasria SOC Limited (the public entity) set out on pages 21 to 74 which comprise the statement of financial position as at 31 March 2026, statement of comprehensive income, statement of changes in equity and statement of cash flows, for the year then ended, as well as notes to the financial statements, including material accounting policy information.

2. In our opinion, the financial statements present fairly, in all material respects, the financial position of Sasria SOC Limited as at 31 March 2026, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Companies Act 71 of 2008 (Companies Act of South Africa).

Basis for opinion

3. We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

4. We are independent of the public entity 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)*.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Final Materiality

7. The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error, and they are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

8. Our determination of materiality is a matter of professional judgement and is affected by our perception and understanding of the financial information needs of intended users, which is the quantitative and qualitative factors that determine the level at which relevant decisions taken by users would be affected by a misstatement. These factors helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

9. Based on our professional judgement, we determined final materiality for the financial statements as follows:

Final materiality amount	R231 million
Basis for determining materiality	1% of adjusted total assets has been used as the basis for determining final materiality.
Rationale for benchmark applied	The public entity provides special risk insurance to a wide range of policyholders such as municipalities, businesses, private organisations and individuals that own assets within the borders of South Africa. Total assets were considered the most appropriate benchmark given the nature of the public entity's operations and the importance of its financial position and claims-paying ability to stakeholders. In determining the materiality figure, we excluded the deferred tax asset of R2.9 billion from the total asset value of R26 billion as the deferred tax asset was recognised predominantly as a result of the utilisation of losses arising from the July 2021 KwaZulu-Natal riots, which were deemed to be a once-off event. A benchmark of 1% was selected based on our professional judgement, taking into consideration the regulatory environment within which the public entity operates, its state ownership, compliance requirements, and the oversight exercised by the National Treasury and the Minister of Finance.

Key audit matters

10. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion, and we do not provide a separate opinion on these matters.

11. In terms of the EAR Rule, we are required to also report the outcome of audit procedures or key observations with respect to the key audit matters.

Key audit matter	How the matter was addressed in the audit
Valuation of insurance contract liabilities and reinsurance contract assets – refer to accounting policy 2.7 and note 9	
As at 31 March 2026, the public entity recorded insurance contract liabilities amounting to R1,905 million and reinsurance contract assets of R1,866 million. Insurance contract liabilities and reinsurance contract assets are measured using the premium allocation approach in accordance with IFRS 17 *Insurance Contracts* (IFRS 17). Insurance contract liabilities and reinsurance contract assets are comprised of the liability for remaining cover ("LRC") and liability for incurred claims ("LIC") components. Under the LRC this includes the best estimate liability ("BEL"), risk adjustment ("RA") and contract service margin ("CSM"). Under the LIC this includes the incurred but not reported ("IBNR") reserves, outstanding claims reserves ("OCR"), unallocated loss adjustment expense ("ULAE") and RA. A high degree of judgement and estimation is required in determining the value of insurance contract liabilities and reinsurance contract assets to be recognised in the financial statements. This involves careful selection of actuarial methods and assumptions concerning the present value of expected future cash flows and the risk adjustment for non-financial risks, collectively comprising the LIC. The most significant inputs in determining the LIC are the expected loss ratio, the discount rates and the risk adjustment. The public entity applies the selected development factors for the basic chain ladder and Bornhuetter-Ferguson methods in the measurement of insurance contract provisions. Expected cost of future claims are determined by means of historic claims triangulations and discounted at a term dependent rate back to the reporting date of the public entity. The discount rate is determined using the bottom-up approach from the risk-free yield curve published by the Prudential Authority plus an illiquidity premium where applicable. The public entity determines the risk adjustment using a confidence level approach (value to risk), calibrated to the technical reserves being	Our audit procedures, amongst others, included the following: • We obtained an understanding of the processes related to the valuation of insurance contract liabilities and reinsurance contract assets, including the relevant key controls within those processes; • We tested the reliability, completeness, and accuracy of the underlying data inputs used by the public entity's actuaries as the basis for the underlying IFRS 17 estimates and year-end valuations by agreeing selected information to supporting records and source documentation; • We assessed the appropriateness of management's valuation methodology for compliance with IFRS 17 and the most recent applicable actuarial guidance, and compared the methodology to standard actuarial practices and industry standards; • With the assistance of our actuarial experts, we obtained management's calculations of the insurance contract liabilities and reinsurance contract assets from management and performed the following procedures: ➢ We assessed the reasonableness of the insurance contract liabilities and reinsurance contract assets by reviewing reserve movements between reporting periods. For a sample of contracts, we independently recalculated selected line items to verify that the movements were accurately stated and compared the results to those of the public entity's actuarial team and relevant industry models. Where recalculations were not feasible due to the complexity of the calculations, we performed reasonableness assessments of the relevant line items; ➢ We assessed the reasonability of identified significant assumption changes, including the sensitivity analysis, by evaluating the selected reserving methodologies, the development outlier criteria applied, as well as the discount rate used by management based on historical approaches used by the public entity and updated using more recent data;

Key audit matter	How the matter was addressed in the audit
Valuation of insurance contract liabilities and reinsurance contract assets – refer to accounting policy 2.7 and note 9	
held between the mean and 75th percentile as at 31 March 2026. We considered the valuation of insurance contract liabilities and reinsurance contract assets to be a matter of most significance to our current year audit of the financial statements due to: - The significant judgements and high degree of estimation uncertainty inherent in the valuation of insurance contract liabilities and reinsurance contract assets; - The complexity of the actuarial models and methodologies applied; and - The significance of these balances in the financial statements.	➢ We assessed the appropriateness of management's data and assumptions applied in determining the RA; and • We assessed the appropriateness of the disclosures in note 9 to the financial statements against the requirements of IFRS 17. Our observation: Based on our procedures performed, we found management's overall assessment relating to the valuation of insurance contract liabilities and reinsurance contract assets within acceptable range and adequately disclosed in notes 2.7 and 9 to the financial statements.

Responsibilities of the accounting authority for the financial statements

12. The board of directors, which constitutes the accounting authority, is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the PFMA and the Companies Act and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

13. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the accounting authority either intends to liquidate the public entity or to cease operations or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

14. Our objectives are to obtain reasonable assurance about whether the 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 the 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

15. A further description of our responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at pages 19 to 20, forms part of our auditor's report.

Report on the audit of the annual performance report

16. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, we must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected objectives presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.

17. We selected the following objectives presented in the annual performance report for the year ended 31 March 2026 for auditing. We selected objectives that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

Objectives	Purpose
Deliver sustainable growth/ Sustainable growth	Premium growth (GWP) - Percentage growth of gross written premium income compared to the 2024/2025 financial year. Operational efficiency - Expenses for administration and marketing (less depreciation, STI and LTI) as a percentage of GWP.
Deliver sustainable growth/Optimise investment returns	Investment returns - Percentage of net investment income for the year divided by average assets under management for the year.
Provide desired solutions to customers/Increase policyholder satisfaction	Claims overturned by the ombudsman – Claims overturned by the National Financial Ombud Scheme (NFO) for Short-term
Create capabilities to optimise performance/Improve cost control; efficiency of the claims process	Claims effectiveness & efficiency - Average claims turnaround time.
Create capabilities to optimise performance/Employee Retention	Employee turnover rate - Turnover rate of all employees

18. We evaluated the reported performance information for the selected objectives against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.

19. We performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that we can confirm the methods and processes to be used for measuring achievements

- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable
- there is adequate supporting evidence for the achievements reported

20. We performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

21. We did not identify any material findings on the reported performance information for the selected objectives.

Other matter

22. We draw attention to the matter below.

Achievement of planned targets

23. The annual performance report includes information on reported achievements against planned targets and provides explanations for under achievements.

Report on the audit of compliance with legislation

24. In accordance with the PAA and the general notice issued in terms thereof, we must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.

25. We performed procedures to test compliance with selected requirements in key legislation in accordance with the Auditor-General of South Africa (AGSA) findings engagement methodology. This engagement is not an assurance engagement. Accordingly, we do not express an assurance opinion or conclusion.

26. Through an established AGSA process, we selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

27. We did not identify any material non-compliance with the selected legislative requirements.

Other information in the financial statements

28. The accounting authority is responsible for the other information. The other information comprises the information included in the document titled "Sasria Soc Limited Annual Financial statements for the year ended 31 March 2026", which includes the audit committee report, company secretary's certificate and directors' report as required by the Companies Act. The other information does not include the financial statements, the auditor's report and those selected objectives presented in the annual performance report that have been specifically reported on in this auditor's report.

29. Our opinion on the financial statements and our findings on the reported performance information and the report on compliance with legislation do not cover the other information and we do not express an audit opinion or any form of assurance conclusion on it.

30. In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objectives presented in the annual performance report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

31. If based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report that fact. We have nothing to report in this regard.

Internal control deficiencies

32. We considered internal control relevant to our audit of the financial statements, annual performance report and compliance with applicable legislation; however, our objective was not to express any form of assurance on it. We did not identify any significant deficiencies in internal control.

Other reports

33. We draw attention to the following engagements conducted by various parties. These reports did not form part of our opinion on the financial statements or our findings on the reported performance information or compliance with legislation.

34. We were engaged to perform the following audit-related services:

    Audit and review of the quantitative reporting template in compliance with the Insurance Act, 2017 for the year ended 31 March 2026. This report was issued on 31 August 2026.

Auditor tenure

35. In terms of the IRBA Rule published in Government Gazette No. 39475 dated 4 December 2015, we report that Forvis Mazars has been the auditor of Sasria SOC Limited for 3 years.

Forvis Mazars

Forvis Mazars
Partner: Riana Groenewald
Registered Auditor
31 August 2026
Cape Town

Annexure to the auditor's report

The annexure includes the following:

- the auditor's responsibility for the audit
- the selected legislative requirements for compliance testing.

Auditor's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism throughout our audit of the financial statements and the procedures performed on reported performance information for selected objectives and on the public entity's compliance with selected requirements in key legislation.

Financial statements

In addition to our responsibility for the audit of the financial statements as described in this auditor's report, we also:

- identify and assess the risks of material misstatement of the 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 public entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity 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 financial statements about the material uncertainty or, if such disclosures are inadequate, to modify our opinion on the financial statements. Our conclusions are based on the information available to us at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

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

From the matters communicated to those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the current period and are therefore key audit matters. We describe these matters in this 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 this auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 49(1); 50(3)(a); 50(3)(b); 51(1)(a)(ii); 51(1)(a)(iii); 51(1)(b)(i); Section 51(1)(b)(ii); 51(1)(e)(iii); 52(b); 53(4) Section 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); Section 55(1)(c)(i); 57(b); 66(3)(b)
Treasury Regulation, issued under the Public Finance Management Act 1 of 1999	TR 16A9.1(b)(ii); 16A9.1(e); 16A9.1(f); 27.1.1; 27.1.3; 27.1.4; 27.1.8(a); 27.1.8(b); 27.1.8(c); 27.1.8(d); 27.1.8(e); 27.1.8(f); 27.1.8(g); 27.2.2; 27.2.7(a); 27.2.7(c); 27.2.7(d); 29.1.1; 29.1.1(a); 29.1.1(c); 29.2.1; 29.2.2; 29.3.1; 30.2.1; 31.1.2(c); 33.1.1; 33.1.3;
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations 2022	Regulation 4.1; 4.2; 4.3; 4(4); 5.1; 5.2; 5.3; 5(4)
Companies Act	Section 45(2); 45(3)(a)(ii); 45(3)(b)(i); 45(3)(b)(ii); 45(4); 46(1)(a); 46(1)(b); 46(1)(c) Section 69(2); 69(7); 69(8); Section 72(4)(a); 75(6); 86(1); 86(4) Section 88(2)(d) Section 112(2)(a); 129(7);
Companies Regulations, 2011, issued under the Companies Act 71 of 2008	Regulation 43(2)(a)
Instruction note No. 4 of 2022/2023: PFMA Compliance and Reporting Framework	Paragraph 4.12; 4.15
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

Statement of financial position

As at 31 March 2026

	Note	2026 R'000	2025 R'000
Assets			
Intangible assets	6	36 400	46 950
Property and equipment	5	13 279	17 743
Deferred tax	14	2 923 313	2 050 210
Financial assets			
Financial assets at fair value through profit and loss	7.1	16 031 512	10 681 981
Financial assets at amortised cost	7.2	710 232	640 722
Reinsurance contracts assets	9	1 866 412	1 583 166
Prepayments	8.1	18 107	17 134
Cash and cash equivalents	10	4 420 451	5 875 721
Total assets		**26 019 706**	**20 913 627**
Equity			
Share capital	11	22 000 000	22 000 000
Retained earnings/ (Accumulated losses)		1 799 464	(3 388 476)
Total equity		**23 799 464**	**18 611 524**
Liabilities			
Lease liability	5.1	9 960	13 728
Insurance contracts liabilities	9	1 905 045	2 061 759
Reinsurance contracts liabilities	9	55 595	32 775
Employee benefit liability	13	51 140	46 761
Current tax payable	28	18 451	19 233
Payables	12	180 051	127 847
Total liabilities		**2 220 242**	**2 302 103**
Total equity and liabilities		**26 019 706**	**20 913 627**

Statement of comprehensive income

For the year ended 31 March 2026

	Note	2026	2025
		R'000	R'000
Insurance revenue	16	6 255 131	5 759 562
Insurance service expenses	17, 22 & 23	(1 766 170)	(2 218 074)
Insurance service result		**4 488 961**	**3 541 488**
Insurance expenses for reinsurance contracts held	18	(1 175 925)	(812 534)
Insurance service income for reinsurance contracts held	18	42 281	220 305
Net reinsurance expense		**(1 133 644)**	**(592 229)**
Net insurance service result		**3 355 317**	**2 949 259**
Investment income	21	1 359 633	1 283 758
Expenses for investment-related activities	22	(23 359)	(16 443)
Net investment income		**1 336 274**	**1 267 315**
Finance income/ (expenses) from insurance contracts	19	(72 428)	(75 380)
Finance income/ (expenses) from reinsurance contracts	20	26 066	13 956
Net insurance finance income/ (expenses)		**(46 362)**	**(61 424)**
Net insurance and investment result		**4 645 229**	**4 155 150**
Other income		1 386	1 092
Other operating expenses	22 & 23	(73 020)	(49 577)
Income/expenses from non-attributable operations		**(71 634)**	**(48 485)**
Profit before other finance cost and tax		**4 573 595**	**4 106 665**
Other finance costs	22.2	(2 580)	(119)
Profit before tax		**4 571 015**	**4 106 546**
Taxation	24	616 925	362 437
Profit for the year		**5 187 940**	**4 468 983**
Other comprehensive income		-	-
Total comprehensive income for the year		**5 187 940**	**4 468 983**

Statement of changes in equity

For the year ended 31 March 2026

	Share capital	Retained earnings/ (Accumulated losses)	Total equity
	R'000	R'000	R'000
Balance at 1 April 2024	**22 000 000**	**(7 857 459)**	**14 142 541**
Profit for the year	-	4 468 983	4 468 983
Other comprehensive income for the year	-	-	-
Balance at 31 March 2025	**22 000 000**	**(3 388 476)**	**18 611 524**
Profit for the year	-	5 187 940	5 187 940
Other comprehensive income for the year	-	-	-
Balance at 31 March 2026	**22 000 000**	**1 799 464**	**23 799 464**
	Note 11		

Statement of cash flows

For the year ended 31 March 2026

	Note	2026 R'000	2025 R'000
Cash flows from operating activities			
Cash generated from operations	27	2 761 602	2 369 607
Dividends received		7 801	2 930
Interest received		1 205 764	1 177 063
Interest paid		(31 714)	(1 542)
Income tax paid	28	(256 960)	(236 505)
Net cash flow from operations		**3 686 493**	**3 311 553**
Cash flows from investing activities			
Purchase of property and equipment	5	(3 189)	(4 699)
Proceeds on disposal of property and equipment		178	464
Purchases relating to intangible assets	6	-	(439)
Purchase of financial assets		(5 134 984)	(2 960 195)
Net cash flow used in investing activities		**(5 137 995)**	**(2 964 869)**
Cash flows from financing activities			
Cash payment relating to principal lease liability	5.1	(3 768)	(3 092)
Net cash flow used in financing activities		**(3 768)**	**(3 092)**
Net increase in cash and cash equivalents		**(1 455 270)**	**343 592**
Cash and cash equivalents at the beginning of the year	10	5 875 721	5 532 129
Cash and cash equivalents at the end of the year	**10**	**4 420 451**	**5 875 721**

1. Introduction

Sasria is a state-owned company incorporated and domiciled in the Republic of South Africa. Sasria underwrites short-term insurance risks generally not covered by a traditional insurance company. These risks include loss of or damage to property, directly related to or caused by:

- Any act (whether on behalf of any organisation, body or person, or group of persons) calculated or directed to overthrow or influence any state or government, or any provincial, local, or tribal authority with force, or by means of fear, terrorism or violence;
- Any act which is calculated or directed to bring about loss or damage in order to further any political aim, objective or cause, or to bring about any social or economic change, or in protest against any state or government, or any provincial, local or tribal authority, or for the purpose of inspiring fear in the public, or any section thereof; or
- Any riot, strike or public disorder, or any act or activity which is calculated or directed to bring about a riot, strike or public disorder.

