

INTEGRATED
REPORT
2022



Purpose of the report

The aim of this integrated report is to enable stakeholders to better understand and make an informed assessment of the business and performance of our Group; Assupol Holdings Ltd (Assupol), and its subsidiaries; Assupol Life Ltd and Assupol Investment Holdings (Pty) Ltd.

In this report we review the financial, economic and social performance of our Group during our financial year that ended on 30 June 2022. Aspects that affect our ability to create and sustain value for our stakeholders are also discussed.

Our Group's financial results have been condensed in this report to provide a concise overview of our financial performance. Our full audited financial statements, which have been prepared in accordance with the International Financial Reporting Standards and the Companies Act 71 of 2008, are available on our website.

Our Board, assisted by our Audit Committee, ensures the integrity of our annual integrated reports. Our Board has collectively reviewed the output of the reporting process and this 2022 integrated report, and believes that it addresses all material issues and is a fair representation of the performance of our Group. Our Board, therefore, has approved the release of this report.

The electronic version of this report can be accessed at www.assupol.co.za

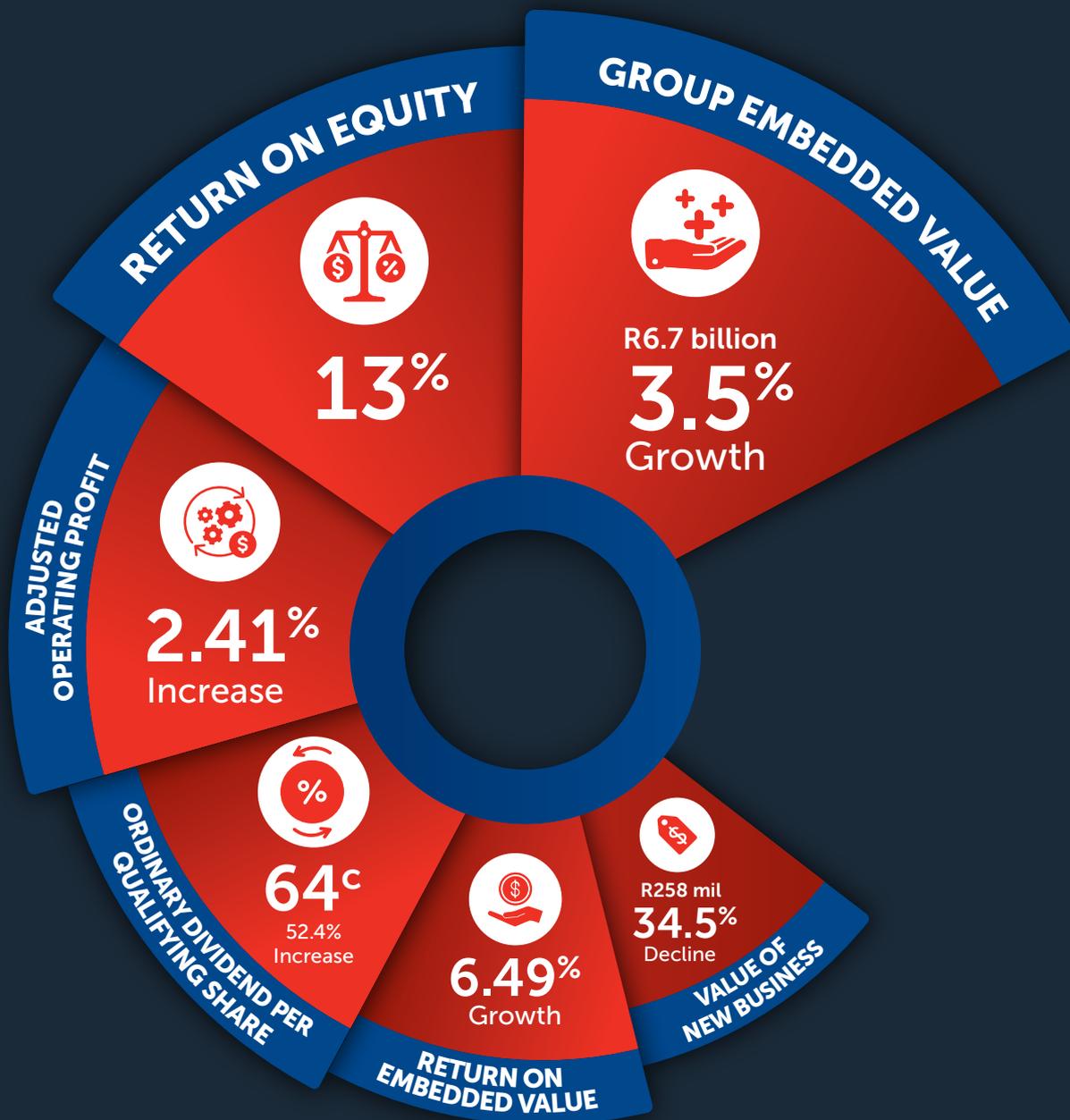
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**REPORT
HIGHLIGHTS**



REPORT HIGHLIGHTS



102 288 funeral cover claims received in 2021/2022, **108 549** in 2020/2021

1 196 life cover claims received in 2021/2022, **1 739** in 2020/2021



Deloitte Best Company Survey



02.

