

UNAUDITED
RESULTS FOR THE
SIX MONTHS ENDED

31 AUGUST

2024

Who we are

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

What we do

PSG Wealth

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

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

PSG Asset Management

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

- Investments
- Unit trusts
- Institutional portfolio management

PSG Insure

Personal and commercial non-life insurance solutions.

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



Salient features

Recurring headline earnings per share

2024
48.2 cents **^ 28%**

2023 | 37.6 cents

2022 | 31.0 cents

Gross written premium¹

2024
R3.7 bn **^ 10%**

2023 | R3.4 bn

2022 | R3.0 bn

Number of advisers

2024
957 **v 0%**

2023 | 961

2022 | 948

Total assets under management

2024
R435.7 bn **^ 16%**

2023 | R375.9 bn

2022 | R317.0 bn

Dividend per share

2024
17.0 cents **^ 26%**

2023 | 13.5 cents

2022 | 11.0 cents

Total assets under administration

2024
R597.9 bn **^ 19%**

2023 | R500.9 bn

2022 | R461.8 bn

¹ Includes gross written premiums on policies administered by the Insure distribution advisers, which are placed with third-party insurers. The group earns commission income and administration fees on this. It excludes the short-term administration platform gross written premium. We continue to disclose gross written premium as a management performance metric, in line with past practice. It should be noted that this is not a metric reported under IFRS17.

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Commentary

Financial results

PSG delivered a 28.0% increase in recurring headline earnings per share and a return on equity of 26.2%.

While operating conditions remained challenging, more favourable equity market conditions and sustained high interest rates impacted positively on the group's results during the period. Our key financial metrics under these conditions highlight the competitive advantage of our advice-led business model. Total assets under management increased by 15.9% to R435.7 billion, comprising assets managed by PSG Wealth of R379.1 billion (16.4% increase) and PSG Asset Management of R56.6 billion (12.4% increase), while PSG Insure's gross written premium amounted to R3.7 billion (10.3% increase). Performance fees constituted 6.0% (2023: 2.5%) of headline earnings.

The firm remains confident about its long-term growth prospects, and we therefore continued to invest in both technology and people. Compared to the prior comparable period, our technology and infrastructure spend increased by 20% (these costs continue to be fully expensed) while our fixed remuneration cost grew by 14%. These factors had a muted impact on our operating margins. We are proud of the progress made in growing our own talent, with 77 newly qualified graduates having joined during the six-month period.

PSG's key financial performance indicators for the six months ended 31 August 2024 are shown below.

	31 Aug 24 R000	Change %	31 Aug 23 R000
Core income	3 344 570	15.5	2 896 881
Headline and recurring headline earnings	609 500	26.5	481 861
Non-headline items	1 469		545
Earnings attributable to ordinary shareholders	610 969	26.7	482 406
Divisional recurring headline earnings			
PSG Wealth	354 684	13.3	312 911
PSG Asset Management	157 565	57.3	100 186
PSG Insure	97 251	41.4	68 764
	609 500	26.5	481 861
Weighted average number of shares in issue (net of treasury shares) (millions)	1 265.2	(1)	1 280.3
Basic earnings per share (cents)			
– Headline and recurring headline	48.2	28.0	37.6
– Recurring headline (excluding intangible asset amortisation cost)	51.2	26.6	40.4
– Recurring headline (excluding performance fees)	45.3	23.4	36.7
– Attributable	48.3	28.2	37.7
Dividend per share (cents)	17.0	25.9	13.5
Return on equity (ROE) (%)	26.2		22.5

PSG Wealth

PSG Wealth's recurring headline earnings increased by 13%

The division continued its solid performance with core income increasing by 13% during the period, consisting of a continued increase in management and other recurring fees, while transactional brokerage fees decreased due to lower trading activity compared to the prior period.

Client assets managed by our Wealth advisers increased to R379.1 billion, which included R10.3 billion of positive net inflows during the period. The division's formidable financial adviser network consisted of 628 wealth advisers as at 31 August 2024, a net increase of 20 advisers during the current period.

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

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

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

PSG Asset Management

PSG Asset Management achieved recurring headline earnings growth of 57%

The results generated by this division are testimony to the team's long-term track record of delivering top-quartile risk-adjusted investment returns for clients. PSG Asset Management's strong fund performance across the fund range was recognised at the 2023 Raging Bull Awards. The division received five fund-specific awards and second place in the South African Manager of the Year award category.

Client assets under management amounted to R56.6 billion as at 31 August 2024, with net client inflows of R0.7 billion during the six-month period. Assets administered by the division increased by 7% to R244.4 billion, supported by R7.5 billion of multi-managed net inflows during the period.

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

PSG Insure

PSG Insure's recurring headline earnings increased by 41%

PSG Insure delivered commendable results during the period against the backdrop of a difficult industry environment. The division achieved gross written premium growth of 10% as we continued to focus our efforts on growing our commercial lines business, which requires specialist adviser expertise. There were 329 insurance advisers in the group at 31 August 2024; a net decrease of 16 advisers during the current period due to the planned consolidation of some of our smaller adviser offices.

The comprehensive reinsurance programme we have in place reduced the adverse impact of catastrophe events during the period, including the Western Cape storms and large fire claims. This, when combined with our quality underwriting practices, allowed us to achieve a net underwriting margin of 9.0%.

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

Strategy

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

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

PSG Insure provides simple and cost-effective non-life insurance solutions that protect clients from unforeseen events. Critical expertise across underwriting, administration and adviser teams underpins the focus on providing value-added products that meet and exceed clients' expectations. The division continues to invest in its claims and administration functions to build scale and unlock operational efficiencies, thereby enabling our high-calibre advisers to focus on client relationships.

Corporate activity

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

Capital management

PSG's capital cover ratio remains strong at 286%* (2023: 240%) based on the latest insurance group return. This comfortably exceeds the minimum regulatory requirement of 100%. Following discussions with the Prudential Authority, we made refinements to our required capital calculation that resulted in an increased capital cover ratio. The refinements include applying Basel regulations instead of the equity symmetric formula, as we believe this is more suitable for our margin and credit lending activities. During August 2024, Global Credit Rating Company affirmed the group's long-term and short-term credit ratings at A+(ZA) and A1(ZA) respectively, with a Positive Outlook. The increased capital cover ratio and the credit rating affirmation are testament to the group's strong financial position and excellent liquidity.