These products are offered to policyholders in the domestic market only.

1.1 Statement of compliance

The annual financial statements are prepared in accordance with the requirements of the Companies Act 71 of 2008, the Public Finance Management Act 1 of 1999 (PFMA), and IFRS Accounting Standards issued and effective at the time of preparing these Annual Financial Statements as well as all relevant Reporting Requirements applicable in South Africa.

1.2 Basis of presentation

The annual financial statements have been prepared on a going concern basis in compliance with IFRS Accounting Standards. The historical cost basis has been used for measurement purposes except for financial instruments which are measured at fair value through profit or loss and (re)insurance contracts which are measured at fulfilment cash flows.

The Company has consistently applied the accounting policies to the current and prior periods presented, unless otherwise indicated. The new accounting standards, interpretations and amendments to existing accounting standards and interpretations that have an impact on the company have been disclosed in note 2.1. The amendments to the standards not yet effective as at 31 March 2026 are not expected to have a significant impact on the company.

Sasria prepares and reports its annual financial statements in Rand. The amounts in the annual financial statements have been rounded to the nearest thousand.

The Company's statement of financial position is not presented using a current/non-current classification; rather, it is presented in increasing order of liquidity.

The following asset balances are current: cash equivalents, reinsurance contract assets and prepayments.

The following asset balances are generally considered to be non-current: property and equipment, intangible assets and deferred income tax.

The following asset balances are a mixture of current and non-current: financial assets at fair value through profit or loss and financial assets at amortised cost.

The following liability balances are current: current income tax payables, payables, insurance contract liabilities, reinsurance contract liabilities and employee benefit liabilities.

The lease liability balance is generally considered to be a mixture of current and non-current.

1.3 Use of estimates and judgements

The preparation of the financial statements in accordance with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The estimates and assumptions are based on historical experience and various factors that may be relevant at the time. Actual results may subsequently be different from the estimates. Estimates and judgements are annually evaluated and based on the historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.10.

2. Material accounting policies

2.1 Summary of material accounting policies

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, except as noted below:

a) New and amended standards and interpretations issued and effective in the current financial year that have an impact on Sasria.

There were no new and amended standards that were adopted in the current financial year.

b) New and amended standards and interpretations not yet adopted by Sasria

A number of new standards, amendments to standards and interpretations are available but neither effective nor early adopted. These have not been applied in preparing the financial statements for the year ended 31 March 2026. None of these are expected to have an effect on the financial statements of the company, except the ones set out below:

IASB effective date	Standards
1 January 2026	**IFRS 9: Classification and Measurement of Financial Instruments and IFRS 7: Financial Instrument Disclosures** The amendments clarify the derecognition date of a financial asset or a financial liability that is settled through electronic payment systems and introduce an accounting policy choice allowing entities, in certain circumstances, to derecognise financial liabilities settled using an electronic payment system before the contractual settlement date. There is also a narrow scope amendment that was made to IFRS 9 on the derecognition of lease liabilities. The amendment clarifies that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to recognise any resulting gain or loss arising from the difference between the carrying amount of the lease liability extinguished or transferred and any consideration paid in profit or loss. The amendments further introduce clarifications and additional disclosure requirements relating to financial instruments with contingent features and investments in equity instruments designated at fair value through other comprehensive income. The amendment is effective for annual periods beginning on or after 1 January 2026. Management has begun assessing the impact of this amendment on Sasria.
1 January 2026	Annual Improvements to IFRS Accounting Standards – Volume 11 The improvements consist primarily of clarifications and minor amendments to existing standards. Sasria does not expect these amendments to have a material impact on its financial statements.
1 January 2027	**IFRS 18: Presentation and Disclosure in Financial Statements** IFRS 18 replaces IAS 1: Presentation of Financial Statements. IFRS 18 introduces three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analysing and comparing companies: • New categories and subtotals in the statement of profit or loss. • Disclosure of management-defined performance measures (as defined) that are related to the income statement. • Enhanced guidance on how to organise information and whether to provide it in the primary financial statements or in the notes, as well as a requirement for companies to provide more transparency about operating expenses. The standard is effective for annual periods beginning on or after 1 January 2027. Management has begun assessing the impact of this amendment on Sasria.

2.2 Property and equipment

Property and equipment are initially recognised and measured at cost.

Costs include costs incurred initially to acquire or construct an item of property and equipment and costs incurred subsequently to add to, or replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property and equipment, the carrying amount of the replaced part is derecognised. Property and equipment are carried at cost less accumulated depreciation and any impairment losses. Subsequent expenditure is capitalised when it is probable that it will give rise to future economic benefits.

Depreciation on property and equipment is calculated using the straight-line method to allocate cost over the estimated useful lives (limited to residual values). Depreciation commences when the asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with IFRS 5 and the date that the asset is derecognised.

The useful lives of items of property and equipment have been assessed as follows:

Item	Estimated useful life
Computer equipment	3 years
Furniture and fittings	10 years
Leasehold improvements	5 years
Motor vehicles	5 years
Office equipment	5 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate. The depreciation charge for each period is recognised in profit or loss. The gain or loss arising from derecognition of an item of property and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from derecognition of an item of property and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item. The carrying amount of an item of property and equipment shall be derecognised on disposal, or when no future economic benefits are expected from its use or disposal.

Right-of-use asset

The right-of-use asset is measured at cost, less accumulated depreciation and accumulated impairment losses. Cost is made up of the initial measurement of the lease liability plus any initial direct costs incurred by the Company.

The right-of-use asset is depreciated on a straight-line basis from the lease commencement date to the earlier of its useful life or the end of the lease. The company also assesses the right-of-use asset for impairment when such indicators exist.

Right-of-use assets are depreciated over the following periods:

Item	Estimated useful life
Buildings	5 years

The carrying amount of the right-of-use asset is derecognised on termination of the lease agreement.

The right-of-use asset is included in the property and equipment line item on the statement of financial position.

2.3 Leases

At inception of a contract, Sasria assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The lease term includes periods covered by an option to extend if Sasria is reasonably certain to exercise that option.

Lease payments included in the measurement of the lease liability are made up of fixed payments.

Sasria recognises a right-of-use asset and a lease liability at the lease commencement date on the statement of financial position.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate. Subsequent to initial measurement, the liability is reduced by the payments made and increased by finance costs. The lease liability is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. The finance cost is recognised in profit or loss.

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.

Sasria has elected to apply the practical expedient 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. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term. The threshold of these low-value assets is R75 000.

Non-lease component costs such as maintenance, utilities and insurance are expensed as incurred.

2.4 Intangible assets

Intangible assets are initially recognised at cost. Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred. An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale;
- there is an intention to complete and use or sell it;
- there is an ability to use or sell it;
- it will generate probable future economic benefits;
- there are available technical, financial and other resources to complete the development and to use or sell the asset; and
- the expenditure attributable to the asset during its development can be measured reliably.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of directly attributable overheads. Other development expenditures that do not meet these criteria are recognised as an expense when incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. To the extent that subsequent costs are incurred in the development phase, these are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be reliably measured. All maintenance is charged to profit or loss during the financial period in which it is incurred.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses. The amortisation period and the amortisation method for intangible assets are reviewed at every period-end.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Useful life
Computer software	3 – 10 years

2.5 Impairment of non-financial assets

Assets that are subject to amortisation and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. In the case of non-financial assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. The reversal is taken through profit or loss. An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.6 Financial assets and liabilities

2.6.1 Recognition

The company recognises financial assets or financial liabilities in the statements of financial position when it becomes party to the contractual provisions of the instrument.

2.6.2 Classification

On initial recognition, the company classifies its financial assets into the following categories: financial assets held at fair value through profit or loss and amortised cost. The classification of debt instruments is dependent on the business model in which the financial asset is managed and its contractual cash flow characteristics. The company assesses the business model first before considering whether an instrument meets the definition of the contractual cash flow test.

The company classifies its investments in equity and debt instruments at fair value through profit or loss. The classification is considered appropriate as the company manages and evaluates the performance of the instruments on a fair value basis.

Loans and other receivables are classified at amortised cost as the asset is held within a business model whose objective is to collect the contractual cash flows and the contractual terms give rise to cash flows that are solely payments of principal and interest.

The company's only financial liabilities are payables, which are classified at amortised cost.

2.6.2.1 Financial assets at fair value through profit or loss

Financial assets that are managed and their performance is evaluated on a fair value basis

Information about these financial assets is provided internally on a fair value basis to Sasria's key management personnel. Sasria's investment strategy is to invest in equity and debt securities, and to evaluate them with reference to their fair values. Assets included in these portfolios are recognised at fair value through profit or loss.

Recognition and measurement of financial asset purchases and disposals are recognised on trade date – the date on which Sasria commits to purchase or sell the asset. Financial assets are initially recognised at fair value. Transaction costs are recognised in profit or loss. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and Sasria has transferred substantially all the risks and rewards of ownership.

Financial assets at fair value through profit or loss are subsequently carried at fair value. Unrealised movements arising from changes in the fair value of financial assets at fair value through profit or loss are included in profit or loss in the period in which they arise. Dividend income and interest income from financial assets at fair value through profit or loss are recognised in profit or loss as part of investment income. Dividend income is recognised when Sasria's right to receive payments is established and interest income is recognised when it accrues to Sasria. Realised gains on financial assets at fair value through profit or loss are calculated as the difference between proceeds received and cost. Realised gains are recognised as part of net loss/gain on financial assets and liabilities at fair value through profit or loss in investment income.

The fair values of quoted investments are based on current stock exchange closing prices at the close of business on the reporting date. If the market for a financial asset is not active or if it is unquoted, Sasria establishes fair value by using valuation techniques. These include discounted cash flow analysis, recent arm's length transactions and price-earnings techniques. Sasria's main valuation techniques incorporate all factors that market participants would consider and make maximum use of observable market data. Debt securities are measured at fair value based on the market rate of an equivalent non-convertible bond. Collective Investment Schemes are measured at fair value based on the quoted repurchase prices.

Derivatives are initially recognised in the statement of financial position at fair value on the date on which the contract is entered into and subsequently measured at their fair value. Derivatives comprise of equity put options acquired as part of the Company's equity risk mitigation strategy. These derivatives are not designated as hedging instruments and are therefore classified as non-hedge derivatives. Changes in the fair value of such derivative instruments are recognised immediately in profit or loss. Quoted derivative instruments are valued at quoted market prices, while unquoted derivatives are valued independently using valuation techniques such as discounted cash flow models and option models. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair-value is negative.

2.6.2.2 Assets and liabilities at amortised cost

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Trade and other receivables

Trade receivables and other receivables consist of intermediary receivables, investment receivables and other loans and receivables. The carrying values of trade receivables (less expected credit losses) are assumed to approximate their fair values.

Trade receivables are measured at initial recognition at fair value plus transactions costs and are subsequently measured at amortised cost using the effective interest method, using effective interest rates.

Trade and other payables

Trade and other payables are recognised when Sasria has a present obligation arising from past events, settlement of which is expected to result in an outflow of economic benefits from Sasria. Trade and other payables are initially recorded at fair value plus transaction costs and subsequent to initial recognition they are carried at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits held on call with banks. Cash equivalents comprise highly liquid investments that are convertible to cash with insignificant risk of changes in value and with original maturities of less than three months.

Cash and cash equivalents are initially recognised at fair value plus transaction costs and subsequently measured and carried at amortised cost.

2.6.3 Derecognition of financial assets and financial liabilities

The entity shall derecognise a financial asset when the contractual rights to the cash flow from the financial assets expire or it transfers the financial assets, and the transfer qualifies for derecognition. An entity shall derecognise a financial liability when the obligation specified in the contract is discharged, cancelled or expires.

On derecognition, the difference between the carrying amount of the financial asset or financial liability and the consideration received or paid shall be recognised in profit or loss.

2.6.4 Expected credit loss

The company applies the simplified approach to provide for expected credit losses prescribed by IFRS 9. To measure the expected credit losses, trade and other receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of receivables over a period of 12 months before year-end. The loss rates are adjusted to reflect current and forward-looking information on macro-economic factors, such as

the socio-economic environment affecting the ability of the debtors to settle the receivables. Receivables that are 30 days or more past due are considered to be "not performing" and the default rebuttable presumption of 90 days prescribed by IFRS 9 is not applied.

If, in a subsequent period, the amount of the impairment loss decreases, the previously recognised impairment loss is reversed. The amount of the reversal is recognised through profit or loss.

2.7 Insurance and reinsurance contracts

The company provides special risk cover for engineering, fire, transportation, motor and guarantee risks or a contract comprising a combination of any of those policies. Short-term insurance contracts are further classified into the following categories:

- Personal insurance, consisting of insurance provided to individuals and their personal property; and
- Commercial insurance, providing cover on the assets of business enterprises.

The company applies IFRS 17 to insurance contracts it issues and reinsurance contracts it holds in the normal course of business.

2.7.1 Identification and classification of insurance and reinsurance contracts

Insurance contracts are defined as contracts under which the company accepts significant insurance risk from the policyholder by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. Insurance risk is significant if there is any scenario that causes the company to pay amounts to the policyholder that significantly exceed the expected income from the contract on a present value basis.

The company has not identified any contracts that meet the requirement of investment contracts with direct participation features. No distinct investment components, embedded derivatives or non-insurance services were identified by the company in the underlying contracts that it issues. Furthermore, the company has not identified any other factors that would require the combination of any of its contracts.

The company uses reinsurance to mitigate its insurance risk exposures. A reinsurance contract transfers significant insurance risk if it transfers to the reinsurer substantially all the insurance risk relating to the reinsured portions of the underlying insurance contracts, even if it does not expose the reinsurer to the possibility of a significant loss.

The company has not identified any distinct or non-distinct investment components, service components or embedded derivatives that need to be separated from the reinsurance contracts it holds.

2.7.2 Aggregation of insurance and reinsurance contracts

The company has identified each line of business as an insurance contract portfolio. This is appropriate as insurance contracts within each line of business are subject to similar risks and are managed together. The portfolio is further disaggregated into groups of contracts that are issued within a financial year (annual cohorts). Each cohort of a portfolio is further divided into the following profitability groups at inception; onerous groups (not profitable) for all contracts that have a combined ratio greater than 100% and remaining group (not onerous but with a significant likelihood of becoming onerous) for all contracts with a combined ratio less than 100%. The "no significant possibility of becoming onerous" group was deemed unwarranted given Sasria's business model. The profitability assessment process is performed on a set of contracts basis and not at an individual contract level due to data availability constraints. It is assumed that no contract in the determined portfolios are onerous at initial recognition.

In applying the rebuttable presumption under the PAA, management has assessed the portfolio of contracts for indicators of potential onerousness. The assessment considered factors such as historical claims experience, pricing adequacy and recent socio-political developments. Based on this analysis, no facts or circumstances were identified that would indicate the presence of onerous contracts at initial recognition.

The company has identified each reinsurance contract as a unique reinsurance contract portfolio. Each reinsurance portfolio is further disaggregated into annual cohorts. There is no requirement to further disaggregate these into profitability groups as all the reinsurance contracts that are held by the company are individual contracts.

2.7.3 Recognition of insurance and reinsurance contracts

Groups of insurance contracts issued are initially recognised from the earliest of the following:

- The beginning of the coverage period; or
- The date when the first payment from the policyholder is due or actually received, if there is no due date.

The company recognises a group of reinsurance contracts held from the earlier of:

- The beginning of the coverage period of the group of reinsurance contracts held. However, if the beginning of the coverage period is earlier than the recognition date of the underlying insurance contract, the recognition of the proportional reinsurance contract is delayed until the date when the underlying reinsurance contract is recognised.

Only contracts that meet the recognition criteria at the end of the reporting period are included in the groups.

2.7.4 Measurement of insurance and reinsurance contracts

The company applies the Premium Allocation Approach (PAA) model for measuring all insurance contracts it issues as most of the lines of business have a coverage period of one year or less and it reasonably expects that the measurement of the liability for remaining coverage under the PAA model would not differ materially from the one that would be produced by applying the General Measurement (GM) Model for the remainder of the lines of business.

The company applies the PAA model for measuring all reinsurance contracts it holds as some of the reinsurance contracts have a coverage period of one year or less and it reasonably expects that the measurement of the reinsurance asset for remaining coverage under the PAA model would not differ materially from the one that would be produced by applying the GM Model for the remainder of the contracts.

2.7.4.1 Initial measurement

On initial recognition of insurance contracts issued, the company measures the liability for remaining coverage as an amount of premiums received, less any acquisition cash flows allocated to the group of contracts. The company has elected not to expense the acquisition cash flows. The premium received and the acquisition cash flows exclude value-added tax. The portion of premiums that are receivable and the related acquisition cash flows that are payable to intermediaries are recognised as premium received and acquisition cash flows allocated in the measurement of the liability for remaining coverage. The net premium receivable (premium receivable less acquisition cash flows payable) from intermediaries is recognised as an IFRS 9 receivable.

On initial recognition of reinsurance contracts held, the company measures the asset for remaining coverage as an amount of premiums paid, less any acquisition cash flows allocated to the group of contracts. The premium paid and the acquisition cash flows exclude value-added tax.

2.7.4.2 Subsequent measurement

The carrying amount of the insurance contracts issued at the end of the reporting period comprise of liability for remaining coverage and liability for incurred claims. Similarly, the carrying amount of the reinsurance contracts held at the end of the reporting period comprises of assets for remaining coverage and reinsurance asset for incurred claims.

Liability for remaining coverage

The carrying amount of the liability for remaining coverage for insurance contracts issued at the end of the reporting period is calculated as:

- The carrying amount at the beginning of the reporting period;
- Plus, premiums received in period;
- Minus insurance acquisition cash flows paid in period;
- Plus amortisation of acquisition cash flows as expense;
- Minus insurance revenue recognised for coverage provided.

The carrying amount of the asset for remaining coverage for insurance contracts issued at the end of the reporting period is calculated as:

- The carrying amount at the beginning of the reporting period;
- Plus, reinsurance premiums paid in period;
- Minus insurance acquisition cash flows received in period;
- Plus amortisation of acquisition cash flows as expense;
- Minus reinsurance expense recognised for coverage provided.

The company does not allow for time value of money and the effect of financial risk when calculating the liability for remaining coverage for insurance contracts issued and reinsurance asset for remaining coverage for reinsurance contracts held as the time between the receipt of premiums or payment of reinsurance premiums and the provision of insurance or reinsurance coverage is one year or less.

Liability for incurred claims

The carrying amount of the liability for incurred claims for insurance contracts issued at the end of the reporting period comprise the fulfilment cash flows related to past service allocated to the group at reporting date. The fulfilment cash flows comprise the following:

- An outstanding claims reserve ("OCR"), comprising claims which have been reported but have not yet been approved or paid;
- An incurred but not reported ("IBNR") reserve, comprising claims which have occurred, but which the insurer has not yet been informed about (due to various delays);
- An incurred but not enough reported ("IBNER") reserve, which is set up to allow for the expected difference between the OCR held for outstanding claims and the actual amount paid for these claims. These differences could arise due to an over- or underestimation of the expected claim amount, the repudiation of claims, or due to over- or underestimated recoveries made on certain claims; and
- Expense reserve in respect of non-acquisition fulfilment expenses that are payable in respect of past service and have not yet been settled.

Reinsurance arrangements do not relieve Sasria of its direct obligations to its policyholders. The carrying amount of the reinsurance asset for incurred claims for reinsurance contracts held at the end of the reporting period comprise the fulfilment cash flows related to past service allocated to the group at reporting date. The fulfilment cash flows comprise the following:

- A reinsurance asset for paid claims, comprising reinsurance recovery for claims which have been paid;
- A reinsurance asset for outstanding claims reserve, comprising reinsurance recovery for claims which have been reported but have not yet been approved or paid;
- A reinsurance asset for incurred but not reported reserve, comprising reinsurance recovery for claims which have occurred, but which the insurer has not yet been informed about; and
- A reinsurance asset for incurred but not enough reported reserve, which is set up to allow for the expected difference between the reinsurance asset for outstanding claims reserve held for outstanding claims and the actual amount paid for these claims.

A risk adjustment is determined and allowed for when measuring the liability for incurred claims and the reinsurance asset for incurred claims as there is uncertainty in the size of the estimate and/or the timing of the underlying cash flows.

The company allows for the time value of money and the effect of financial risk on fulfilment cash flows related to the liability for incurred claims and the reinsurance asset for incurred claims.

Insurance revenue

Insurance revenue for the period is the amount of expected premium receipts allocated to the period based on the passage of time. As the majority of the underwriting risks are incurred uniformly over the term of the contract, the release of risk during the coverage period is on a straight-line basis, using the 365ths method.

Insurance service expense

Insurance service expense comprises the following:

- Claims incurred and other insurance service expense which consist of claims and claims handling expenses paid during the financial year as well as administration costs that are attributable to insurance services incurred during the financial year. Both the amounts exclude value-added tax;
- Amortisation of insurance acquisition cash flows. The company amortised insurance acquisition cash flows on a straight-line basis over the coverage period of the group of contracts;
- Changes in liability for incurred claims relating to past service.

The company conducts an assessment to determine expenses that are directly attributable to fulfilment of the insurance contract (attributable expenses) and expenses that are not attributable to fulfilment of the insurance contract (non-attributable).

Attributable administrative expenses are allocated to the insurance groups using earned premium as a key allocation driver.

Non-attributable expenses are excluded from the valuation of insurance contract liabilities and reinsurance contract assets and are expensed in profit and loss when incurred.

Reinsurance income

Reinsurance income consists of changes in reinsurance asset for incurred claims relating to past service including the change in loss-recovery component.

Reinsurance expense

Reinsurance expense for the period is the amount of expected reinsurance premium payments allocated to the period based on the passage of time over the coverage period. The service received is allocated on a straight-line basis during the coverage period, using the 365ths method. The expected reinsurance premium payments allocated are reduced by the amounts of commission not contingent on claims that the company expects to receive from the reinsurer.

Insurance finance income and expenses

Insurance finance income and expenses comprise of changes in the carrying amounts of groups of insurance and reinsurance contracts arising from the effects of the time value of money, financial risk and changes therein.

2.7.5 Allowance for non-performance of (re)insurance contracts

No allowance for the risk of non-performance of the issuer of the reinsurance contracts held is incorporated in the present value of fulfilment cash flows as it is considered to be immaterial.

2.7.6 Derecognition of insurance and reinsurance contracts

The company derecognises an insurance contract when:

- The rights and obligations of the contract expires or when the contract is discharged or cancelled; or
- If the terms of the contract are modified in a way that would have changed the accounting for the contract significantly had the new terms always existed.

On derecognition, the liability for remaining coverage of the group of insurance contracts is adjusted to reflect the amount of premiums refunded to the policyholder.

2.7.7 Presentation

The company presents the carrying amount of insurance contracts issued that are assets and those that are liabilities as well as the portfolio of reinsurance contracts held that are assets and those that are liabilities separately in the statement of financial position.

The company disaggregates amounts recognised in profit or loss into; insurance service result comprising insurance revenue and insurance service expenses; and insurance finance income or expenses.

Income and expenses from reinsurance contracts are presented as separate amounts in the insurance service result as follows: the amounts that are contingent on claims experience are presented as reinsurance income; and the amounts that are not contingent on claims experience are treated as reinsurance expense.

The company disaggregates changes in the risk adjustment for non-financial risk between insurance service results and insurance finance income or expenses.

The company has elected not to disaggregate insurance finance income and expenses between profit or loss and other comprehensive income. All insurance finance income and expenses for the period are presented in profit or loss.

2.8 Taxation

Taxation comprises current and deferred taxation and is recognised in profit or loss.

2.8.1 Current income tax

The current income tax charge is calculated on the basis of the South African tax laws enacted or substantively enacted at the statement of financial position date, and any tax payable in respect of prior years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities. Current tax for current and prior period shall to the extent unpaid be recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

2.8.2 Deferred tax assets and liabilities

Deferred income tax is provided in full, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised if it arises from the initial recognition of an asset or liability that affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Deferred income tax is provided on temporary differences arising, except where Sasria controls the timing of the reversal of the temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority. The tax effects of unused losses carried forward or unused tax credits are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

2.8.3 Value-Added Tax

Transactions and assets are recognised net of the value-added tax amount where applicable. The net amount of value-added tax recoverable from, or payable to, the South African Revenue Service (SARS) is included as part of receivables or payables in the statement of financial position.

2.9 Employee benefits

2.9.1 Pension obligations

Sasria provides for the retirement benefits of its employees through a defined contribution plan. The assets are held in separate trustee administered funds. Sasria pays defined contributions into these funds and thereafter, Sasria has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all the employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is certain.

2.9.2 Bonus plan

Sasria recognises a liability and an expense for bonuses, based on a formula that takes into consideration the profit attributable to Sasria's shareholders after certain adjustments. Sasria recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.9.3 Leave pay

Employees' entitlement to annual leave and long-service leave is recognised when they accrue to employees. Provision is made for the estimated liability of this leave as a result of services rendered by employees up to the statement of financial position date.

2.9.4 Salaries

Salaries are recognised as an expense in profit or loss during the reporting period in which the employee renders the related services.

2.10 Critical accounting estimates and judgements in applying accounting policies

2.10.1 Premium Allocation Approach eligibility test

The company applies the PAA to measure a group of insurance contracts issued or reinsurance contract held if:

- The group is automatically PAA eligible if, at inception of the group, the coverage period of each contract in the group of (re)insurance contracts is one year or less; or
- The company reasonably expects that the PAA measurement model would produce a measurement of the asset/liability for remaining coverage for a group of (re)insurance contracts that would not differ materially from the measurement that would be achieved by applying the GM model.

Where the cover period is greater than one year, the company assesses the appropriateness of the PAA measurement model as follows:

- The company performs qualitative eligibility testing for each profitability group within the existing portfolios.
- Quantitative eligibility testing is only reperformed for the profitability groups within any newly introduced portfolios, or if any of the trigger conditions occur impacting the groups within pre-existing portfolios (i.e. where the qualitative assessment fails).

Relative thresholds are set for each portfolio based on ensuring that the combined absolute impacts of all IFRS 17 groups with contract boundaries longer than a year applying the PAA falls within an absolute measure of balance sheet materiality for Sasria for each future year.

Quantitative testing

The following approach is followed when the company is assessing the materiality of this difference between PAA and GM measurement for groups containing contracts with coverage periods of greater than one year. The assessment is performed for the most recent cohort of IFRS 17 groups of each portfolio and it includes the following:

- Projecting the fulfilment cash flows of the group of contracts, with an allowance for time value of money;
- Calculating the projected liability for remaining coverage under the PAA at each projected time period;
- Calculating the liability for remaining coverage under the GM, including the contractual service margin at each projected time period (initial recognition and subsequent measurement at our external reporting frequency, i.e., half-yearly or annually);
- At each point in the projection calculate the difference between the liability for remaining coverage under the PAA and GM;
- Compare the difference to the pre-determined materiality threshold (relative measure) at each point in time;
- If the difference does not exceed the determined threshold at any point in time, then the group passes the PAA eligibility test (for the base case); and
- Perform scenario testing using the above process to ensure differences remain immaterial.

The eligibility testing process includes future stresses to fulfilment cashflows in order to determine projected differences under various scenarios. An assessment of this difference will be done at each projection point in the expected lifetime of the contract.

The company follows the same process that is defined in 2.10.1 when conducting a test for new portfolios and if there is a need for post transition quantitative testing.

Qualitative testing

The company follows a qualitative testing approach for new cohorts annually. The company compares each new cohort to the equivalent cohort's Qualitative Assessment Framework. The assessment includes consideration of the differences between the assumptions made on the framework, policy terms and/or materiality. Should the assessment confirm that there is no cause to "reasonably expect" that the most recent cohort would be ineligible (i.e. none of the trigger conditions were met), then eligibility can be assumed for the new cohort as well.

2.10.2 Ultimate liability arising from claims made under insurance contracts

The estimation of the ultimate liability arising from claims made under insurance contracts is Sasria's most critical accounting estimate. Several sources of uncertainty have to be considered in estimating the liability that Sasria will ultimately be exposed to for such claims. The risk environment can change quickly and unexpectedly owing to a wide range of events or influences. Sasria is constantly refining the tools with which it monitors and manages risks to place the company in a position to assess risk situations appropriately, despite the greatly increased pace of global changes. The growing complexity and dynamism of the environment in which the Company operates, however, means that there are natural limits. There is not, and never will be, absolute security when it comes to identifying risks at an early stage, measuring them sufficiently, or correctly estimating their real hazard potential. Refer to notes 3 and 4 – management of insurance and financial risks for further detail on the estimation of the claims liability.

2.10.2.1 Outstanding claims

Provision is made on a prudent basis for the estimated final cost of claims. Sasria's own assessors or contracted external assessors individually assess claims. The claims provision includes an estimated portion of the direct expenses of the claims and internal and external handling expenses.

Claims provisions are determined based upon previous claims experience, knowledge of events, the terms and conditions of the relevant policies and on the interpretation of circumstances. Each notified claim is assessed on a separate case-by-case basis with due regard to the specific circumstances, information available from the insured and/or loss adjuster and past experience with similar cases and historical claims payment trends. The approach also includes the consideration of the development of loss payment trends, the levels of unpaid claims, legislative changes, judicial decisions and economic conditions.

Sasria employs individuals experienced in claims handling and rigorously applies standardised policies and procedures to claims assessments. The ultimate cost of reported claims may vary as a result of future developments or better information becoming available about the current circumstances. Therefore, case estimates are reviewed regularly and updated when new information becomes available.

2.10.2.2 Provision for claims incurred but not reported (IBNR)

Provision is also made for claims arising from insured events that occurred before the close of the financial year, but which had not been reported to the company at that date. This provision is calculated using actuarial modelling with at least five years' historical claims experience where possible. Sasria adopts multiple techniques to estimate the required level of provisions. This assists in developing a greater understanding of the trends inherent in the data being projected.

Liabilities for unpaid claims are estimated using the input of assessments for individual cases reported to Sasria and statistical analyses for the IBNR claims, and to estimate the expected ultimate cost of more complex claims that may be affected by external factors (such as court decisions).

Sasria uses the basic chain-ladder, Cape Cod, Bornhuetter-Ferguson and the average cost per claim methods to estimate the ultimate cost of claims. The basic technique involves analysing historical claims development factors, net of reinsurance, and selecting estimated development factors based on this historical pattern. The selected development factors are applied to cumulative internal claims data for each incident year that is not yet fully developed to produce an estimated ultimate claims cost for each incident year.

A stochastic process is applied to the choice of development factors for each incident year in accordance with standard statistical practices. Numerous simulations are performed to obtain a distribution of the ultimate claims cost.

Claims provisions are subject to close scrutiny within Sasria. In addition, for major classes where the risks and uncertainties inherent in the provisions are the greatest, regular and ad hoc detailed reviews are undertaken by advisers who are able to draw upon their specialist expertise and a broader knowledge of current industry trends in claims development. The results of these reviews are considered when establishing the appropriate levels of provisions for the outstanding claims and unexpired periods of risk.

As this method uses historical claims development information, it assumes that the historical claims development pattern will occur again in future. There are reasons why this may not be the case. Such reasons include:

- change in processes that affect the development/recording of claims paid and incurred;
- economic, legal, political and social trends;
- changes in mix of business; and
- random fluctuations, including the impact of large losses.

The degree of uncertainty will vary by policy class according to the characteristics of the insured risks and the cost of a claim will be determined by the actual loss suffered by the policyholder. There may be significant reporting lags between the occurrence of the insured event and the time it is actually reported to Sasria. Following the identification and notification of an insured loss, there may still be uncertainty as to the magnitude and timing of the settlement of the claim. The establishment of insurance liabilities is an inherently uncertain process and, as a consequence of this uncertainty, the eventual cost of settlement of outstanding claims can vary substantially from the initial estimates. Sasria seeks to provide appropriate levels of claims provisions taking the known facts and experience into account. Allowance for such uncertainty is made through the Risk Adjustment and is discussed in section 2.10.2.3 below.