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

- The group repurchased and cancelled 11.2 million shares at a cost of R181.0 million during the period as part of shareholder capital optimisation.
- Our shareholder investable assets' exposure to equity increased to 9% (6% in the comparable period). We continue to monitor investment markets and will gradually increase our value at risk exposure to align with our long-term target.

Regulatory landscape and risk management

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

* This is the adjusted solvency capital requirement (SCR) ratio after applying methodology refinements; the ratio on a comparable basis to the prior year would have been 248%.

Marketing initiatives

The group successfully hosted its annual conference during May 2024. The hybrid conference allowed more than 1 300 advisers, employees and industry representation to gain political, economic and practical insights from recognised experts as well as the leadership team.

Divisional events calendars keep all stakeholders up to date, and research profiled within adviser- and client-facing newsletters continues to be well received. The group successfully interacted with clients, hosting almost 90 in-person events and almost 50 webinars during the six-month period. In the digital environment, both paid and organic search campaigns see an average of more than 1.3 million website visits (events) per month. Social media accounts continue to attract new followers and we are seeing increased engagement levels.

Our successful Think Big webinar series, now in its fifth year, continues to grow in popularity with prospective clients, with a 60% non-client split, thereby making it a strategic brand awareness and lead-generation tool for the group. During the six-month period, the series received more than 5 500 new registrations. The public relations coverage adds to the success of the series as the media recognises it as a credible content source for thought leadership.

The team continues to run integrated product campaigns that help to generate flows and new client leads into the business with a focus on producing tailored marketing plans per adviser office along with support on the execution.

Information technology

We are committed to continually enhancing our client and adviser experience. This includes investing in technology to automate adviser and client systems and processes while simultaneously enhancing the firm's cyber security posture.

Improving our processes in a secure manner results in a smoother client onboarding and user experience and a subsequent uptick in client retention due to increased satisfaction.

Through technology automation, the group can grow business volumes while keeping our fixed cost base low. We believe companies that embrace digital evolution will grow and gain market share.

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

Looking forward

PSG is a proudly South African firm that believes in the power of its citizens to find solutions to the country's problems, and in their ability to ignite its untapped potential. Nevertheless, continued low levels of economic growth remains a seemingly intractable problem, resulting in stagnated economic development which in turn exacerbates social issues such as crime and corruption.

The South African economy recently experienced less disruption from load shedding and saw a slight improvement in gross domestic product (GDP) growth during the period under review. The market reacted positively to the formation of the Government of National Unity (GNU) following the recent national elections. This may be indicative of cautious optimism about improving consumer and business confidence in the country. However, uncertainty remains and clear signals are needed to show that sustainable economic growth will be prioritised. Policy reform and a legislative agenda that is conducive to economic growth are sorely needed. The process should include thorough social and economic impact studies, to allow for the practical financial implications of the policy choices to be discussed with the various stakeholders.

Irrespective of the short-term challenges, we remain confident in our long-term strategy and will continue to invest in our businesses, thereby securing prospects for growth. Moreover, the firm has aimed to stimulate debate about improving South Africa's economic prospects through the Think Big SA competition, run in collaboration with Economic Research South Africa. We would like to thank everyone who participated in the competition and to congratulate the winners again (details are available at www.psg.co.za). While we were impressed by the quality of submissions, we understand that our economic and societal challenges will not be resolved quickly. Therefore, we will continue to monitor local and global events and the associated impact on the group's clients and other stakeholders, and will adjust our approach if required.

Events after reporting date

No events material to the understanding of these results occurred between 31 August 2024 and the date of approval of the condensed consolidated interim financial statements.

Dividend

Considering the strong cash position, the board declared an interim gross dividend of 17.0 cents per share from income reserves for the period ended 31 August 2024 (2023: 13.5 cents per share). The group's dividend pay-out ratio remains between 40% to 60% of full year recurring headline earnings excluding intangible asset amortisation.

The dividend is subject to a South African dividend withholding tax (DWT) rate of 20%, unless the shareholder is exempt from paying dividends tax or is entitled to a reduced rate in terms of the applicable double-tax agreement. Including DWT at 20% results in a net dividend of 13.6 ZAR cents (2023: 10.8 ZAR cents) per share. The number of issued ordinary shares is 1 268 686 847 at the date of this declaration. PSG Financial Services' income tax reference number is 9550/644/07/5.

The salient dates of the dividend declaration are:

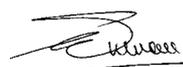
Declaration date	Thursday, 17 October 2024
Last day to trade cum dividend	Tuesday, 5 November 2024
Trading ex-dividend commences	Wednesday, 6 November 2024
Record date	Friday, 8 November 2024
Date of payment	Monday, 11 November 2024

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

Share certificates may not be dematerialised or rematerialised between Wednesday, 6 November 2024 and Friday, 8 November 2024, both days inclusive.

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

On behalf of the board



Willem Theron
Chairman

Tyger Valley
17 October 2024
www.psg.co.za



Francois Gouws
Chief executive officer

Condensed consolidated statement of financial position

as at 31 August and 29 February 2024

	Notes	Unaudited as at 31 Aug 24 R000	Restated ¹ as at 31 Aug 23 R000	Audited as at 29 Feb 24 R000
ASSETS				
Intangible assets		1 206 032	1 197 284	1 196 006
Property and equipment		102 435	72 077	92 961
Right-of-use assets		177 167	152 771	144 708
Investment in joint ventures		377	753	504
Deferred income tax assets		124 335	94 927	144 923
Loans and advances		346 041	244 470	247 346
Debt securities		3 790 102	3 692 459	3 932 406
Unit-linked investments		109 688 288	78 144 594	100 071 773
Equity securities		4 313 899	3 797 372	3 952 005
Investment in investment contracts		8 994	8 950	9 443
Insurance contract assets		9 451	21 838	-
Reinsurance contract assets		163 080	148 800	111 232
Derivative financial instruments		6 366	11 287	9 526
Receivables		2 311 319	1 987 982	2 257 332
Current income tax assets		117 421	119 222	67 017
Assets held for sale	7	122 944	-	133 917
Cash and cash equivalents (including money market funds)		1 818 458	1 478 522	1 738 000
Total assets		124 306 709	91 173 308	114 109 099
EQUITY				
Equity attributable to owners of the parent				
Stated capital		1 025 211	1 292 773	1 206 174
Treasury shares		(103 512)	(116 575)	(120 381)
Other reserves		(278 912)	(300 799)	(303 407)
Retained earnings		4 070 674	3 456 851	3 818 670
		4 713 461	4 332 250	4 601 056
Non-controlling interest		571 316	530 443	568 610
Total equity		5 284 777	4 862 693	5 169 666
LIABILITIES				
Deferred income tax liabilities		153 364	122 683	132 413
Lease liabilities		228 513	214 145	201 422
Derivative financial instruments		12 219	9 426	12 005
Investment contracts	6	49 132 458	42 173 977	45 506 258
Insurance contract liabilities		410 962	486 629	360 278
Reinsurance contract liabilities		2 367	31 369	3 242
Third-party liabilities arising on consolidation of mutual funds		65 906 159	40 753 721	59 655 531
Trade and other payables		2 975 623	2 464 820	2 853 100
Current income tax liabilities		77 323	53 845	81 267
Liabilities held for sale	7	122 944	-	133 917
Total liabilities		119 021 932	86 310 615	108 939 433
Total equity and liabilities		124 306 709	91 173 308	114 109 099
Net asset value per share (cents)		374.7	340.1	362.9

¹ The comparative figures have been restated, refer to note 12 for further information.

Condensed consolidated income statement

for the six months ended 31 August and the year ended 29 February 2024

	Unaudited Six months ended 31 Aug 24 R000	Restated ¹ Unaudited Six months ended 31 Aug 23 R000	Audited Year ended 29 Feb 24 R000
Insurance revenue	1 271 046	1 020 283	2 263 643
Insurance service expense	(1 085 142)	(843 424)	(1 869 219)
Net expense from reinsurance contracts held	(60 972)	(69 809)	(144 734)
<i>Insurance service result</i>	124 932	107 050	249 690
Finance expense from insurance contracts issued	(10 333)	(8 637)	(25 385)
Finance income from reinsurance contracts held	6 316	5 071	17 110
<i>Net insurance service result</i>	120 915	103 484	241 415
Revenue from contracts with customers and other operating income	2 879 456	2 597 976	5 228 103
Interest income on amortised cost financial instruments	89 462	77 637	148 711
Interest income on fair value through profit or loss financial instruments	101 789	96 069	210 984
Dividend income	6 329	4 279	9 341
Net fair value gains and losses on financial instruments	73 985	4 599	15 912
Net income attributable to investment contract holders and third-party liabilities	17 422	25 766	55 430
Total income	3 289 358	2 909 810	5 909 896
Financial advice fees	(976 832)	(942 674)	(1 922 763)
Depreciation and amortisation ²	(96 364)	(88 116)	(183 453)
Employee benefit expenses	(805 884)	(682 324)	(1 325 725)
Marketing, administration and other expenses	(498 457)	(442 474)	(853 232)
Total expenses	(2 377 537)	(2 155 588)	(4 285 173)
Total loss from joint ventures	(127)	(223)	(472)
Profit before finance costs and taxation	911 694	753 999	1 624 251
Finance costs	(15 187)	(18 119)	(33 850)
Profit before taxation	896 507	735 880	1 590 401
Taxation	(240 217)	(213 779)	(472 640)
Profit for the period	656 290	522 101	1 117 761
Attributable to:			
Owners of the parent	610 969	482 406	1 034 191
Non-controlling interest	45 321	39 695	83 570
	656 290	522 101	1 117 761
Earnings per share (cents)			
Attributable (basic)	48.3	37.7	81.1
Attributable (diluted)	47.8	37.4	80.4
Headline and recurring headline (basic)	48.2	37.6	81.1
Headline and recurring headline (diluted)	47.7	37.4	80.4

¹ The comparative figures have been restated, refer to note 12 for further information.

² Includes amortisation cost of R38.6 million (31 Aug 2023: R36.9 million; 29 Feb 2024: R75.7 million).

Condensed consolidated statement of comprehensive income

for the six months ended 31 August and the year ended 29 February 2024

	Unaudited Six months ended 31 Aug 24 R000	Unaudited Six months ended 31 Aug 23 R000	Audited Year ended 29 Feb 24 R000
Profit for the period	656 290	522 101	1 117 761
Other comprehensive income for the period, net of taxation	(11 285)	(158)	7 322
<i>To be reclassified to profit or loss:</i>			
Currency translation adjustments	(11 285)	(158)	7 322
Total comprehensive income for the period	645 005	521 943	1 125 083
Attributable to:			
Owners of the parent	599 684	482 248	1 041 513
Non-controlling interest	45 321	39 695	83 570
	645 005	521 943	1 125 083

Earnings and headline earnings per share

for the six months ended 31 August and the year ended 29 February 2024

	Unaudited Six months ended 31 Aug 24 R000	Unaudited Six months ended 31 Aug 23 R000	Audited Year ended 29 Feb 24 R000
Headline and recurring headline earnings	609 500	481 861	1 033 276
Non-headline items (net of non-controlling interest and related tax effect)			
Profit on disposal of intangible assets (including goodwill)	953	-	227
Profit on disposal of property and equipment	516	545	688
Profit attributable to ordinary shareholders	610 969	482 406	1 034 191
Earnings per share (cents)			
Attributable (basic)	48.3	37.7	81.1
Attributable (diluted)	47.8	37.4	80.4
Headline and recurring headline (basic)	48.2	37.6	81.1
Headline and recurring headline (diluted)	47.7	37.4	80.4
Number of shares (millions)			
In issue (net of treasury shares)	1 257.8	1 274.0	1 267.9
Weighted average (net of treasury shares)	1 265.2	1 280.3	1 274.7