2.10.2.3 Risk Adjustment

An explicit liability for the uncertainty around non-financial risks needs to be held as part of the fulfilment cash flows (FCFs) under IFRS 17, this is represented by the Risk Adjustment (RA). The Risk Adjustment is an adjustment to reflect the compensation an entity requires for bearing the uncertainty about the amount and timing of cash flows that arise from non-financial risk. It reflects the compensation that Sasria require to be indifferent between servicing a contract with fixed cash flows and a contract with a range of uncertain outcomes, but the same expected present value. This compensation reflects:

- The degree of risk aversion; and
- The diversification benefits that Sasria include in determining the compensation required.

An explicit Risk Adjustment is set up for both underlying insurance contracts and reinsurance contracts held. The Risk Adjustment for a group of reinsurance contracts held represents the amount of non-financial risk transferred by the cedant (i.e. the insurer) to the reinsurer.

The company's calibrated risk adjustment is determined using the Value-at-Risk (confidence level) approach and held such that the technical liabilities are held to be at least sufficient at the 75th percentile of the ultimate loss distribution.

2.10.3 Discount rate

The company has elected to allow for the impact of the time value of money on the liability for incurred claims. The company has adopted a bottom-up approach in deriving appropriate discount rates. The starting point for these discount rates is appropriate reference liquid risk-free curves – taking into consideration the currency characteristics of the contracts and their respective cash flows. The company utilises risk-free yield curves provided by the regulator to determine discount rates.

Illiquidity premium is not factored in Sasria's discount rates since it is considered to be immaterial. Sasria's policy follows the liquidity of the underlying policy. The nature of the underlying policies are considered to be liquid policies in the South African insurance market (as policyholders in South Africa could easily take out similar policies with the agent insurers through which Sasria is obligated to cover). An exception may be Engineering / Contract Works policies which are expected to exhibit lower levels of liquidity though any such liquidity adjustment in respect of these policies is not expected to result in a material impact on the insurance contract liability.

The company did not adjust for the removal of credit risk in the derivation of Sasria's discount rates.

2.10.4 Valuation of unlisted investments

The unlisted equity investment is reviewed by management for reasonableness on an annual basis. Sasria accounts for its share of the fair value movements as described in note 4.4. below. The unlisted bond investments, which are held through appointed asset managers, are valued based on market observable data and expert judgement. The valuations are also reviewed by management for reasonableness. The market observable data would be the interest rate at which a listed liquid government bond will trade.

2.11 Irregular expenditure

Irregular expenditure is defined in Section 1 of the PFMA as 'expenditure other than unauthorised expenditure incurred in contravention of or that is not in accordance with a requirement of any applicable legislation including:

- The PFMA; or
- The State Tender Board Act 86 of 1968 or any regulations made in terms of this Act'.

Irregular expenditure is accounted for according to the nature of the expense. When confirmed, irregular expenditure is disclosed in note 29 of the annual financial statements. The amount of irregular expenditure incurred is equal to the value of the transactions recognised in terms of IFRS Accounting Standards in profit or loss or in the statement of financial position.

Irregular expenditure is removed from the note when it is either (a) condoned by the relevant authority or; (b) transferred to receivables for recovery. A receivable related to irregular expenditure is measured at the amount that is expected to be recovered and must be derecognised when the receivable is settled or subsequently written off as irrecoverable. In instances where recovery is not possible, such irregular expenditure will be written off and removed from the note on approval by the Accounting Authority.

Cases of a criminal nature are reported to the responsible authorities. Any criminal or disciplinary steps taken as a consequence of such losses or irregular expenditure are also disclosed.

2.12 Fruitless and wasteful expenditure

Section 1 of the PFMA defines fruitless and wasteful expenditure as 'expenditure which was made in vain and would have been avoided had reasonable care been exercised'.

Fruitless and wasteful expenditure is accounted for according to the nature of the expense. When confirmed, fruitless and wasteful expenditure is disclosed in note 29 of the financial statements.

The amount to be recorded in the note is equal to the value of the fruitless and wasteful expenditure incurred.

Expenditure to be recovered is transferred to receivables for recovery. A receivable related to fruitless and wasteful expenditure is measured at the amount that is expected to be recovered and is derecognised when the receivable is settled or subsequently written off as irrecoverable. In instances where recovery is not possible, such fruitless and wasteful expenditure will be written off and removed from the note on approval by the Accounting Authority.

Cases of a criminal nature are reported to the responsible authorities. Any criminal or disciplinary steps taken as a consequence of fruitless and wasteful expenditure are also disclosed.

3. Management of insurance risk

As an insurance company, Sasria is exposed to various insurance and financial risks. The risks that Sasria is exposed to as at 31 March 2026 is representative of the exposure over the financial year; there are no new risks to which the company is exposed to as at 31 March 2026 and there are no risks to which the company was exposed to during the financial year, but which no longer materially prevail as at 31 March 2026.

3.1 Risk and capital management

Strategic risk is the risk of the current and prospective impact on earnings or capital arising from Sasria's inability to implement appropriate business plans, proper market conduct processes, strategies, decisions, improper implementation of decisions, or lack of responsiveness to industry changes. Sasria's capital management philosophy is to maximise the return on the shareholder's capital within an appropriate risk management framework and ensure that our policyholders' assets are protected against special and catastrophic risks. Management will continue to monitor Sasria's solvency levels and required solvency range in light of industry changes and regulatory requirements. Sasria is committed to efficient capital management and a decision was taken by the Board to maintain an appropriate level of capital with the balance of the required capacity being made up of reinsurance in line with the Company's risk appetite.

Risk appetite defines the amount of risk that Sasria is willing to accept in pursuit of shareholder value and the attainment of strategic objectives, including the fair treatment of customers. It provides a mechanism by which the Board of Directors can set the boundaries within which the businesses should operate. It articulates the amount of risk the Board is willing to accept. Risk appetite balances the expectations and interests of a variety of stakeholders. These include shareholders, policyholders and staff as well as regulators and outsourced functions. Risk appetite drives reporting and therefore decision making.

Sasria manages its capital through different methods or tools which include the following:

3.1.1 Own risk and solvency assessment (ORSA)

The Prudential Standards for Insurers introduce a requirement for insurers licensed under the Insurance Act to conduct an ORSA. ORSA is "the entirety of the processes and procedures employed to: identify, assess, monitor, manage and report the short and long-term risks an insurance undertaking faces or may face and determine the own funds necessary to ensure that the undertaking's solvency needs are met at all times".

ORSA is one of the primary tools used to test whether the Company operates within or outside of the risk appetite over the business planning horizon. Part of the ORSA includes carrying out stress and scenario testing over the business planning horizon. The ORSA process requires Sasria to identify the most significant risks facing the Company, quantify the capital requirements for these risks and finally compare the capital requirement to the own funds available on its statement of financial position. The ORSA process allows management to identify appropriate management actions and embed these actions in the event of a specific event realising.

Sasria prepared an ORSA report of the business over the planning horizon and presented the results to its executive management, Risk Committee and the Board. Stress scenarios include economic stresses, demographic stresses and stresses resulting from operational risk.

3.1.2 Capital at risk

Sasria always holds sufficient eligible financial resources to ensure it meets the relevant solvency capital requirements (SCR), as well as its internal assessment of the Economic Capital Requirement (ECR) to deliver on its business plans, reasonable policyholder expectations and claim payments as they fall due.

The Company has established risk appetite measures for the capital at risk as well as limit and threshold allocations to manage the key risks (non-life underwriting risk, credit risk and market risk) identified within the Company. The establishment of the risk appetite measure is to ensure that the directors have appropriate risk management practices in place. The management of risk within the Company is governed by the Board and overseen by the Risk Committee.

When determining capital requirements, the Company uses a risk appetite measure of capital at risk over a one-year time period. The Company's capital at risk measurement is based on the higher of the SCR or the ECR. The Company aims to hold adequate capital to remain solvent in the event of substantial deviations, such as a 1-in-200-year event.

3.2 Economic Capital Requirement (ECR)

The Company has developed tools for the purpose of calculating an internal economic view of risk and capital requirements as well as capital projections. The Company has therefore aligned itself to a more appropriate calculation of capital through the development of an economic capital model.

The economic capital model is used to support, inform and improve the Company's decision-making. It is used to determine the optimum capital structure, the investment strategy and its reinsurance programme.

Sasria's Board of Directors target an economic capital coverage ratio of 230% and a threshold of 150%.

3.3 Solvency Capital Requirement (SCR)

SCR is a formula-based figure calibrated by the Prudential Authority (PA) to ensure that all quantifiable risks are taken into account, including non-life underwriting, market, credit,

operational and counterparty risks. Insurers are required to maintain minimum required capital at all times throughout the year.

Sasria's Board of Directors target a solvency capital coverage ratio of 230% and a threshold of 170%. In addition, the regulatory capital coverage ratio must exceed predefined threshold levels. The Company reports to the PA only on the SCR and not on the ECR. As at 31 March 2026, all external capital requirements have been met.

3.4 Insurance risk

Insurance risk refers to the risk of loss as a result of underwriting insurance contracts. Insurance risk includes:

- Underwriting risk
- Reinsurance risk

3.4.1 Underwriting risk

Underwriting risk is the risk that claims and related expense experience is worse than anticipated in the pricing and reserving of the underlying products. For Sasria the drivers of underwriting risk include changes in the political, social and labour climate of South Africa, as well as economic changes such as higher than expected inflation.

The Company manages underwriting risks through its underwriting strategy, appropriate pricing, adequate reinsurance arrangements and pro-active claims handling.

The Company underwrites risks that natural persons, corporates or other entities that wish to transfer to an insurer. While the Company provides cover relating to conventional fire, motor and engineering, the specific risks covered are restricted to material damage arising from riots, strikes, labour disturbances and terrorism.

As such the Company is exposed to uncertainty surrounding the timing and severity of claims under insurance contracts that would be impacted by circumstances such as political unrest, downturn in the state of the economy and organised labour issues. These insurance events are, by their nature, random and given the type of risks that the Company underwrites, the actual number and size of events during any one year may vary from those estimated. The actual amounts in any one year may be greater than what has been provided for.

In accordance with Sasria's business model, the administration is outsourced to Sasria's agents. This includes the issue of Sasria coupons, as well as the collection of Sasria premiums. The Sasria agents allow the Sasria coupons to be attached to their policies. A Sasria agent is typically a registered conventional short-term insurer or short-term insurer underwriter who has entered into an agreement with the Company. The agent agreement clearly sets out the manner in which the agent company should administer the Sasria business. The agents are also provided with a comprehensive set of guidelines detailing the processes and procedures relating to the issue of Sasria's coupons, the collection of premiums and reporting of claims on its behalf, and the method of payment of the premiums to Sasria.

The Company underwrites primarily short-tail risks, which means that the majority of claims are typically settled within one year of the occurrence of the event(s) giving rise to the claims. Risks that are long tail in nature represent an insignificant portion of the Company's insurance portfolio.

The product features of insurance contracts that have a material effect on the amount, timing and uncertainty of future cash flows arising from insurance contracts underwritten by the Company are set out below:

Fire: Provides indemnity for loss of or damage to immovable property. This includes commercial and residential properties.

Transportation: Provides indemnity for loss of or damage to goods-in-transit, marine cargo and marine hull, which includes ships and small craft as well as the marine or inland transit of cargo.

Motor: Provides indemnity for loss of or damage to all types of motor vehicles.

Engineering: Provides indemnity for loss of or damage sustained to machinery and equipment or damage to buildings or structures during the course of construction.

Claims management

The Claims department monitors most of the media on a daily basis to consider all events likely to result in claims against the Company. The outstanding claims provision is monitored on a monthly basis by management. The outstanding claims provision is annually tested for adequacy as part of the liability adequacy test noted in 2.7 above. The process regarding the claims development is discussed in note 9, which includes sensitivities.

3.4.1.1 Limiting exposure to underwriting risk

Due to the business model followed by Sasria, there is no direct underwriting performed on the coupons up to R500 million. Sasria offers cover on a non-refusable basis. The premium rates that the agent companies use are set by Sasria in its underwriting guidelines. The underwriting risk is mitigated by the fact that the Sasria cover, being a coupon policy, attaches to a conventional insurer's underlying policy. If no cover is provided by the Sasria agent, then no Sasria cover attaches.

The insured have the option of taking up the Sasria cover at the holding company level or at subsidiary level. Adequate reinsurance has been arranged to mitigate the increased exposure.

3.4.1.2 Underwriting strategy and limits and policies for mitigating underwriting risk

The legislated monopoly enjoyed by Sasria, as well as the underwriting philosophy of the Company, results in the Company underwriting a large number of diverse risks, resulting in a balanced portfolio spread across personal and commercial policyholders.

By using gross written premiums in each class as an indicator, the table below illustrates the Company's distribution of risks underwritten:

Category of risk policy	**2026**	**2025**
	%	%
Property	68.94	69.32
Motor	24.97	25.08
Engineering	4.30	3.73
Other	1.79	1.87
Total for all categories	**100.00**	**100.00**

3.4.1.3 Concentration of insurance risks

The Company has a diversified insurance portfolio of risks across South Africa's geography, and across all types of industrial and commercial enterprises as well as personal lines. However, as a result of Sasria's predominant presence in this particular market and the types of risks covered, any single event could result in a large number of claims. The maximum any one insured can claim is R500 million. Losses arising from an event (where more than one insured is affected by the same event) in excess of R2 billion will trigger Sasria's catastrophe reinsurance.

By using gross written premiums as an indicator, the Company's insurance portfolio could also be divided between personal and commercial (all insureds other than natural persons) policies as follows:

Split by type of policyholder	**2026**	**2025**
	%	%
Personal policies	11.13	11.83
Commercial policies	88.87	88.17
Total personal and commercial policies	**100.00**	**100.00**

The Company ensures that agent companies adhere to the set underwriting guidelines through bi-annual audits conducted at each agent company. In addition, the Company's own Internal Audit department conducts reviews of the Sasria process carried out on the Company's behalf by agent companies, their underwriting managers and brokers. Follow-up reviews are performed by the Quality Assurance department to ensure that findings are resolved and closed within a reasonable time and no additional risks are encountered.

During the financial year, Quality Assurance performed pro-active reviews on agents in addition to their follow-up reviews.

Any changes to the guidelines are communicated to all agent companies and their underwriting managers by way of written circulars. The ability to adjust rates, either for monthly or annual business (depending on the contract term), allows the Company to mitigate the risk of underwriting losses. These adjustments would be from renewal date on annual policies and over a period of a few months on monthly policies. The Company monitors the incidence of claims per insured, class and sector and, if necessary, has the ability to impose deductibles.

Pricing is based on historical claims, frequency and severity and includes catastrophe modelling. The methodology used estimates the anticipated cost per policy. Claims remain the Company's most significant cost. Further adjustments are made in the pricing estimate for expenses, commission, cost of capital and profit allowance, investment income and expenses and reinsurance allowance. Catastrophe risk is managed and mitigated through reinsurance.

The split between annual and monthly premiums written is as follows:

Split by type of policy	2026	2025
	%	%
Annual policies	38.54	37.63
Monthly policies	61.46	62.37
Total annual and monthly policies	**100.00**	**100.00**

The incidence of fraud is reduced by robust claims handling processes and regular review of these processes. The Company's Internal Audit department conducts annual reviews of the in-house Claims department to ensure adherence to the Company's internal control procedures. On a monthly basis the underwriting results per class of business are monitored against pre-determined budgets. The premium income and reversals are also monitored for each agent on a monthly basis and compared to the previous period. Any major fluctuations are investigated.

3.4.2 Reinsurance risk

Reinsurance risk is the risk of loss due to insufficient or inappropriate reinsurance cover relative to the risk management strategy and objectives.

Reinsurance cover is purchased to manage underwriting risk. This does not, however, discharge the company's liability as primary insurer. If a reinsurer fails to pay a claim for any reason, the company remains liable for the payment to the policyholder.

Sasria's reinsurance strategy is driven by the desire to use capital efficiently, protect the statement of financial position and hence ensure a sustainable business. The strategy is to retain as much premium as possible subject to a solvency ratio target.

Reinsurance is placed on the local and international reinsurance markets. Reinsurance arrangements in place include proportional and non-proportional reinsurance which include catastrophe cover. The reinsurance programme is aimed at reducing the volatility of the Company's underwriting results and protecting its capital. The Company purchases catastrophe reinsurance to protect itself against losses arising from major catastrophes. The level of catastrophe reinsurance purchased is based on the Company's maximum probable loss and capital adequacy exercise, which is performed annually. Sasria evaluates and monitors the type and amount of reinsurance to be purchased within the Company's risk appetite framework and measures.