Condensed consolidated statement of changes in equity

for the six months ended 31 August and the year ended 29 February 2024

	Attributable to equity holders of the group					Total R000
	Stated capital R000	Treasury shares R000	Other reserves R000	Retained earnings R000	Non- controlling interest R000	
Balance at 1 March 2023 (Audited)	1 413 420	(130 759)	(330 328)	3 294 884	493 348	4 740 565
Comprehensive income						
Profit for the period	-	-	-	482 406	39 695	522 101
Other comprehensive income for the period	-	-	(158)	-	-	(158)
<i>Total comprehensive income for the period</i>	-	-	(158)	482 406	39 695	521 943
Transactions with owners	(120 647)	14 184	29 687	(320 439)	(2 600)	(399 815)
Repurchase and cancellation of ordinary shares	(120 647)	-	-	-	-	(120 647)
Share-based payment costs	-	-	29 687	-	-	29 687
Net movement in treasury shares	-	14 184	-	-	-	14 184
Dividends paid	-	-	-	(320 439)	(2 600)	(323 039)
Balance at 31 August 2023 (Unaudited) (Restated)¹	1 292 773	(116 575)	(300 799)	3 456 851	530 443	4 862 693
Comprehensive income						
Profit for the period	-	-	-	551 785	43 875	595 660
Other comprehensive income for the period	-	-	7 480	-	-	7 480
<i>Total comprehensive income for the period</i>	-	-	7 480	551 785	43 875	603 140
Transactions with owners	(86 599)	(3 806)	(10 088)	(189 966)	(5 708)	(296 167)
Repurchase and cancellation of ordinary shares	(86 599)	-	-	-	-	(86 599)
Share-based payment costs	-	-	31 251	-	-	31 251
Net movement in treasury shares	-	(625)	-	-	-	(625)
Equity-settled share-based payments	-	-	(41 339)	(21 508)	-	(62 847)
Release of profits from treasury shares to retained earnings	-	(3 181)	-	3 181	-	-
Dividends paid	-	-	-	(171 639)	(5 708)	(177 347)
Balance at 29 February 2024 (Audited)	1 206 174	(120 381)	(303 407)	3 818 670	568 610	5 169 666
Comprehensive income						
Profit for the period	-	-	-	610 969	45 321	656 290
Other comprehensive income for the period	-	-	(11 285)	-	-	(11 285)
<i>Total comprehensive income for the period</i>	-	-	(11 285)	610 969	45 321	645 005
Transactions with owners	(180 963)	16 869	35 780	(358 965)	(42 615)	(529 894)
Repurchase and cancellation of ordinary shares	(180 963)	-	-	-	-	(180 963)
Share-based payment costs	-	-	35 780	-	-	35 780
Transaction with non-controlling interest	-	-	-	1 458	246	1 704
Net movement in treasury shares	-	16 869	-	-	-	16 869
Dividends paid	-	-	-	(360 423)	(42 861)	(403 284)
Balance at 31 August 2024 (Unaudited)	1 025 211	(103 512)	(278 912)	4 070 674	571 316	5 284 777

¹ Refer to note 12 for further information.

Condensed consolidated statement of cash flows

for the six months ended 31 August and the year ended 29 February 2024

	Notes	Unaudited Six months ended 31 Aug 24 R000	Unaudited Six months ended 31 Aug 23 R000	Audited Year ended 29 Feb 24 R000
Cash flows from operating activities				
Cash utilised in operations		(506 900)	(1 099 915)	(1 991 170)
Interest received		1 113 924	949 273	2 024 576
Dividends received		552 048	493 305	1 092 917
Finance costs		(15 187)	(18 119)	(33 850)
Taxation paid		(255 748)	(227 101)	(427 364)
<i>Operating cash flows before policyholder cash movement</i>		888 137	97 443	665 109
Policyholder cash movement		(26 825)	(1 804)	2 805
<i>Net cash flow from operating activities</i>		861 312	95 639	667 914
Cash flows from investing activities				
Acquisition of subsidiaries (including collective investment schemes)	8.1	-	-	80 025
Acquisition of intangible assets		(30 008)	(54 670)	(98 368)
Purchases of property and equipment		(31 661)	(17 523)	(60 055)
Proceeds from disposal of intangible assets		1 700	4	1 096
Other		587	441	607
<i>Net cash flow from investing activities</i>		(59 382)	(71 748)	(76 695)
Cash flows from financing activities				
Dividends paid		(403 284)	(323 039)	(500 386)
Disposal to non-controlling interest		1 704	-	-
Lease liabilities paid – principal portion		(41 360)	(36 626)	(75 111)
Shares repurchased and cancelled		(180 963)	(120 647)	(207 246)
Treasury shares sold and share option settlement	8.2	(89 539)	(66 402)	(75 495)
<i>Net cash flow from financing activities</i>		(713 442)	(546 714)	(858 238)
Net increase/(decrease) in cash and cash equivalents		88 488	(522 823)	(267 019)
Cash and cash equivalents at the beginning of the period		1 738 508	2 000 943	2 000 943
Exchange (losses)/gains on cash and cash equivalents		(8 538)	402	4 584
Cash and cash equivalents at the end of the period¹		1 818 458	1 478 522	1 738 508
		10 584	32 800	37 409
		71 286	(229 115)	(182 340)
		81 870	(196 315)	(144 931)

¹ Includes the following:

Clients' cash linked to investment contracts

Other client-related balances

Total client-related cash and cash equivalents

Notes to the statement of cash flows:

The movement in cash utilised in operations can vary significantly as a result of daily fluctuations in cash linked to investment contracts, cash held by the stockbroking business and cash utilised for the loan facilities provided to clients on their share portfolios at PSG Securities Limited. PSG Life Limited, the group's linked insurance company, issues linked policies to policyholders (where the value of policy benefits is directly linked to the fair value of the supporting assets). When these policies mature, the company raises a debtor for the money receivable from the third-party investment provider, and raises a creditor for the amount owing to the client. Timing difference occurs at month-end when the money was received from the third-party investment provider, but only paid out by the company after month-end, resulting in significant fluctuations in the working capital of the company. Similar working capital fluctuations occur at PSG Securities Limited, the group's stockbroking business, mainly due to the timing of the close of the JSE in terms of client settlements. Refer to note 5.8 for the impact of the client-related balances on the cash flows from operating activities.

Notes to the condensed consolidated interim financial statements

for the six months ended 31 August 2024

1. Reporting entity

PSG Financial Services Limited is a public company domiciled in the Republic of South Africa. The condensed consolidated interim financial statements as at and for the six months ended 31 August 2024, comprise the company and its subsidiaries (together referred to as 'the group') and the group's interest in joint ventures.

2. Basis of preparation

Statement of compliance

The condensed consolidated interim financial statements as at and for the six months ended 31 August 2024 have been prepared in accordance with the requirements of the JSE Limited (JSE) and the requirements of the Companies Act, No. 71 of 2008, as amended, applicable to summary financial statements. The JSE requires condensed financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 – Interim Financial Reporting. The condensed consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the group as at and for the year ended 29 February 2024. Any forecast financial information is the responsibility of the board of PSG Financial Services Limited and has not been reviewed or reported on by the auditors.

These condensed consolidated interim financial statements were prepared under the supervision of the chief financial officer, Mike Smith, CA(SA).

Estimates and judgements

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

3. Independent review

The condensed consolidated interim financial statements is the responsibility of the board of directors of the company.

Neither these condensed consolidated interim financial statements, nor any reference to future financial performance included in this results announcement, have been reviewed or reported on by the company's external auditor, Deloitte & Touche.

4. Accounting policies

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

5. Segment information

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

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

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

5.1 Description of business segments

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

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

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

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

Notes to the condensed consolidated interim financial statements

for the six months ended 31 August 2024

5. Segment information (continued)

5.1 Description of business segments (continued)

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

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

5.2 Headline earnings per reportable segment

For the six months ended 31 August 2024 (Unaudited)	Asset			
	Wealth R000	Management R000	Insure R000	Total R000
Headline and recurring headline earnings ¹	354 684	157 565	97 251	609 500
Recurring headline earnings – excluding intangible asset amortisation cost ²	381 881	157 565	108 639	648 085

For the six months ended 31 August 2023 (Unaudited)	Asset			
	Wealth R000	Management R000	Insure R000	Total R000
Headline and recurring headline earnings ¹	312 911	100 186	68 764	481 861
Recurring headline earnings – excluding intangible asset amortisation cost ²	338 602	100 186	79 992	518 780

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

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

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

5. Segment information (continued)

5.3 Income per reportable segment

For the six months ended 31 August 2024 (Unaudited)	Asset			
	Wealth R000	Management R000	Insure R000	Total R000
Total IFRS reported income	1 987 628	537 136	764 594	3 289 358
Linked investment business and other income	55 212	-	-	55 212
Total core income	2 042 840	537 136	764 594	3 344 570
Total segment income	2 472 485	809 144	807 400	4 089 029
Intersegment income	(429 645)	(272 008)	(42 806)	(744 459)

For the six months ended 31 August 2023 (Unaudited)	Asset			
	Wealth R000	Management R000	Insure R000	Total R000
Total IFRS reported income	1 823 483	411 844	674 483	2 909 810
Linked investment business and other income	(12 929)	-	-	(12 929)
Total core income	1 810 554	411 844	674 483	2 896 881
Total segment income	2 209 791	651 718	709 779	3 571 288
Intersegment income	(399 237)	(239 874)	(35 296)	(674 407)

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

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

The group mainly operates in the Republic of South Africa, with 91.5% (31 Aug 2023: 92.6%; 29 Feb 2024: 92.5%) of the total income from external customers (total IFRS reported income) generated in the Republic of South Africa.

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

Notes to the condensed consolidated interim financial statements

for the six months ended 31 August 2024

5. Segment information (continued)

5.4 Divisional income statement

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

For the six months ended 31 August 2024 (Unaudited)	Asset			
	Wealth R000	Management R000	Insure R000	Total R000
Total income	2 042 840	537 136	764 594	3 344 570
Total expenses ¹	(1 541 105)	(334 730)	(575 289)	(2 451 124)
	501 735	202 406	189 305	893 446
Total loss from joint ventures	-	-	(127)	(127)
Profit before finance costs and taxation	501 735	202 406	189 178	893 319
Finance costs ²	(11 306)	(1 191)	(2 690)	(15 187)
Profit before taxation	490 429	201 215	186 488	878 132
Taxation	(129 981)	(43 650)	(48 211)	(221 842)
Profit for the period	360 448	157 565	138 277	656 290
Attributable to:				
Owners of the parent	355 131	157 565	98 273	610 969
Non-controlling interest	5 317	-	40 004	45 321
	360 448	157 565	138 277	656 290
Headline and recurring headline earnings	354 684	157 565	97 251	609 500

For the six months ended 31 August 2023 (Unaudited)	Asset			
	Wealth R000	Management R000	Insure R000	Total R000
Total income	1 810 554	411 844	674 483	2 896 881
Total expenses ¹	(1 358 333)	(267 502)	(534 165)	(2 160 000)
	452 221	144 342	140 318	736 881
Total loss from joint ventures	-	-	(223)	(223)
Profit before finance costs and taxation	452 221	144 342	140 095	736 658
Finance costs ²	(16 173)	(1 528)	(418)	(18 119)
Profit before taxation	436 048	142 814	139 677	718 539
Taxation	(117 866)	(42 627)	(35 945)	(196 438)
Profit for the period	318 182	100 187	103 732	522 101
Attributable to:				
Owners of the parent	313 182	100 187	69 037	482 406
Non-controlling interest	5 000	-	34 695	39 695
	318 182	100 187	103 732	522 101
Headline and recurring headline earnings	312 911	100 186	68 764	481 861

¹ Depreciation and amortisation is included within total expenses and amounts to R62.2 million (31 Aug 2023: R58.1 million) for PSG Wealth, R5.5 million (31 Aug 2023: R4.9 million) for PSG Asset Management, and R28.7 million (31 Aug 2023: R25.1 million) for PSG Insure.

² Finance costs in the PSG Wealth division of R11.3 million (31 Aug 2023: R16.2 million) consist mainly of the finance charge on the lease liabilities of R7.5 million (31 Aug 2023: R7.0 million), with the remaining portion of the finance charge on the CFD margin and the bank overdrafts.

5. Segment information (continued)

5.4 Divisional income statement (continued)

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

¹ Depreciation and amortisation is included within total expenses and amounts to R119.6 million for PSG Wealth, R10.1 million for PSG Asset Management, and R53.7 million for PSG Insure.

² Finance costs in the PSG Wealth division of R26.4 million consist mainly of the finance charge on the lease liabilities of R14.2 million, with the remaining portion of the finance charge on the CFD margin and the bank overdrafts.