4. Management of financial risk

The Company is exposed to financial risk through its financial assets, reinsurance assets, reinsurance liabilities, financial liabilities and insurance liabilities. The most important components of this financial risk are market risk, credit risk and liquidity risk. These risks arise from investments in various asset classes whose values are exposed to the current macro-economic environment resulting in market price movements.

For the discussions below, the following financial instruments balances, (re)insurance contract balances and lease balances are disclosed in classes based on their similar characteristics:

	2026 R'000	2025 R'000
Financial and insurance assets		
Listed equity	1 544 198	-
Total equity securities	**1 544 198**	**-**
Money market fund	9 995 325	7 964 730
Government and semi-government bonds	1 025 492	320 612
Other bills and bonds (fixed rate)	1 983 918	1 013 923
Collective Investment Schemes	1 435 352	1 382 716
Derivatives – put option	47 227	-
Total debt and money market securities	**14 487 314**	**10 681 981**
Total financial assets at fair value through profit or loss	**16 031 512**	**10 681 981**
Intermediary receivables	523 667	443 768
Loans and receivables	186 565	196 954
Cash and cash equivalents	4 420 451	5 875 721
Total financial assets at amortised cost	**5 130 683**	**6 516 443**
Total financial assets	**21 162 195**	**17 198 424**
Reinsurance contracts assets	1 866 412	1 583 166
Total reinsurance assets	**1 866 412**	**1 583 166**
Total financial and reinsurance assets	**23 028 607**	**18 781 590**
Financial, (re)insurance, lease and liabilities		
Insurance contracts issued that are liabilities	1 905 045	2 061 759
Reinsurance contracts issued that are liabilities	55 595	32 775
Total (re)insurance liabilities	**1 960 640**	**2 094 534**
Payables	114 041	36 595
Lease liability	9 960	13 728
Total financial liabilities at amortised cost	**124 001**	**50 323**
Total financial, (re)insurance and lease liabilities	**2 084 641**	**2 144 857**

4.1 Market risk

Market risk is defined as the risk of adverse financial impact due to changes in fair values or future cash flows of financial instruments from fluctuations in interest rates and equity prices. The company uses several sensitivities or stress-tests to understand the impact of the above risks on earnings and capital in normal and stressed conditions.

Market risk arises due to fluctuations in both the value of financial liabilities and the value of investments held. Management of the Company is tasked with the responsibility of managing key market risks to which the Company is exposed. Sasria's investment portfolio is structured to withstand shocks such as the credit rating downgrade through its strategic asset allocation which allows for diversification and flexibility to reduce a significant drag on relative performance. Sasria's investment philosophy is centred on an asset-liability matched investment approach which ensures that the underlying assets into which the funds are invested are matched to meet the duration and Rand value of the liabilities at a given point in time. When a suitable asset-liability matched position is achieved, Sasria will optimise returns on the non-liability matching assets within the risk appetite limits. The investments market positions are monitored daily by the external investment managers and reviewed monthly by the Chief Financial Officer, the Risk department and quarterly by the Investment Committee. For each of the major components of market risk, described in more detail below, the Company's Board has put in place policies and procedures to set out how each risk should be managed and monitored, and the approach to setting an appropriate risk appetite.

4.1.1 Interest rate risk

Interest rate risk arises from the net effect on assets and liabilities due to a change in the level of interest rates. The company is exposed to interest rate risk on its investments due to variable rate instruments such as other bills and bonds, which expose the company to fair value risk. Other interest-bearing securities such as other money market instruments expose the company to interest rate risk. This risk is limited through a well-diversified portfolio that allows for flexibility to ensure that managers can adopt a defensive stance in the current environment.

Money market instruments

The risk is further limited as the money market instruments are typically held until maturity and are actively managed. The money market exposure is also diversified through the money market investment agreements and aligns to the asset and liability matching strategy.

A hypothetical 2% increase in the interest rate relating to money market instruments would result in an increase in interest earned of R243 million (2025: R194 million – at 2% sensitivity) or an increase in profit after tax and equity of R243 million (2025: R194 million – at 2% sensitivity), respectively.

A hypothetical 2% decrease in the interest rate relating to money market instruments would result in a decrease in interest earned of R243 million (2025: R194 million – at 2% sensitivity) or a decrease in profit after tax and equity of R243 million (2025: R194 million – at 2% sensitivity), respectively.

Other bills and bonds

A 2% increase in interest rates at reporting date would result in an increased equity and profit or loss after tax of R40 million (2025: R20 million – at 2% sensitivity), while a decrease would result in a decrease in equity and profit or loss after tax of R40 million (2025: R20 million – at 2% sensitivity).

Government (GOVI) Bonds

A 2% increase in interest rates at reporting date would result in an increased equity and profit or loss after tax of R21 million (2025: R6.4 million – at 2% sensitivity), while a decrease would result in a decrease in equity and profit or loss after tax of R21 million (2025: R6.4 million – at 2% sensitivity).

Loans and receivables and trade and other payables are not sensitive to interest rate fluctuations as they are expected to be settled within three months when they fall due. Exposure to interest rate risk is monitored and managed by management.

The South African Reserve Bank (SARB) repurchase rate was at 7.50% in April 2025, decreasing to 7.00% in July 2025 and 6.75% in November 2025. Moreover, the SARB has kept the repo rate unchanged since its Monetary Policy Committee (MPC) meeting in November 2025. During the period under review, Headline Consumer Price Index (CPI) increased from 2.8% in April 2025 to 3.1% in March 2026, within the 3%-6% inflation-targeting range. SARB projections indicate that inflation will move above 4% in 2026, with long-term expectations easing back towards 3%. As a result, the SARB noted slower economic growth dampened by a period of higher inflation.

Cash and cash equivalents

The Company's exposure to interest rate risk on cash and cash equivalents is immaterial due to their short-term nature and immediate liquidity.

4.1.2 Equity price risk

The company's objective is to earn competitive relative returns by investing in a diverse portfolio of high-quality, liquid securities. Portfolio characteristics are analysed regularly and equity price risk is actively monitored and managed by management.

Investments in listed equities, which are carried at fair value on the reporting date, have exposure to price risk, being a potential loss of market value resulting from adverse change in prices. Investments in marketable securities are valued at fair value and are therefore susceptible to market fluctuations.

All of the company's investments are managed through outsourced reputable investment managers. Each of these managers is given a mandate to ensure that market risk is mitigated through diversification and investing in reputable companies and institutions. Equity price risk (downside risk) is also mitigated through put options.

Investment decisions are made by the Board's Investment Committee, which has ultimate responsibility for determining the investment portfolio's strategy and taking investment decisions within the risk profile and risk appetite.

As at 31 March 2026, the company had quoted ordinary share investments that have been disclosed at their fair values. A hypothetical 10% decline or increase in quoted investments would result in a decrease/increase in profit before tax by R154.42 million (2025: Rnil). A hypothetical 10% was used in the current financial year due to the expected movements in the equity market. The full impact of a decrease or increase in individual prices of instruments would affect the company's profit or loss since these investments are in the company's capital portfolio.

4.2 Credit risk

Credit risk is the risk that Sasria will experience a loss due to a counterparty being unwilling or unable to meet its financial or contractual obligations when they fall due.

The Company has exposure to credit risk, which is the risk that a counterparty will default on debt by failing to make payments when due. The key areas which give rise to credit risk exposure for the Company are:

- reinsurers' share of insurance liabilities that have not yet been paid;
- reinsurers' share of claims already paid;
- amounts due from insurance contract holders;
- premiums and other amounts due from agent companies; and
- amounts invested with investment counterparties.

The Company only conducts its business with reputable reinsurers rated above a certain level as shown in the ratings table below. The credit risk exposure of agent companies is managed by only conducting business with approved agents. Such risks are subject to an annual review and ongoing monitoring.

The creditworthiness of reinsurers is considered on a monthly basis, along with their external ratings as indicated below.

4.2.1 Credit risk on reinsurance contracts

Reinsurance risk arises due to uncertainty regarding the timing and amount of future cash flows from reinsurance contracts. This could be due to the financial standing of the reinsurer, or due to changes in the appropriateness of cover in the future.

The credit risk that originates from the reinsurance transactions is managed as follows:

Published independent credit ratings of all existing and prospective reinsurers are monitored prior to entering into reinsurance transactions. The credit ratings of all existing reinsurers are also monitored on an ongoing basis throughout the year and remedial action taken if required. In addition, reinsurance contracts make allowance to replace reinsurers in the case of a downgrade of the reinsurer's rating below an acceptable level.

The maximum net exposure to credit risk from reinsurers is represented by a net reinsurance asset of R1.81 billion (2025: R1.55 billion).

The table below shows the Company's five largest reinsurers on the reinsurance programme.

Reinsurer 2026	**% of total cover provided**	**Credit quality**
Swiss Reinsurance Company Limited	6.00	Investment grade
Arch Reinsurance Limited	5.00	Investment grade
Everest Reinsurance Company	4.75	Investment grade
SCOR SE	3.00	Investment grade
Odyssey Reinsurance Company (Joint number 5)	2.00	Investment grade
Lancashire Insurance Company (UK) Limited (Joint number 5)	2.00	Investment grade

Reinsurer 2025	**% of total cover provided**	**Credit quality**
Swiss Reinsurance Company Limited	10.00	Investment grade
Munich Reinsurance Company of Africa Limited	6.00	Investment grade
Everest Reinsurance Company	5.00	Investment grade
Endurance Specialty Insurance Limited (Zurich)	3.00	Investment grade
Odyssey Reinsurance Company	3.00	Investment grade

The Company does not have any foreign currency risk exposure as the reinsurance contracts are denominated in Rand.

4.2.2 Credit risk of financial assets

The credit rating of an individual instrument is an indication of the issuer's ability to meet its debt obligation; a lowered rating will affect the cost of borrowing (interest rates) as well as the cost of servicing its debt which therefore poses a constraint on the ability to borrow. Sasria's investment portfolio is impacted by South Africa's sovereign credit rating downgrade as government's ability to borrow money to fund projects has been constrained. This risk is mitigated by the investment mandates managed through outsourced reputable investment managers. Mandates include credit rating exposure limits, duration limits and the use of derivative instruments to hedge the portfolio without having to dispose of the underlying instruments. Each of these managers is given a mandate to ensure that credit risk is mitigated through diversification and flexibility, which allows for a defensive strategy in the current economic environment.

Issuer default and credit concentration risk with regard to cash investments, debt instruments, bonds, preference shares, over-the-counter derivatives and instruments used for equity protection risk mitigation are managed by the Risk department in conjunction with the Investment department.

Credit risk from balances with banks and financial institutions is managed by the Investment Committee in accordance with the Company's investment policy. Investments in surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Board of Directors on an annual basis and may be updated throughout the year subject to approval of the Investment Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The company's maximum exposure to credit risk for the components of the statement of financial position at 31 March 2026 and 2025 is the carrying amounts as illustrated in the table below.

As at 31 March 2026

Financial Assets and insurance assets	**Aaa**	**Aa**	**A**	**Baa**	**WR**	**Not rated**	**Total**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Government bonds	-	39 495	41 406	141 730	-	802 861	1 025 492
Other bills and bonds	699 958	378 336	-	-	-	905 624	1 983 918
Money market fund	7 321 951	-	-	-	-	2 673 374	9 995 325
Collective Investment Schemes	-	-	-	-		1 435 352	1 435 352
Derivatives	-	-	-	-	-	47 227	47 227
Loans and receivables and intermediary receivables	-	-	-	-	-	710 232	710 232
Cash and cash equivalents	2 436 607	-	-	-	9 700	1 974 144	4 420 451
Total	**10 458 516**	**417 831**	**41 406**	**141 730**	**9 700**	**8 548 814**	**19 617 997**

As at 31 March 2025 Financial Assets	Aaa	Aa	A	Baa	Not rated	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Government bonds	-	-	331	20 048	300 233	320 612
Other bills and bonds	332 486	214 848	-	-	466 589	1 013 923
Money market fund	5 426 953	-	-	-	2 537 777	7 964 730
Collective Investment Schemes	-	-	-	-	1 382 716	1 382 716
Loans and receivables and intermediary receivables	-	-	-	-	640 722	640 722
Cash and cash equivalents	3 945 816	-	-	-	1 929 905	5 875 721
Total	**9 705 255**	**214 848**	**331**	**20 048**	**7 257 942**	**17 198 424**

The financial assets analysed above are based on published external credit ratings.

The rating scales are based on long-term investment horizons from rating agency Moody's under the following broad investment grade definitions:

- Aaa - Prime grade, subject to low credit risk;
- Aa - Very good quality and is subject to very low credit risk;
- A - Upper medium grade, subject to low credit risk;
- Baa - Medium grade, subject to moderate risk;
- Caa - Speculative of poor standing and subject to very high credit risk;
- WR - Withdrawn rating;
- Not rated: Amounts falling within the not rated category are managed by the Finance department on a daily basis to ensure recoverability of amounts.

The Company has an Investment Committee that reviews the credit risk on all the financial instruments and measures are put in place to minimise the credit risk. The risk on the Company's investments is further minimised through limiting the dependency of the Company on any one investment manager and through requiring depth and breadth of resources and financial stability in respect of any investment manager appointed by the Company.

The Company monitors its exposure to its counterparties for regulatory reporting and policy adherence purposes. The credit risks are further monitored to ensure that there are no risk appetite breaches. Reporting is provided to the Executive Committee and the Risk Committee on a quarterly basis.

4.3 Liquidity risk

The Company is exposed to daily calls on its available cash resources mainly from claims arising from short-term insurance contracts. Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost.

The expected maturities of financial assets have been determined based on the contractual maturity dates of the underlying instruments at the reporting date. Cash and cash equivalents are included in the period in which they are available on demand. Fixed-income investments, including money market instruments, treasury bills, bonds and other interest-bearing investments, are allocated to the relevant maturity bands based on their contractual redemption dates. The maturity analysis is intended to reflect the timing of expected future cash inflows from these assets for liquidity risk management purposes.

For the purposes of the liquidity analysis below, financial instruments and lease liabilities are presented on an undiscounted, contractual and worst-case basis while insurance assets and liabilities are presented based on undiscounted fulfilment cash flows.

Sasria's strategy for managing liquidity risk is fundamentally underpinned by the active management of its financial asset portfolio. Given the inherently volatile and often short-tail nature of claims in short-term insurance, Sasria holds a significant proportion of its investments in assets that are highly liquid and readily convertible to cash. This ensures that Sasria can meet its contractual obligations, particularly large or unexpected claim payments, without being forced to sell illiquid assets at unfavourable prices.

(a) Financial assets, Lease liability and financial liabilities

The following liquidity analysis provides details on the expected settlement of the financial and lease liabilities recognised at reporting date:

2026	**Note**	**Within 0 to 3 months**	**3 months to 1 year**	**1 to 3 years**	**Greater than 3 years**	**Total**
		R'000	**R'000**	**R'000**	**R'000**	**R'000**
Trade and other payables	12	114 041	-	-	-	114 041
Lease liability	5.1	1 326	3 979	5 678	-	10 983
Total		**115 367**	**3 979**	**5 678**	**-**	**125 024**

2025		**Within 0 to 3 months**	**3 months to 1 year**	**1 to 3 years**	**Greater than 3 years**	**Total**
		R'000	**R'000**	**R'000**	**R'000**	**R'000**
Trade and other payables	12	36 595	-	-	-	36 595
Lease liability	5.1	1 240	3 719	10 983	-	15 942
Total		**37 835**	**3 719**	**10 983**	**-**	**52 537**

The following maturity analysis provides details on the expected maturities of the financial assets held at reporting date:

2026	**Within 0 to 3 months**	**3 months to 1 year**	**1 to 3 years**	**Greater than 3 years**	**Total**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**
Financial assets at fair value through profit or loss	6 663 628	5 603 041	3 356 354	408 489	16 031 512
Financial assets at amortised cost	706 532	-	3 700	-	710 232
Cash and cash equivalents	4 420 451	-	-	-	4 420 451
Total	**11 790 611**	**5 603 041**	**3 360 054**	**408 489**	**21 162 195**

2025	Within 0 to 3 months	3 months to 1 year	1 to 3 years	Greater than 3 years	Total
	R'000	R'000	R'000	R'000	R'000
Financial assets at fair value through profit or loss	3 922 664	3 907 173	2 540 512	311 632	10 681 981
Financial assets at amortised cost	637 022	-	3 700	-	640 722
Cash and cash equivalents	5 875 721	-	-	-	5 875 721
Total	**10 435 407**	**3 907 173**	**2 544 212**	**311 632**	**17 198 424**

(b) Reinsurance and insurance contracts assets and liabilities

The following liquidity analysis provides details on the fulfilment cash flows of insurance contracts liability for incurred claims at reporting date:

2026	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Greater than 5 years	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Insurance contract liabilities	769 030	165 162	29 410	12 551	10 714	385	987 252

2025	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Greater than 5 years	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Insurance contract liabilities	1 006 557	236 648	53 867	14 366	(730)	(1 077)	1 309 631

The following liquidity analysis provides details on the fulfilment cash flows of reinsurance contracts assets for incurred claims at reporting date:

2026	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Greater than 5 years	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Reinsurance contract assets	249 601	34 862	11 143	3 450	229	(7)	299 278

2025	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Greater than 5 years	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Reinsurance contract assets	288 106	41 552	12 310	3 342	38	(6)	345 342

4.4 Fair value hierarchy

IFRS 13 requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1
Quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date.