5.5 Statement of financial position (client vs own)

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

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

Notes to the condensed consolidated interim financial statements

for the six months ended 31 August 2024

5. Segment information (continued)

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

As at 31 August 2024 (Unaudited)	Total IFRS reported R000	Own balances R000	Client-related balances R000
ASSETS			
Debt securities ¹	3 790 102	10 318	3 779 784
Unit-linked investments	109 688 288	2 695 382	106 992 906
Equity securities	4 313 899	41 687	4 272 212
Investment in investment contracts	8 994	-	8 994
Derivative financial instruments	6 366	-	6 366
Receivables ¹	2 311 319	399 106	1 912 213
Cash and cash equivalents (including money market funds) ¹	1 818 458	1 736 588	81 870
Other assets ²	2 369 283	2 369 283	-
Total assets	124 306 709	7 252 364	117 054 345
EQUITY			
Equity attributable to owners of the parent	4 713 461	4 713 461	-
Non-controlling interest	571 316	571 316	-
Total equity	5 284 777	5 284 777	-
LIABILITIES			
Derivative financial instruments	12 219	-	12 219
Investment contracts	49 132 458	-	49 132 458
Third-party liabilities arising on consolidation of mutual funds ¹	65 906 159	-	65 906 159
Trade and other payables ¹	2 975 623	972 114	2 003 509
Other liabilities ³	995 473	995 473	-
Total liabilities	119 021 932	1 967 587	117 054 345
Total equity and liabilities	124 306 709	7 252 364	117 054 345

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

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

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

5. Segment information (continued)

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

As at 31 August 2023 (Unaudited) (Restated)	Total IFRS reported R000	Own balances R000	Client-related balances R000
ASSETS			
Debt securities ¹	3 692 459	11 696	3 680 763
Unit-linked investments	78 144 594	2 477 594	75 667 000
Equity securities	3 797 372	37 469	3 759 903
Investment in investment contracts	8 950	-	8 950
Derivative financial instruments	11 287	-	11 287
Receivables ¹	1 987 982	353 519	1 634 463
Cash and cash equivalents (including money market funds) ¹	1 478 522	1 674 837	(196 315)
Other assets ²	2 052 142	2 052 142	-
Total assets	91 173 308	6 607 257	84 566 051
EQUITY			
Equity attributable to owners of the parent	4 332 250	4 332 250	-
Non-controlling interest	530 443	530 443	-
Total equity	4 862 693	4 862 693	-
LIABILITIES			
Derivative financial instruments	9 426	-	9 426
Investment contracts	42 173 977	-	42 173 977
Third-party liabilities arising on consolidation of mutual funds ¹	40 753 721	-	40 753 721
Trade and other payables ¹	2 464 820	835 893	1 628 927
Other liabilities ³	908 671	908 671	-
Total liabilities	86 310 615	1 744 564	84 566 051
Total equity and liabilities	91 173 308	6 607 257	84 566 051

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

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

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

Notes to the condensed consolidated interim financial statements

for the six months ended 31 August 2024

5. Segment information (continued)

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

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

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

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

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

5. Segment information (continued)

5.6 Income statement (client vs own)

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

For the six months ended 31 August 2024 (Unaudited)	Total IFRS reported R000	Core business R000	Linked investment business and other R000
Revenue from contracts with customers and other operating income ¹	2 879 456	2 952 090	(72 634)
Investment income ²	197 580	197 580	-
Net fair value gains and losses on financial instruments	73 985	73 985	-
Net income attributable to investment contract holders and third-party liabilities	17 422	-	17 422
Net insurance service result	120 915	120 915	-
Total income	3 289 358	3 344 570	(55 212)
Marketing, administration and other expenses ¹	(498 457)	(572 044)	73 587
Other ³	(1 879 080)	(1 879 080)	-
Total expenses	(2 377 537)	(2 451 124)	73 587
Total loss from joint ventures	(127)	(127)	-
Profit before finance costs and taxation	911 694	893 319	18 375
Finance costs	(15 187)	(15 187)	-
Profit before taxation	896 507	878 132	18 375
Taxation	(240 217)	(221 842)	(18 375)
Profit for the period	656 290	656 290	-
Attributable to:			
Owners of the parent	610 969	610 969	-
Non-controlling interest	45 321	45 321	-
	656 290	656 290	-

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

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

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

Notes to the condensed consolidated interim financial statements

for the six months ended 31 August 2024

5. Segment information (continued)

5.6 Income statement (client vs own) (continued)

	Total IFRS reported R000	Core business R000	Linked investment business and other R000
For the six months ended 31 August 2023 (Unaudited)			
Revenue from contracts with customers and other operating income ¹	2 597 976	2 610 813	(12 837)
Investment income ²	177 985	177 985	-
Net fair value gains and losses on financial instruments	4 599	4 599	-
Net income attributable to investment contract holders and third-party liabilities	25 766	-	25 766
Net insurance service result	103 484	103 484	-
Total income	2 909 810	2 896 881	12 929
Marketing, administration and other expenses ¹	(442 474)	(446 886)	4 412
Other ³	(1 713 114)	(1 713 114)	-
Total expenses	(2 155 588)	(2 160 000)	4 412
Total loss from joint ventures	(223)	(223)	-
Profit before finance costs and taxation	753 999	736 658	17 341
Finance costs	(18 119)	(18 119)	-
Profit before taxation	735 880	718 539	17 341
Taxation	(213 779)	(196 438)	(17 341)
Profit for the period	522 101	522 101	-
Attributable to:			
Owners of the parent	482 406	482 406	-
Non-controlling interest	39 695	39 695	-
	522 101	522 101	-

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

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

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

5. Segment information (continued)

5.6 Income statement (client vs own) (continued)

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

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

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

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

Notes to the condensed consolidated interim financial statements

for the six months ended 31 August 2024

5. Segment information (continued)

5.7 Revenue from contracts with customers and other operating income

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

According to division

For the six months ended 31 August 2024 (Unaudited)	Asset			Total R000
	Wealth R000	Management R000	Insure R000	
Revenue from contracts with customers	1 893 062	508 593	530 607	2 932 262
Other operating income	11 485	626	7 717	19 828
	<u>1 904 547</u>	<u>509 219</u>	<u>538 324</u>	<u>2 952 090</u>

For the six months ended 31 August 2023 (Unaudited)	Asset			Total R000
	Wealth R000	Management R000	Insure R000	
Revenue from contracts with customers	1 693 747	394 617	495 196	2 583 560
Other operating income	20 981	651	5 621	27 253
	<u>1 714 728</u>	<u>395 268</u>	<u>500 817</u>	<u>2 610 813</u>

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

5. Segment information (continued)

5.7 Revenue from contracts with customers and other operating income (continued)

According to nature of the revenue

	Unaudited Six months ended 31 Aug 24 R000	Unaudited Six months ended 31 Aug 23 R000	Audited Year ended 29 Feb 24 R000
Revenue from contracts with customers			
Dealing and structuring (including brokerage)			
– Brokerage ¹	84 688	89 462	159 946
– Offshore brokerage commission ¹	60 383	56 037	106 348
– Other dealing and structuring income ²	91 279	83 349	168 247
Commission, administration and other fees ³			
– Commission income ⁴	1 191 350	1 049 009	2 163 405
– Administration fees ⁴	379 810	356 261	680 112
– Other fees ⁵	36 820	29 580	67 731
Management and performance fees (including rebates) ^{4, 6}	1 034 514	869 964	1 775 351
Policy administration fees ^{4, 7}	53 418	49 898	102 055
	<u>2 932 262</u>	<u>2 583 560</u>	<u>5 223 195</u>

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

² The other dealing and structuring income includes R79.7 million (31 Aug 2023: R71.9 million; 29 Feb 2024: R144.0 million) revenue recognised over time, with the balance of this revenue being recognised at a point in time.