Level 2
Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

The following table analyses within the fair value hierarchy the Company's financial assets (by class) measured at fair value at 31 March 2026:

2026	Level 1	Level 2	Total
Asset	R'000	R'000	R'000
Financial assets at fair value through profit or loss:			
- Listed equity	1 544 198	-	1 544 198
- Money market fund	-	9 995 325	9 995 325
- Government and semi-government bonds	-	1 025 492	1 025 492
- Other bills and bonds	-	1 983 918	1 983 918
- Collective Investment Schemes	-	1 435 352	1 435 352
- Derivatives	-	47 227	47 227
Total financial assets at fair value through profit or loss	**1 544 198**	**14 487 314**	**16 031 512**

2025	Level 1	Level 2	Total
Asset	R'000	R'000	R'000
Financial assets at fair value through profit or loss:			
- Money market fund	-	7 964 730	7 964 730
- Government and semi-government bonds	-	320 612	320 612
- Other bills and bonds	-	1 013 923	1 013 923
- Collective Investment Schemes	-	1 382 716	1 382 716
Total financial assets at fair value through profit or loss	**-**	**10 681 981**	**10 681 981**

Valuation techniques used:

Level 1
The fair value of financial instruments traded in an active market is based on quoted market prices at reporting 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.

Level 2
Financial instruments that trade in markets that are not considered to be active but are valued using valuation techniques based on assumptions supported by prices from an observable current market transaction are classified within Level 2. Inputs used in the valuation techniques include quoted market prices, interest rates, observable yield curves and credit spreads. The fair value of the instruments calculated using various valuation techniques is obtained from fund managers' reports.

4.5 Operational risk

Operational risk arises as a result of inadequate or failed internal processes, people and systems, or from external events. These risks are mitigated through a comprehensive system of internal controls, comprising policies and standards, procedures, systems and information to assist in achieving established objectives and goals.

Sasria manages operational risk using a range of techniques and tools to identify, monitor and mitigate its operational risk in accordance with the risk appetite. These tools include risk and control self-assessments and questionnaires, Key Risk Indicators, scenario and sensitivity analyses and loss data collection/notification. In addition, Sasria has developed a number of contingency plans including Incident/loss notification and a business continuity management (BCM) plan which is tested on a regular basis and reviewed by internal audit every three years.

5. Property and equipment

	2026			2025		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000
Computer equipment	31 446	(27 152)	4 294	30 383	(25 720)	4 663
Furniture and fittings	4 633	(4 001)	632	4 449	(3 828)	621
Motor vehicles	1 156	(549)	607	1 156	(309)	847
Office equipment	2 558	(2 543)	15	2 558	(2 542)	16
Leasehold improvements	16 297	(16 295)	2	16 297	(16 295)	2
Right-of-use asset: building	19 323	(11 594)	7 729	19 323	(7 729)	11 594
Total	**75 413**	**(62 134)**	**13 279**	**74 166**	**(56 423)**	**17 743**

Reconciliation of property and equipment - 2026

	Opening net book amount	Additions	Disposals	Adjustments	Depreciation charge	Closing net book amount
	R'000	R'000	R'000	R'000	R'000	R'000
Computer equipment	4 663	3 005	(40)	-	(3 334)	4 294
Furniture and fittings	621	184	-	-	(173)	632
Motor vehicles	847	-	-	-	(240)	607
Office equipment	16	-	-	-	(1)	15
Leasehold improvements	2	-	-	-	-	2
Right-of-use asset: building	11 594	-	-	-	(3 865)	7 729
Total	**17 743**	**3 189**	**(40)**	**-**	**(7 613)**	**13 279**

Reconciliation of property and equipment - 2025

	Opening net book amount	Additions	Disposals	Adjustments	Depreciation charge	Closing net book amount
	R'000	R'000	R'000	R'000	R'000	R'000
Computer equipment	4 403	3 517	(31)	-	(3 226)	4 663
Furniture and fittings	787	197	-	-	(363)	621
Motor vehicles	15	980	-	-	(148)	847
Office equipment	27	5	-	-	(16)	16
Leasehold improvements	3	-	-	-	(1)	2
Right-of-use asset: building	15 458	-	-	-	(3 864)	11 594
Total	**20 693**	**4 699**	**(31)**	**-**	**(7 618)**	**17 743**

5.1 Lease

	2026	2025
	R'000	R'000
Minimum lease payments due		
- within one year	5 306	4 959
- within two to five years	5 677	10 983
Undiscounted minimum lease payments	10 983	15 942
- Less future interest expense	(1 023)	(2 214)
Present value of minimum lease payments	**9 960**	**13 728**

The company renewed the lease for its office building on 1 April 2023. Lease payments represent rentals payable by the Company. Leases are negotiated for an average term of five years and escalate at 7% on average. No contingent rent is payable.

	2026	2025
	R'000	R'000
Reconciliation of lease liability		
Opening balance	13 728	16 820
Interest expense	1 191	1 542
Total lease cash outflows	(4 959)	(4 634)
Closing balance	**9 960**	**13 728**

6. Intangible assets

	2026			2025		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000
Software	108 246	(71 846)	36 400	108 246	(61 296)	46 950
Capital work in progress	-	-	-	-	-	-
Total	**108 246**	**(71 846)**	**36 400**	**108 246**	**(61 296)**	**46 950**

Reconciliation of intangible assets - 2026

	Opening net book amount	Amortisation charge	Closing net book amount
	R'000	R'000	R'000
Software	46 950	(10 550)	36 400
Capital work in progress	-	-	-
Total	**46 950**	**(10 550)**	**36 400**

Reconciliation of intangible assets - 2025

	Opening net book amount	Additions	Transfers	Amortisation charge	Closing net book amount
	R'000	R'000	R'000	R'000	R'000
Software	50 526	-	4 995	(8 571)	46 950
Capital work in progress	4 556	439	(4 995)	-	-
Total	**55 082**	**439**	**-**	**(8 571)**	**46 950**

7. Financial assets

The Company's financial assets are summarised by measurement category in the table below.

	Note	2026	2025
		R'000	R'000
Financial assets at fair value through profit or loss	7.1	16 031 512	10 681 981
Financial assets at amortised cost	7.2	710 232	640 722
Total financial assets		**16 741 744**	**11 322 703**

The assets classified as held at fair value through profit or loss are detailed in the tables below:

7.1 Fair value through profit or loss

	2026	2025
	R'000	R'000
Equity securities		
Listed	1 544 198	-
	1 544 198	**-**
Money market fund	9 995 325	7 964 730
	9 995 325	**7 964 730**
Other bills and bonds		
Government and semi–government bonds	1 025 492	320 612
Other bills and bonds	1 983 918	1 013 923
Collective Investment Schemes	1 435 352	1 382 716
	4 444 762	**2 717 251**
Derivative financial assets		
Derivative – put option	47 227	-
	47 227	-
Total financial assets at fair value through profit or loss	**16 031 512**	**10 681 981**

Movement in financial assets at fair value through profit or loss

	2026	2025
	R'000	R'000
Balance at the beginning of the year	10 681 981	7 637 377
Transfer from / (to) cash and cash equivalents	4 301 556	2 220 329
Transfer from / (to) receivables and payables	68 479	(149)
Interest income	826 019	734 321
Dividend income	10 966	2 930
Realised net fair value gains/(losses)	190 472	75 733
Unrealised net fair value gains/(losses)	(24 602)	27 883
Investment administration expenses	(23 359)	(16 443)
	16 031 512	**10 681 981**

7.2 Financial assets at amortised cost

	2026	2025
	R'000	R'000
Intermediary receivables	523 667	443 768
Investment receivables	182 844	193 231
Other loans and receivables	3 721	3 723
	710 232	**640 722**

7.3 Expected credit loss

The trade receivables due from agents at reporting date was:

	2026		2025	
	Gross	Expected credit loss	Gross	Expected credit loss
	R'000	R'000	R'000	R'000
Intermediary receivables	523 667	-	443 768	-
Investment receivables	182 844	-	193 231	-
Other loans and receivables	3 721	-	3 723	-
Total	**710 232**	**-**	**640 722**	**-**

The carrying amounts of the above balances approximate the fair value due to their short-term nature.

Loans and receivables and intermediary receivables represent the investment-related receivables and outstanding premiums not yet received from agents a month after being raised. The outstanding balances are typically settled shortly after year-end, with a consistent history of timely collection. Based on historical data, expected future cash flows, and the short-term nature of these receivables, the expected credit loss is assessed to be immaterial.

8. Other assets

8.1 Prepayments

	2026	2025
	R'000	R'000
Prepayments	18 107	17 134

9. Insurance and reinsurance contract balances

9.1 Statement of financial position composition

	2026	2025
	R'000	R'000
Insurance contracts liabilities	1 905 045	2 061 759
Reinsurance contracts liabilities	55 595	32 775
Reinsurance contracts assets	(1 866 412)	(1 583 166)
Total	**94 228**	**511 368**

(a) Reconciliation of insurance contracts issued that are liabilities

2026	Liabilities for Remaining Coverage	Liabilities for Incurred Claims		Total
		Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial Risk	
	R'000	R'000	R'000	R'000
Opening Insurance contract liabilities	829 195	1 161 191	71 373	2 061 759
Balance 01 April 2025	**829 195**	**1 161 191**	**71 373**	**2 061 759**
Insurance Revenue				
Insurance revenue	(6 255 131)	-	-	(6 255 131)
Total Insurance revenue	**(6 255 131)**	**-**	**-**	**(6 255 131)**
Insurance Service Expenses				
Incurred insurance service expenses:	**-**	**1 550 671**	**28 812**	**1 579 483**
Claims	-	604 655	-	604 655
Expenses	-	946 016	-	946 016
Movements related to current service	-	-	28 812	28 812
Amortisation of insurance acquisition cash flows	763 566	-	-	763 566
Changes that relate to past service (changes in fulfilment cash flows re LIC)	-	(516 085)	(60 794)	(576 879)
Total Insurance Service Expenses	**763 566**	**1 034 586**	**(31 982)**	**1 766 170**
Total Insurance Service Result	**(5 491 565)**	**1 034 586**	**(31 982)**	**(4 488 961)**
Insurance Finance Income or Expense				
The effect of and changes in time value of money and financial risk	-	68 721	3 707	72 428
Total Insurance Finance Income or Expense	**-**	**68 721**	**3 707**	**72 428**
Total Changes in the Statement of Comprehensive Income	**(5 491 565)**	**1 103 307**	**(28 275)**	**(4 416 533)**
Cash flows (actual cash flows in the period)				
Premiums received	6 412 114	-	-	6 412 114
Claims and other insurance service expenses paid	-	(1 371 427)	-	(1 371 427)
Insurance acquisition cash flows	(780 868)	-	-	(780 868)
Total cash flows	**5 631 246**	**(1 371 427)**	**-**	**4 259 819**
Balance 31 March 2026	**968 876**	**893 071**	**43 098**	**1 905 045**
Closing Insurance contract liabilities	968 876	893 071	43 098	1 905 045
Balance 31 March 2026	**968 876**	**893 071**	**43 098**	**1 905 045**

*There is no loss component included in the LRC.

2025	Liabilities for Remaining Coverage	Liabilities for incurred claims		Total
		Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial Risk	
	R'000	R'000	R'000	R'000
Opening Insurance contract liabilities	731 137	1 161 008	88 834	1 980 979
Balance 01 April 2024	**731 137**	**1 161 008**	**88 834**	**1 980 979**
Insurance Revenue				
Insurance revenue	(5 759 562)	-	-	(5 759 562)
Total Insurance revenue	**(5 759 562)**	**-**	**-**	**(5 759 562)**
Insurance Service Expenses				
Incurred insurance service expenses:	**-**	**1 360 631**	**25 057**	**1 385 688**
Claims	-	507 564	-	507 564
Expenses	-	853 067	-	853 067
Movements related to current service	-	-	25 057	25 057
Amortisation of insurance acquisition cash flows	698 726	-	-	698 726
Changes that relate to past service (changes in fulfilment cash flows re LIC)	-	181 289	(47 629)	133 660
Total Insurance Service Expenses	**698 726**	**1 541 920**	**(22 572)**	**2 218 074**
Total Insurance Service Result	**(5 060 836)**	**1 541 920**	**(22 572)**	**(3 541 488)**
Insurance Finance Income or Expense				
The effect of and changes in time value of money and financial risk	-	70 269	5 111	75 380
Total Insurance Finance Income or Expense	**-**	**70 269**	**5 111**	**75 380**
Total Changes in the Statement of Comprehensive Income	**(5 060 836)**	**1 612 189**	**(17 461)**	**(3 466 108)**
Cash flows (Actual cash flows in the period)				
Premiums received	5 872 524	-	-	5 872 524
Claims and other insurance service expenses paid	-	(1 612 006)	-	(1 612 006)
Insurance acquisition cash flows	(713 630)	-	-	(713 630)
Total Cash flows	**5 158 894**	**(1 612 006)**	**-**	**3 546 888**
Balance 31 March 2025	**829 195**	**1 161 191**	**71 373**	**2 061 759**
Closing Insurance contract liabilities	829 195	1 161 191	71 373	2 061 759
Balance 31 March 2025	**829 195**	**1 161 191**	**71 373**	**2 061 759**

*There is no loss component included in the LRC.

(b) Reconciliation of reinsurance contracts held that are assets and liabilities

2026	Remaining Coverage Component	Incurred Claims Component		Total
		Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial Risk	
	R'000	R'000	R'000	R'000
Opening reinsurance contract assets	1 252 461	299 590	31 114	1 583 166
Opening reinsurance contract liabilities	(32 775)	-	-	(32 775)
Balance 01 April 2025	**1 219 686**	**299 590**	**31 114**	**1 550 391**
Allocation of the premiums paid:				
Allocation of reinsurance premiums	(1 175 925)	-	-	(1 175 925)
Total Allocation of premiums paid	**(1 175 925)**	**-**	**-**	**(1 175 925)**
Amounts recovered from reinsurance				
Recoveries of incurred claims and other insurance service expense	-	152 535	12 332	164 867
Changes that relate to past service (changes related to incurred claims component)	-	(95 894)	(26 692)	(122 586)
Total Amounts Recovered from Reinsurance	**-**	**56 641**	**(14 360)**	**42 281**
Total Net Expenses from Reinsurance	**(1 175 925)**	**56 641**	**(14 360)**	**(1 133 644)**
Insurance Finance Income or Expense				
The effect of and changes in time value of money and financial risk	-	24 540	1 526	26 066
Total Insurance Finance Income or Expense	**-**	**24 540**	**1 526**	**26 066**
Total Changes in the Statement of Comprehensive Income	**(1 175 925)**	**81 181**	**(12 834)**	**(1 107 578)**
Cash flows (Actual cash flows in the period)				
Premiums paid	1 479 334	-	-	1 479 334
Amounts recovered	-	(111 330)	-	(111 330)
Total cash flows	**1 479 334**	**(111 330)**	**-**	**1 368 004**
Balance 31 March 2026	**1 523 095**	**269 442**	**18 280**	**1 810 817**
Closing reinsurance contract assets	1 578 690	269 442	18 280	1 866 412
Closing reinsurance contract liabilities	(55 595)	-	-	(55 595)
Balance 31 March 2026	**1 523 095**	**269 442**	**18 280**	**1 810 817**

2025	Remaining Coverage Component	Incurred Claims Component		Total
		Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial Risk	
	R'000	R'000	R'000	R'000
Opening reinsurance contract assets	875 497	248 489	23 236	1 147 222
Opening reinsurance contract liabilities	(82 071)	-	-	(82 071)
Balance 01 April 2024	**793 426**	**248 489**	**23 236**	**1 065 151**
Allocation of the premiums paid:				
Allocation of reinsurance premiums	(812 534)	-	-	(812 534)
Total Allocation of premiums paid	**(812 534)**	**-**	**-**	**(812 534)**
Amounts recovered from reinsurance				
Recoveries of incurred claims and other insurance service expense	-	107 569	11 928	119 497
Changes related to past service (changes related to incurred claims component)	-	106 297	(5 489)	100 808
Total Amounts Recovered from Reinsurance	**-**	**213 866**	**6 439**	**220 305**
Total Net Expenses from Reinsurance	**(812 534)**	**213 866**	**6 439**	**(592 229)**
Insurance Finance Income or Expense				
The effect of and changes in time value of money and financial risk	-	12 517	1 439	13 956
Total Insurance Finance Income or Expense	**-**	**12 517**	**1 439**	**13 956**
Total Changes in the Statement of Comprehensive Income	**(812 534)**	**226 383**	**7 878**	**(578 273)**
Cash flows (Actual cash flows in the period)				
Premiums paid	1 238 794	-	-	1 238 794
Amounts recovered	-	(175 281)	-	(175 281)
Total cash flows	**1 238 794**	**(175 281)**	**-**	**1 063 513**
Balance 31 March 2025	**1 219 686**	**299 591**	**31 114**	**1 550 391**
Closing reinsurance contract assets	1 252 461	299 591	31 114	1 583 166
Closing reinsurance contract liabilities	(32 775)	-	-	(32 775)
Balance 31 March 2025	**1 219 686**	**299 591**	**31 114**	**1 550 391**

9.2 Short-term insurance contracts - assumptions, change in assumptions and sensitivity

Underwriting insurance risks incorporate unpredictability, and the Company recognises that it is impossible to predict future claims payable under existing insurance contracts with absolute certainty. To this end, the Company has, over time, developed a methodology that is aimed at establishing insurance provisions that have a reasonable likelihood of being adequate to settle all its insurance obligations.

a) Claims provisions

The Company's outstanding claims provisions include notified claims, IBNR claims as well as ULAE.

The claim provisions:

- reflect the 'best estimate' of likely future claims experience;
- include an allowance for 'pure IBNR' (late reported claims) and 'IBNER' (development of known claims);
- implicitly allow for claims inflation; and
- include allowance for direct claims handling expenses (i.e. loss adjuster fees).

In addition to the best estimate, a risk margin is included to bring the claims provision up to the 75% probability of sufficiency level. In other words, a provision is held against the worst outcome expected in any one year over a four-year period.

Notified claims

Each notified claim is assessed on a separate, case-by-case basis with due regard to the specific circumstances, information available from the insured and/or loss adjuster and past experience with similar claims. The Company employs staff experienced in claims handling and rigorously applies standardised policies and procedures around claims assessment. The provision for each notified claim includes an estimate of the associated claims handling costs but excludes value-added tax.

The ultimate cost of the reported claims may vary as a result of future developments or better information becoming available about the current circumstances. Case estimates are therefore reviewed and updated as new information becomes available.

IBNR claims

Assumptions for each line of business are determined based on historic data. The expected claims liabilities are estimated for specific lines of business.

For motor, property and engineering classes, there was sufficient data to enable the valuation of the claims provisions using actuarial methods, gross and net of reinsurance claims data.

The provision for the notified claims and IBNR are initially estimated at a gross level. A separate calculation is then carried out to determine the estimated reinsurance recoveries. The calculation of the reinsurance recoveries considers the type of the risk underwritten, which year the gross claim occurred and therefore under which reinsurance programme the recovery will be made, the size of the claim and whether the claim was an isolated incident or forms part of a catastrophe reinsurance claim. A liability adequacy test was performed where the gross insurance premiums were compared to the claims incurred and an additional provision was deemed unnecessary.

b) Assumptions

The assumptions that have the greatest effect on the measurement of insurance contract provisions are:

- the selected development factors for the basic chain-ladder;
- Loss ratios used in the estimated loss ratio method;
- Large loss frequency and severity; and
- Risk margin assumptions.

c) Sensitivity analysis

The following sensitivity analysis shows the impact on profit and equity for reasonably possible movements in key assumptions with all other assumptions held constant. The correlation of assumptions will have a significant effect in determining the ultimate impacts, but to demonstrate the impact due to changes in each assumption, assumptions have been changed on an individual basis.

Insurance risk sensitivity analysis

The liability for incurred claims is considered to be the most sensitive to changes in the expected claims and in particular, expected ultimate claims; therefore, a sensitivity analysis is performed.

The table below provides a sensitivity analysis of the potential impact of changes in two key claims risk variables, namely claims frequency and severity, in respect of all claims that have already been incurred and not yet settled. To assess the impact of reasonably possible changes in these variables, the claims reserves were stressed by ±5%, with all other assumptions held constant.

2026	Impact on profit before tax gross of reinsurance	Impact on profit before tax net of reinsurance	Impact on equity before tax gross of reinsurance	Impact on equity before tax net of reinsurance
	R'000	R'000	R'000	R'000
5% increase in ultimate claims	(46 808)	(32 425)	(46 808)	(32 425)
5% decrease in ultimate claims	46 808	32 425	46 808	32 425

2025	Impact on profit before tax gross of reinsurance	Impact on profit before tax net of reinsurance	Impact on equity before tax gross of reinsurance	Impact on equity before tax net of reinsurance
	R'000	R'000	R'000	R'000
5% increase in ultimate claims	(29 862)	(23 760)	(29 862)	(23 760)
5% decrease in ultimate claims	29 862	23 760	29 862	23 760

It should be noted that the impact of a ±5% change in ultimate claims has a linear and equivalent effect on both profit before tax and equity.

Financial risk: Interest rate sensitivity analysis

The impact on profit or loss (before tax) and equity arising from a 50 basis point increase and decrease in discount rates on insurance contract liabilities and reinsurance contract assets, is as follows:

2026	Impact on profit before tax gross of reinsurance	Impact on profit before tax net of reinsurance	Impact on equity before tax gross of reinsurance	Impact on equity before tax net of reinsurance
	R'000	R'000	R'000	R'000
Yield curve plus 50 basis points	3 169	2 442	3 169	2 442
Yield curve minus 50 basis points	(3 204)	(2 470)	(3 204)	(2 470)

2025	Impact on profit before tax gross of reinsurance	Impact on profit before tax net of reinsurance	Impact on equity before tax gross of reinsurance	Impact on equity before tax net of reinsurance
	R'000	R'000	R'000	R'000
Yield curve plus 50 basis points	4 402	3 570	4 402	3 570
Yield curve minus 50 basis points	(4 447)	(3 606)	(4 447)	(3 606)

d) Claims development tables

The presentation of the claims development tables is based on the actual date of the event that caused the claim (accident year basis). The claims development tables represent the development of actual claims paid for non-catastrophe (Non CAT) claims.

Payment development – gross Non CAT

Gross Non CAT	Total	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017 and prior
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Reporting Year Actual claims costs											
2026	335 827	60 918	129 822	138 488	1 619	939	122	1 211	2 091	20	597
2025	497 427		85 852	329 852	51 795	17 562	1 765	7 910	1 712	409	570
2024	862 827			364 942	291 278	52 976	17 915	15 266	44 293	74 682	1 475
2023	534 702				193 199	174 500	38 331	50 860	36 625	28 478	12 709
2022	1 143 477					764 495	221 079	27 307	57 029	73 306	261
2021	751 251						216 908	321 705	184 012	17 573	11 053
2020	1 005 215							355 401	487 312	123 312	39 190
2019	1 043 035								634 889	284 975	123 171
2018	705 904									263 403	442 501
2017	644 144										644 144
Cumulative payments to date		**60 918**	**215 674**	**833 282**	**537 891**	**1 010 472**	**496 120**	**779 660**	**1 447 963**	**866 158**	**1 275 671**

Payment Development – net – Non CAT

Net Non CAT	Total	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017 and prior
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Reporting Year Actual claims costs											
2026	234 816	45 689	103 866	79 776	769	675	122	1 211	2 091	20	597
2025	308 652		68 761	190 011	24 602	12 911	1 765	7 910	1 712	409	571
2024	545 418			210 225	138 357	43 205	17 915	15 266	44 293	74 682	1 475
2023	396 829				91 769	138 056	38 331	50 860	36 625	28 478	12 710
2022	1 115 386					736 404	221 079	27 307	57 029	73 306	261
2021	751 251						216 908	321 705	184 012	17 573	11 053
2020	1 005 215							355 401	487 312	123 312	39 190
2019	1 043 035								634 889	284 975	123 171
2018	705 904									263 403	442 501
2017	644 144										644 144
Cumulative payments to date	**45 689**	**172 627**	**480 012**	**255 497**	**931 251**	**496 120**	**779 660**	**1 447 963**	**866 158**	**1 275 673**	

Reporting development - gross - Non CAT

Gross Non CAT	Total	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017 and prior
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Reporting Year Provision raised											
2026	708 877	477 525	67 164	132 328	8 216	10 347	10 617	(57)	2 901	(258)	94
2025	934 193		306 646	297 582	13 727	19 106	9 135	283 463	4 175	(258)	617
2024	770 943			338 058	81 096	32 145	10 925	292 826	12 456	388	3 049
2023	668 658				410 500	110 524	61 406	20 155	34 094	28 570	3 409
2022	769 519					339 064	190 188	119 315	90 484	16 853	13 615
2021	811 328						383 621	148 619	152 242	110 419	16 427
2020	1 094 298							464 479	460 513	140 263	29 043
2019	1 141 441								740 810	324 085	76 546
2018	718 627									430 502	288 125
2017	744 882										744 882
Cumulative reported to date	**477 525**	**373 810**	**767 968**	**513 539**	**511 186**	**665 892**	**1 328 800**	**1 497 675**	**1 050 564**	**1 175 807**	

Reporting development - net - Non CAT

Net Non CAT	Total	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017 and prior
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Reporting Year Provision raised											
2026	515 627	358 144	53 731	76 227	3 903	10 340	10 617	(57)	2 901	(258)	79
2025	738 597		245 329	171 422	6 520	18 193	9 135	283 463	4 175	(258)	618
2024	577 397			194 738	38 520	24 494	10 925	292 826	12 456	388	3 050
2023	429 868				194 988	87 247	61 406	20 155	34 094	28 570	3 408
2022	716 635					286 180	190 188	119 315	90 484	16 853	13 615
2021	811 328						383 621	148 619	152 242	110 419	16 427
2020	1 094 298							464 479	460 513	140 263	29 043
2019	1 141 441								740 810	324 085	76 546
2018	718 627									430 502	288 125
2017	744 882										744 882
Cumulative reported to date		**358 144**	**299 060**	**442 387**	**243 931**	**426 454**	**665 892**	**1 328 800**	**1 497 675**	**1 050 564**	**1 175 793**

10. Cash and cash equivalents

	2026	2025
	R'000	R'000
Cash and cash equivalents comprise:		
Call account	949 449	1 507 127
Money market instruments with maturities of less than three months	704 079	376 134
Bank and cash balances	2 766 923	3 992 460
	4 420 451	**5 875 721**

The effective interest rate on short-term bank deposits with maturities of less than three months ranges between 6.55% and 7.83% (2025: 7.6% and 9.2%). The effective interest rate on the call account at the reporting date ranges between 6.75% and 7.25% (2025: 7.25% and 7.75%) and on the SARB account between 6.75% and 7.5% (2025: 7.50% and 8.25%).

The credit risk of cash at bank and short-term deposits, excluding cash on hand is therefore considered to be low and the ECL immaterial.

11. Share capital

	2026	2025
	R'000	R'000
Authorised		
1 000 000 ordinary shares		
Issued		
220 001 ordinary shares	22 000 000	22 000 000

The issued share capital consists of one ordinary share with a value of 100 cents, and 220 000 ordinary shares with a value of 10 000 000 cents. The shares are fully paid for.

12. Payables

	2026	2025
	R'000	R'000
Financial instruments:		
Trade payables and accrued expenses	50 953	31 599
Investment payable	63 088	4 996
Non-Financial instruments		
VAT payable	66 010	91 252
Total	**180 051**	**127 847**

13. Employee benefit liability

Reconciliation of employee benefit liability - 2026

	Opening balance	Recognised in profit or loss	Cash paid	Closing balance
	R'000	R'000	R'000	R'000
Leave pay	6 364	2 132	(1 092)	7 404
Bonus	40 397	43 284	(39 945)	43 736
Total	**46 761**	**45 416**	**(41 037)**	**51 140**

Reconciliation of employee benefit liability - 2025

	Opening balance	Recognised in profit or loss	Cash paid	Closing balance
	R'000	R'000	R'000	R'000
Leave pay	6 036	873	(545)	6 364
Bonus	32 829	41 157	(33 589)	40 397
Total	**38 865**	**42 030**	**(34 134)**	**46 761**

The leave pay provision relates to vested leave pay which employees may become entitled to when they leave the employment of the Company or utilise as accrued leave.

The bonus provision consists of a performance bonus accrual based on the achievement, prior to year-end, of predetermined financial and qualitative targets.

14. 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 taxes relate to the same fiscal authority.

The gross movement on the deferred income tax account is as follows:

	2026	2025
	R'000	R'000
At beginning of the year	2 050 210	1 460 284
Recognised in profit or loss	873 103	589 926
Total	**2 923 313**	**2 050 210**

	Balance 01 April 2025	(Charged)/ credited to profit or loss	Balance 31 March 2026
	R'000	R'000	R'000
Right-of-use asset	576	27	603
Provisions	13 215	1 529	14 744
Unrealised appreciation of investments	(14 394)	6 642	(7 752)
Prepayments	(1 312)	(315)	(1 627)
IFRS 17 transition	(40 732)	40 732	-
Assessed loss	2 092 857	824 488	2 917 345
Total	**2 050 210**	**873 103**	**2 923 313**

	Balance 01 April 2024	(Charged)/ credited to the income statement	Balance 31 March 2025
	R'000	R'000	R'000
Right-of-use asset	369	207	576
Provisions	11 828	1 387	13 215
Unrealised appreciation of investments	(6 866)	(7 528)	(14 394)
Prepayments	(1 060)	(252)	(1 312)
IFRS 17 transition	(82 255)	41 523	(40 732)
Assessed loss	1 538 268	554 589	2 092 857
Total	**1 460 284**	**589 926**	**2 050 210**

	2026	2025
	R'000	R'000
Deferred income tax assets	2 932 692	2 106 648
Deferred income tax liabilities	(9 379)	(56 438)
Net deferred tax balance	**2 923 313**	**2 050 210**

	2026	2025
	R'000	R'000
Unrecognised deferred tax on estimated tax loss at beginning of the year	1 997 211	3 470 331
Recognised deferred tax on estimated tax loss	(1 864 423)	(1 473 120)
Unrecognised deferred tax on estimated tax loss	**132 788**	**1 997 211**

Deferred tax asset of R2.92 billion (2025: R2.05 billion) was recognised, which was made up of unused estimated tax loss and movement in temporary difference. Deferred tax assets are recognised for tax losses carried forward only to the extent that realisation of the related tax benefit is probable. The assessment is based on the budget that has been approved by the Board of Directors, which shows an improvement in the company's taxable profits for the financial year and beyond.

No deferred tax asset has been recognised on tax losses amounting to R0.49 billion (2025: R7.40 billion) because it is not probable that future taxable profits will be available against which the deferred asset will be utilised.