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

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

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

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

⁷ Policy administration fees are recognised by PSG Insure.

Notes to the condensed consolidated interim financial statements

for the six months ended 31 August 2024

5. Segment information (continued)

5.8 Statement of cash flows (client vs own)

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

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

Included under receivables are broker and clearing accounts at our stockbroking business of which R1 911.0 million (31 Aug 2023: R1 623.7 million; 29 Feb 2024: R1 877.7 million) represents amounts owing by the JSE for trades conducted during the last few days before the end of the period. These balances fluctuate on a daily basis depending on the activity in the market.

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

For the six months ended 31 August 2024 (Unaudited)	Total IFRS reported R000	Own balances R000	Client-related balances R000
Cash flows from operating activities	861 312	634 511	226 801
Cash (utilised in)/generated by operations	(506 900)	699 492	(1 206 392)
Interest received	1 113 924	191 251	922 673
Dividends received	552 048	6 329	545 719
Finance costs	(15 187)	(15 187)	-
Taxation paid	(255 748)	(247 374)	(8 374)
Policyholder cash movement	(26 825)	-	(26 825)
Cash flows from investing activities	(59 382)	(59 382)	-
Cash flows from financing activities	(713 442)	(713 442)	-
Net increase/(decrease) in cash and cash equivalents	88 488	(138 313)	226 801
Cash and cash equivalents at the beginning of the period	1 738 508	1 883 439	(144 931)
Exchange losses on cash and cash equivalents	(8 538)	(8 538)	-
Cash and cash equivalents at the end of the period	1 818 458	1 736 588	81 870

5. Segment information (continued)

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

For the six months ended 31 August 2023 (Unaudited)	Total IFRS reported R000	Own balances R000	Client-related balances R000
Cash flows from operating activities	95 639	391 061	(295 422)
Cash (utilised in)/generated by operations	(1 099 915)	451 132	(1 551 047)
Interest received	949 273	173 706	775 567
Dividends received	493 305	4 279	489 026
Finance costs	(18 119)	(18 119)	-
Taxation paid	(227 101)	(219 937)	(7 164)
Policyholder cash movement	(1 804)	-	(1 804)
Cash flows from investing activities	(71 748)	(71 748)	-
Cash flows from financing activities	(546 714)	(546 714)	-
Net decrease in cash and cash equivalents	(522 823)	(227 401)	(295 422)
Cash and cash equivalents at the beginning of the period	2 000 943	1 901 836	99 107
Exchange gains on cash and cash equivalents	402	402	-
Cash and cash equivalents at the end of the period	1 478 522	1 674 837	(196 315)

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

¹ Other consists of cash flows relating to the acquisition of intangible assets, purchases of property and equipment, proceeds from disposal of intangible assets and other.

Notes to the condensed consolidated interim financial statements

for the six months ended 31 August 2024

6. Investment contracts

Investment contracts are represented by the following financial assets:

	Unaudited as at 31 Aug 24 R000	Unaudited as at 31 Aug 23 R000	Audited as at 29 Feb 24 R000
Unit-linked investments	44 840 668	38 372 324	41 544 817
Equity securities	4 272 212	3 759 903	3 914 589
Investments in investment contracts	8 994	8 950	9 443
Cash and cash equivalents	10 584	32 800	37 409
	49 132 458	42 173 977	45 506 258

7. Assets and liabilities held for sale

The assets and liabilities classified as held for sale relate to the Western National Insurance Namibia business, which have been presented as held for sale following the approval by the group's management to sell this business during the year ended 29 February 2024.

	As at 31 Aug 24 R000	As at 29 Feb 24 R000
Assets classified as held for sale		
Unit-linked investments	116 203	124 252
Reinsurance contract assets	6 741	9 157
Cash and cash equivalents (including money market funds)	-	508
	122 944	133 917
Liabilities classified as held for sale		
Insurance contract liabilities	(122 944)	(133 917)
	(122 944)	(133 917)

The transaction is subject to suspensive conditions, and will be finalised once the pending regulatory approval has been obtained.

8. Notes to the statement of cash flows

8.1 Acquisition of subsidiaries (including collective investment schemes)

For the year ended 29 February 2024

Collective investment schemes

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

	PSG Wealth Global Creator Feeder Fund R000
% interest in fund on effective date	30
Date of acquisition	29 Feb 2024
Details of the net assets acquired are as follows:	
Unit-linked investments	23 629 071
Receivables	12 087
Cash and cash equivalents (including money market funds)	80 025
Third-party liabilities arising on consolidation of mutual funds	(16 550 813)
Trade and other payables	(8 765)
Net asset value	7 161 605
Fair value of interest held before the business combination	(7 161 605)
Total consideration paid	-

8.2 Treasury shares sold and share option settlement

The cash flow impact of the treasury shares sold during the respective financial periods can be summarised as follows:

	Unaudited 31 Aug 24 R000	Unaudited 31 Aug 23 R000	Audited 29 Feb 24 R000
Treasury shares sold	16 869	14 184	13 559
Loss on settlement of share options in terms of share scheme	(106 408)	(80 586)	(89 054)
Net cash outflow	(89 539)	(66 402)	(75 495)

Notes to the condensed consolidated interim financial statements

for the six months ended 31 August 2024

9. Financial risk management

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

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

The condensed consolidated interim financial statements do not include all risk management information and disclosure required in the annual financial statements and should be read in conjunction with the group's annual financial statements as at 29 February 2024.

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

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

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

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

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

Included in the equity securities of R4 313.9 million (31 Aug 2023: R3 797.4 million; 29 Feb 2024: R3 952.0 million) are quoted equity securities of R4 313.7 million (31 Aug 2023: R3 797.1 million; 29 Feb 2024: R3 951.8 million), of which R4 272.2 million (31 Aug 2023: R3 759.9 million; 29 Feb 2024: R3 914.6 million) relates to investments in linked investment contracts. The price risk of these instruments is carried by the policyholders of the linked investment contracts.