15. Current vs non-current split of assets and liabilities

	2026 Total	2026 Non-current	2026 Current	2025 Total	2025 Non-current	2025 Current
	R'000	R'000	R'000	R'000	R'000	R'000
ASSETS						
Intangible assets	36 400	36 400	-	46 950	46 950	-
Property and equipment	13 279	13 279	-	17 743	17 743	-
Deferred tax	2 923 313	2 923 313	-	2 050 210	2 050 210	-
Financial assets						
Financial assets at fair value through profit and loss	16 031 512	3 764 843	12 266 669	10 681 981	2 852 144	7 829 837
Loans and receivables	710 232	3 700	706 532	640 722	3 700	637 022
Reinsurance contracts held that are assets	1 866 412	43 405	1 823 007	1 583 166	49 661	1 533 505
Prepayments	18 107	-	18 107	17 134	-	17 134
Current tax receivables	-	-	-	-	-	-
Cash and cash equivalents	4 420 451	-	4 420 451	5 875 721	-	5 875 721
Total Assets	**26 019 706**	**6 784 940**	**19 234 766**	**20 913 627**	**5 020 408**	**15 893 219**
LIABILITIES						
Lease liability	9 960	5 420	4 540	13 728	9 960	3 768
Insurance contracts issued that are liabilities	1 905 045	190 208	1 714 837	2 061 759	264 501	1 797 258
Reinsurance contracts issued that are liabilities	55 595	-	55 595	32 775	-	32 775
Employee benefit liability	51 140	-	51 140	46 761	-	46 761
Current tax payable	18 451	-	18 451	19 233	-	19 233
Payables	180 051	-	180 051	127 847	-	127 847
Total Liabilities	**2 220 242**	**195 628**	**2 024 614**	**2 302 103**	**274 461**	**2 027 642**

16. Insurance revenue

	2026	2025
	R'000	R'000
Contracts measured under the PAA	6 255 131	5 759 562
Total	**6 255 131**	**5 759 562**

17. Insurance service expense

	2026	2025
	R'000	R'000
Incurred claims and other insurance service expenses	1 579 483	1 385 688
Amortisation of insurance acquisition costs	763 566	698 726
Changes in liability for incurred claims relating to past service	(576 879)	133 660
Total	**1 766 170**	**2 218 074**

18. Net expense/(income) from reinsurance contracts held

	2026	2025
	R'000	R'000
Reinsurance expenses – contracts measured under the PAA	1 175 925	812 534
Incurred claims recovered	(42 281)	(220 305)
Total	**1 133 644**	**592 229**

19. Finance expenses from insurance contracts issued

	2026	2025
	R'000	R'000
Interest accreted	58 241	59 923
Effect of changes in interest rates and other financial assumptions	14 187	15 457
Total	**72 428**	**75 380**

20. Finance income from reinsurance contracts held

	2026	2025
	R'000	R'000
Interest accreted	22 802	11 051
Effect of changes in interest rates and other financial assumptions	3 264	2 905
Total	**26 066**	**13 956**

21. Investment income

	2026	2025
	R'000	R'000
Investment income on cash and cash equivalents:		
Interest income	356 778	442 891
Investment income on financial assets held at fair value through profit or loss:		
Dividend income	10 966	2 930
Interest income	826 019	734 321
Unrealised net fair value (losses)/gains	(24 602)	27 883
Realised net fair value gains	190 472	75 733
	1 002 855	**840 867**
Total	**1 359 633**	**1 283 758**

22. Expenses for administration and marketing and finance costs

22.1 Expenses for administration and marketing

	Note(s)	2026	2025
Expenses for administration and marketing include:		R'000	R'000
Advertising expenses		21 367	17 772
Auditor remuneration: statutory audit		3 903	2 009
Depreciation - property and equipment	5	3 748	3 754
Depreciation - right-of-use asset	5	3 865	3 864
Investment administration expenses		23 359	16 443
Employee benefit expense	23	211 134	193 826
Social responsibility allocation		43 686	21 611
Consulting and professional fees		4 915	7 715
Policy administration fees		673 180	617 013
Subscriptions		3 092	6 166
Staff training and seminars		9 273	11 051
Amortisation - intangible assets	6	10 550	8 571

22.2 Finance costs

	2026	2025
	R'000	R'000
Interest on lease liability	1 191	1 542
Interest on late payment of taxes	30 523	-
Total	**31 714**	**1 542**

Expenses that are attributable to insurance business are presented as insurance service expenses on the statement of comprehensive income and those that do not relate to insurance business are presented as other operating expenses or finance cost.

23. Employee benefit expense

	2026	2025
	R'000	R'000
Wages and salaries	145 743	133 507
Medical aid	5 388	5 162
Leave pay accrual	2 132	873
Post-employment benefits: defined contribution pension plan	14 587	13 127
Bonus expense	43 284	41 157
Total	**211 134**	**193 826**
Number of employees	173	169

Employee benefit expenses that are attributable to insurance business are presented as insurance service expenses on the statement of comprehensive income and those that do not relate to insurance business are presented as other operating expenses.

24. Taxation

	2026	2025
	R'000	R'000
Major components of the tax expense		
Current		
Current year normal tax	256 178	227 555
Prior year under/(over) provision	-	(66)
	256 178	**227 489**
Deferred		
Current year deferred income tax	(48 615)	(34 667)
Recognition of tax loss not previously recognised	(1 864 424)	(1 473 385)
Overprovision - prior year	-	(670)
Assessed tax loss utilised	1 039 936	918 796
	(873 103)	**(589 926)**
Taxation	**(616 925)**	**(362 437)**

Reconciliation of the taxation

	2026	2025
	R'000	R'000
Profit / (loss) before tax	4 571 015	4 106 546
Tax at the applicable tax rate of 27%	1 234 174	1 108 767
Effects of: Income not subject to tax:		
Disallowable expenses[1]	16 285	3 708
Exempt income[2]	(2 962)	(791)
Prior year over provision: current tax	-	(66)
Prior year over provision: Deferred tax	-	(670)
Unrecognised assessed loss	(1 864 422)	(1 473 385)
Tax charge for the period	**(616 925)**	**(362 437)**
Effective rate (%)	(13.5%)	(8.8%)

Notes:
[1]Disallowable expenses mainly relate to donations, depreciation of leasehold improvement and non-deductible investment expenses and fruitless and wasteful expenditure
[2]Exempt income relates to dividend income.

25. Related party transactions and balances

Relationships

The Company is 100% owned by its shareholder, the government of the Republic of South Africa, represented by the National Treasury.

Sasria is a Schedule 3B public entity in terms of the PFMA, 1999, as amended. The related party disclosure is in terms of the requirements of IAS 24, 'Related Party Disclosures'.

The related parties of Sasria consist mainly of government departments, state-owned enterprises and other public entities in the national sphere of government and key management personnel of Sasria or its shareholder and close family members of these related parties. The list of public entities in the national sphere of government was provided by National Treasury on their website www.treasury.gov.za. They also provided the names of subsidiaries of public entities.

The following transactions were carried out with related parties:

Sales of goods and services

Sasria does not write any policies for related parties. All the policies are made indirectly through the agents and passed on to Sasria in total through a bordereaux without disclosing the identities of the individual insureds. Sasria would only interact with individual insureds in the event of a claim being presented through the agents.

	2026	2025
	R'000	R'000
Purchase of goods and services		
Shareholder, including government departments	1 631	1 326
South African Revenue Service (SARS)		
Taxation expense (Income Tax)	256 178	227 489
Interest on late payment of taxes	30 523	-
Total	**286 701**	**227 489**
Regulatory Fees		
Financial Sector Conduct Authority (FSCA)	3 200	2 685
South African Reserve Bank (SARB)	2 967	2 377
Companies and Intellectual Property Commission	10	5
Total	**6 177**	**5 067**
Interest earned from investments with SARB	131 372	204 860
Refunds received from Insurance Sector Education and Training Authority	704	342
Total	**132 076**	**205 202**

Year-end balances arising from transactions

	2026	2025
	R'000	R'000
Assets included in the statement of financial position		
Bonds issued by government and semi-government	1 025 492	320 612
Cash held at SARB	1 939 542	1 808 170
Closing balance	**2 965 034**	**2 128 782**

Liabilities included in the statement of financial position

	2026	2025
	R'000	R'000
Receivable from/ (payable to) the Receiver of Revenue	(18 451)	(19 233)
Closing balance	**(18 451)**	**(19 233)**

Dividend payment

No dividend was declared or paid to the shareholder during the year.

Key management compensation

Key management is defined as those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. Please refer to note 26 for Directors and executive management emoluments.

26. Directors and executive management emoluments

Fees paid to non-executive directors for meeting attendance

	2026	2025
	R'000	R'000
S Gounden[3]	620	502
R Haman	548	634
J M Maisela[3]	581	749
Dr N Mgoqi-Mbalo	1 103	1 146
E Ngutshane[1]	49	378
R Moletsane[2]	-	470
M Phiri	716	788
D Marumo[3]	559	435
D Subbiah	574	566
J Venter	588	557
N Musekwa[4]	13	-
A Macingwane[4]	13	-
M Sukati[4]	13	-
N Mufamadi[4]	13	-
V Matsiliza[4]	13	-
Total	**5 403**	**6 225**

1. Deceased on 28 November 2024
2. Resigned on 31 January 2025
3. Term Ended on 04 March 2026
4. Appointed on 04 March 2026

No bonus and retention, contributions or car allowances were paid to non-executive directors.

Executives

2026	Salaries	Bonus and retention	Post-employment contributions	Medical aid contribution	Allowance	Leave pay-out	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
M Tyikwe (Director)	4 612	1 931	522	-	29	-	7 094
D Kunz	3 338	1 003	378	-	19	-	4 738
T Chocho[1]	866	-	103	45	6	349	1 369
M Mavuso	2 426	906	326	457	-	-	4 115
M Dladla	2 684	860	319	134	19	-	4 016
F Oakley-Smith	2 286	699	279	185	-	-	3 449
N Mayimele	2 501	780	283	-	19	-	3 583
T Sibiya	2 396	769	283	105	-	-	3 553
H Clarke	2 674	1 095	314	105	19	-	4 207
S Shai[2]	694	-	78	-	3	-	775
Total	**24 477**	**8 043**	**2 885**	**1 031**	**114**	**349**	**36 899**

1. Resigned on 31 July 2025
2. Appointed on 01 January 2026

2025	Salaries	Bonus and retention	Post-employment contributions	Medical aid contribution	Allowance	Leave pay-out	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
M Tyikwe (Director)	4 474	1 895	506	-	29	-	6 904
D Kunz [1]	3 191	390	336	-	56	-	3 973
T Chocho	2 609	-	309	124	19	-	3 061
M Mavuso	2 374	891	317	423	-		4 005
M Dladla	2 609	851	309	124	19	-	3 912
F Oakley-Smith	2 051	-	252	171	-	-	2 474
N Mayimele	2 426	762	275	-	19	-	3 482
T Sibiya	2 327	757	274	99	-	-	3 457
H Clarke [2]	2 584	440	303	99	11	-	3 437
Total	**24 645**	**5 986**	**2 881**	**1 040**	**153**	**-**	**34 705**

1. Appointed on 01 May 2024
2. Appointed on 01 April 2024

27. Cash generated from operations

	2026	2025
	R'000	R'000
Profit before tax	4 571 015	4 106 546
Adjustments for:		
Investment income	(1 359 633)	(1 283 758)
Depreciation	7 613	7 618
Amortisation	10 550	8 571
Insurance finance income or expenses	72 428	75 380
Reinsurance finance income or expenses	(26 066)	(13 956)
Finance cost	31 714	1 542
Profit on disposal of property and equipment	(138)	(433)
Movement in employee benefit liabilities	4 379	7 896
Operating profit before working capital changes	**3 311 862**	**2 909 406**
Reinsurance contract assets	(257 180)	(421 988)
Prepayments	(973)	8 258
Financial assets at amortised cost	(79 897)	(65 883)
Insurance contract liabilities	(229 142)	5 400
Reinsurance contract liabilities	22 820	(49 296)
Payables	(5 888)	(16 290)
Total	**2 761 602**	**2 369 607**

28. Tax paid

	2026	2025
	R'000	R'000
Balance at the beginning of the year	19 233	28 249
Current tax for the year recognised in profit or loss	256 178	227 489
Balance at the end of the year	(18 451)	(19 233)
Total	**256 960**	**236 505**

29. Irregular, fruitless and wasteful expenditure

	2026	2025
	R'000	R'000
Irregular expenditure	2 736	588
Fruitless and wasteful expenditure	30 550	24
Closing balance	**33 286**	**612**

30. Contingencies

The company, as with all other insurers, is subject to litigation in the normal course of business. There are a number of legal or potential claims against the company, the outcome of which at present cannot be foreseen or quantified. Therefore, no liability has been recognised for these potential claims in the financial statements.

31. Events after the statement of financial position date

No significant events have occurred between the reporting date and the date of signature.

32. Going concern

The Board assessed the company's ability to continue as a going concern in the foreseeable future. It considered the following during the assessment:

- The performance of the company for the period ended 31 March 2026, including the net profit after tax of R5.19 billion (2025: R4.47 billion), total assets of R26.01 billion (2025: R20.91 billion) and the total equity of R23.80 billion (2025: R18.61 billion);
- Claims experience and the settlements over the next 12 months
- The continuation of the existing reinsurance programme; and
- The impact of the above factors on the financial performance, financial position and the cash flow for the next 12 months.

The Board is satisfied that the company has the ability to continue its operations as a going concern for the foreseeable future. Consequently, the going-concern basis was adopted in preparing the annual financial statements. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

33. Approval of financial statements

The annual financial statements were authorised for issue by the Company's Board of Directors on 27 August 2026.

TERMINOLOGY

Term	Description
Acquisition cash flows	Cash flows primarily related to the acquisition of new or renewal of insurance contracts, e.g. commissions and management expenses.
Agent	A registered short-term insurer or underwriter that has entered into an agreement with Sasria to sell its products, collect premiums on its behalf and perform certain administrative duties.
Binder	An authority issued by an insurer to another party to enter into, vary or renew a short-term policy on behalf of that insurer; to determine the wording of a short-term policy; to determine premiums under a short-term policy; to determine the value of policy benefits under a short-term policy; or to settle claims under a short-term policy.
Bordereau	A bordereau (plural – bordereaux) is a report providing premium or loss data with identified specific risks. Bordereaux are prepared for submission to reinsurers by the ceding insurers or reinsurers.
Claim	A demand on the insurer for indemnification for a loss incurred from an insured peril.
Claims incurred	Claims cost for an accounting period made up of: • claims paid for the period, including claims handling expenses; • less outstanding claims provision at the end of the preceding accounting period, including IBNR provision; • plus outstanding claims at the end of the current accounting period, including IBNR.
Claims incurred but not reported (IBNR)	Claims resulting from loss events that occurred prior to year-end, for which the insurer has not yet received notices or reports of loss by the end of the accounting period. An estimate is made of the amount of these claims based on previous experience.
Claims ratio (Loss ratio)	The ratio which expresses the relationship between claims and premiums. The net claims ratio expresses claims net of recoveries from reinsurers as a percentage of premiums net of premiums ceded to reinsurance. The gross claims ratio reflects the position before reinsurance is taken into account. This is also referred to as the loss ratio.
Combined ratio	The combined ratio is a measure of performance used by underwriters/insurance companies. A combined ratio of less than 100% indicates underwriting profitability, while anything over 100% indicates an underwriting loss. To calculate the combined ratio, the loss ratio (claims ratio) is added to the expense ratio.
Companies Act	Companies Act 71 of 2008
Expense ratio	The percentage of premium used to pay all the costs of acquiring, writing, and servicing insurance and reinsurance.
Gross written premium (GWP)	The premium that an insurer has received from the insured party in relation to contracts of insurance or from other insurers in relation to inwards reinsurance contracts. These are premiums on contracts entered into during the accounting period or adjustments from prior years. Also defined as premiums written and received but before deduction of reinsurance ceded.
Insurance Act	Insurance Act 18 of 2017
Intermediary	A person who negotiates contracts of insurance or reinsurance with the insurer or reinsurer on behalf of the insured or reinsured.
King IV	King IV Report on Corporate Governance for South Africa 2016
Outstanding claims provision	A provision for claims resulting from loss events that occurred prior to year-end that have not been paid by the insurer by the end of the accounting period.
Prudential Authority (PA)	Regulating authority for the financial sector established by the Financial Sector Regulation Act 9 of 2017.
Reinsurance premium	The premium paid by the ceding company to the reinsurer in consideration for the liability assumed by the reinsurer.
Sasria Act	Conversion of Sasria Act 134 of 1998

Term	Description
Short-term insurance	Defined in the Short-Term Insurance Act 53 of 1998 as providing benefits under short-term policies, which means engineering policies, guarantee policies, liability policies, miscellaneous policies, motor policies, accident and health policies, property policies or transportation policies or a contract comprising a combination of any of those policies.
Solvency assessment and management (SAM)	The project launched to develop a new solvency regime for the South African long-term and short-term insurance industries, in order to align these industries with international standards; specifically the Solvency II initiative under way in Europe.
SAM solvency capital requirement cover ratio	The anticipated solvency capital requirements (SCR) expected under the eventual SAM regime. It is calibrated to ensure that an insurer could withstand a 1-in-200-year stress event. It represents the actual capital held, expressed as a percentage of the SCR.
Unallocated Loss Adjustment Expenses (ULAE)	Expenses that are not attributed to the processing of a specific insurance claim. Unallocated loss adjustment expenses, or ULAE, are part of an insurer's expense reserves.
Underwriting	The process of examining, accepting or rejecting insurance risks, and classifying or segmenting those selected, in order to charge the proper premium for each.

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