Unit-linked investments of R44 840.7 million (31 Aug 2023: R38 372.3 million; 29 Feb 2024: R41 544.8 million) are linked to investment contracts and do not expose the group to price or interest rate risk.

Cash and cash equivalents linked to policyholder investments amounted to R10.6 million (31 Aug 2023: R32.8 million; 29 Feb 2024: R37.4 million) and do not expose the group to interest rate risk.

9. Financial risk management (continued)

Fair value estimation

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

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

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

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

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

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

Notes to the condensed consolidated interim financial statements

for the six months ended 31 August 2024

9. Financial risk management (continued)

Fair value estimation (continued)

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

As at 31 August 2024 (Unaudited)	Level 1 R000	Level 2 R000	Level 3 R000	Total R000
Financial assets				
Debt securities	1 440 484	2 349 618	-	3 790 102
Unit-linked investments	-	109 553 472	134 816	109 688 288
Equity securities	4 313 659	-	240	4 313 899
Investment in investment contracts	-	8 994	-	8 994
Derivative financial instruments	-	6 366	-	6 366
	5 754 143	111 918 450	135 056	117 807 649
Own balances	41 447	3 288 243	41 880	3 371 570
Client-related balances	5 712 696	108 630 207	93 176	114 436 079
Financial liabilities				
Derivative financial instruments	-	12 219	-	12 219
Investment contracts	-	49 039 282	93 176	49 132 458
Trade and other payables	-	-	53 943	53 943
Third-party liabilities arising on consolidation of mutual funds	-	65 906 159	-	65 906 159
	-	114 957 660	147 119	115 104 779
Own balances	-	-	53 943	53 943
Client-related balances	-	114 957 660	93 176	115 050 836
As at 31 August 2023 (Unaudited)				
Financial assets				
Debt securities	790 086	2 902 373	-	3 692 459
Unit-linked investments	-	78 027 759	116 835	78 144 594
Equity securities	3 797 132	-	240	3 797 372
Investment in investment contracts	-	8 950	-	8 950
Derivative financial instruments	-	11 287	-	11 287
	4 587 218	80 950 369	117 075	85 654 662
Own balances	37 229	3 267 949	36 830	3 342 008
Client-related balances	4 549 989	77 682 420	80 245	82 312 654
Financial liabilities				
Derivative financial instruments	-	9 426	-	9 426
Investment contracts	-	42 093 732	80 245	42 173 977
Trade and other payables	-	-	39 830	39 830
Third-party liabilities arising on consolidation of mutual funds	-	40 753 721	-	40 753 721
	-	82 856 879	120 075	82 976 954
Own balances	-	-	39 830	39 830
Client-related balances	-	82 856 879	80 245	82 937 124

9. Financial risk management (continued)

Fair value estimation (continued)

As at 29 February 2024 (Audited)	Level 1 R000	Level 2 R000	Level 3 R000	Total R000
Financial assets				
Derivative financial instruments	-	9 526	-	9 526
Equity securities	3 951 765	-	240	3 952 005
Debt securities	1 031 638	2 900 768	-	3 932 406
Unit-linked investments	-	99 942 741	129 032	100 071 773
Investment in investment contracts	-	9 443	-	9 443
	4 983 403	102 862 478	129 272	107 975 153
Own balances	37 176	3 438 500	41 882	3 517 558
Client-related balances	4 946 227	99 423 978	87 390	104 457 595
Financial liabilities				
Derivative financial instruments	-	12 005	-	12 005
Investment contracts	-	45 418 868	87 390	45 506 258
Trade and other payables	-	-	34 855	34 855
Third-party liabilities arising on consolidation of mutual funds	-	59 655 531	-	59 655 531
	-	105 086 404	122 245	105 208 649
Own balances	-	-	34 855	34 855
Client-related balances	-	105 086 404	87 390	105 173 794

The following tables presents the changes in level 3 financial instruments during the reporting periods under review:

	Unaudited 31 Aug 24 R000	Unaudited 31 Aug 23 R000	Audited 29 Feb 24 R000
Assets			
Opening carrying value	129 272	137 615	137 615
Additions	25 859	13 356	38 441
Disposals	(22 438)	(36 035)	(54 953)
Gains recognised in profit or loss ¹	2 363	2 139	8 169
Closing carrying value	135 056	117 075	129 272
Liabilities			
Opening carrying value	122 245	148 066	148 066
Additions	58 394	53 755	73 315
Settlements	(35 883)	(83 885)	(107 305)
Losses recognised in profit or loss ¹	2 363	2 139	8 169
Closing carrying value	147 119	120 075	122 245

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

Notes to the condensed consolidated interim financial statements

for the six months ended 31 August 2024

9. Financial risk management (continued)

Fair value estimation (continued)

Unit-linked investments represent the largest portion of the level 3 financial assets and relate to units held in hedge funds and are priced monthly. The prices are obtained from the asset managers of the particular hedge funds. These are held to match investment contract liabilities, and as such any change in measurement would result in a similar adjustment to investment contract liabilities. Therefore, the group's overall profit or loss is not materially sensitive to the input of the models applied to derive fair value.

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

10. Related-party transactions

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

11. Events after the reporting date

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

12. Reclassification and restatement of prior year figures

Subsequent to the IFRS 17 restated results reported as at 31 August 2023, management continuously reviewed the implementation and impact of the adoption of IFRS 17. As part of this assessment, it was determined that discounting should be applied to the liability for incurred claims (LIC) balances for both insurance and reinsurance contracts, as stated in the 2024 annual financial results.

The presentation of the statement of financial position, income statement and statement of changes in equity have been amended by restating each of the impacted financial statement line items for the six months ended 31 August 2023, as required by IAS 1 – Presentation of Financial Statements. The reclassification and restatement did not impact the prior year reported income, earnings or headline earnings per share.

Corporate information

Non-executive directors

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

^ Lead independent

* Independent

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7536

Listings

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

Executive directors

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

Transfer secretary

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

Registered name

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

Private Bag X9000
Saxonwold
2132

Sponsors

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

Company secretary

PSG Management Services Proprietary Limited

Auditor

Deloitte & Touche

PSG Financial Services head office and registered office

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