**PERFORMANCE
HIGHLIGHTS**



PERFORMANCE HIGHLIGHTS



FINANCIAL

	2018 Rm	2019 Rm	2020 Rm	2021 Rm	2022 Rm	%change 2021/22
Gross premium revenue	2 987	3 458	4 004	4 359	4 714	8.1%
Net profit after tax	847	907	564	352	615	74.7%
Group embedded value (IFRS base)*	-	-	6 493	6 523	6 757	3.6%
Group embedded value (Previous statutory base)*	4 563	5 422	6 002	6 121	n/a	n/a
Net value of new business (Assupol Life)*	-	-	390	394	258	-34.6%
SCR cover (Assupol Life)	179%	173%	185%	175%	178%	

* The economic equivalent of the 2022 value on new business that is calculated using the June 2021 economic assumption, is R331 million with a percentage change of -16.1% against 2021. The Board approved a change in the calculation of the embedded value to replace the use of the previous statutory base in the calculation of covered business with an IFRS-based approach. Refer to performance highlights charts on page 6 for comparison between the two bases.



ECONOMIC VALUE ADDED

	2018 Rm	2019 Rm	2020 Rm	2021 Rm	2022 Rm	%change 2021/22
Employee cost	366	443	471	453	465	2.6%
Commission paid to service providers	631	824	823	888	859	-3.3%
B-BBEE score	Level 3	Level 3	Level 1	Level 1	Level 1	
Distributions to ordinary shareholders:						
Ordinary dividend (cents)	54	60	55	42	64	52.4%
Special dividend (cents)	42	29	-	-	42	-



EMPLOYEES

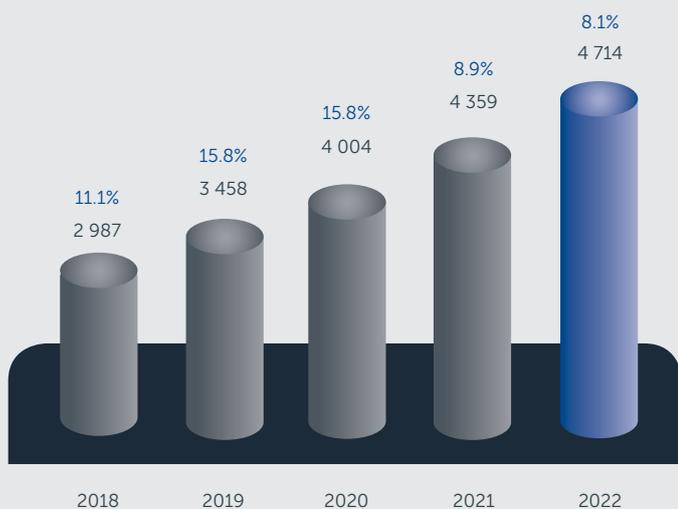
	2018	2019	2020	2021	2022	%change 2021/22
Number of employees	768	908	962	959	966	0.8%
Number of representatives	2 720	2 668	2 494	2 485	2 562	3.1%
Employee turnover	10.0%	10.0%	9.0%	10.3%	16.7%	6.4%
Total training spend (R'000)*	11 452	15 690	14 140	8 389	10 913	30.1%



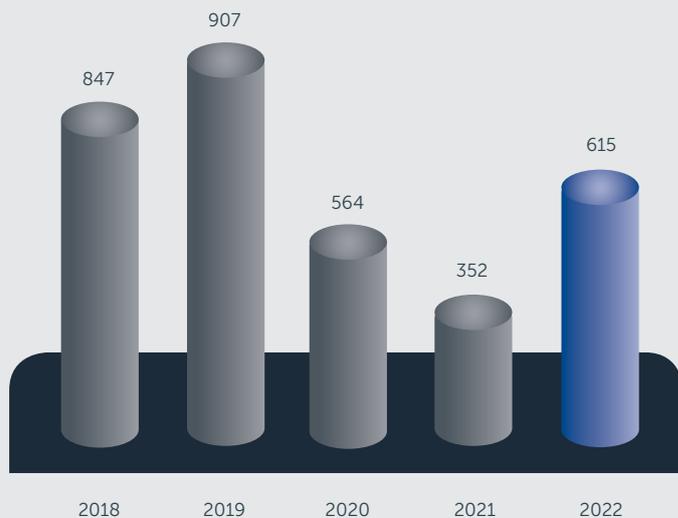
COMMUNITY

	2018 Rm	2019 Rm	2020 Rm	2021 Rm	2022 Rm	%change 2021/22
Total sponsorships and donations	10	19	24	16	17	6.3%

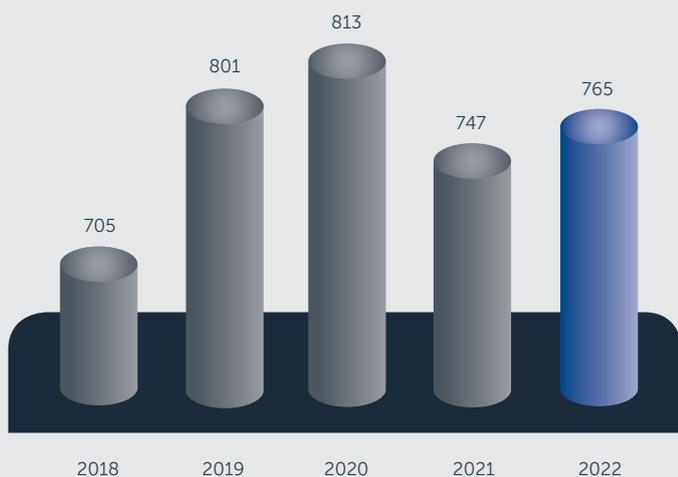
Gross premium income and growth (Rm)



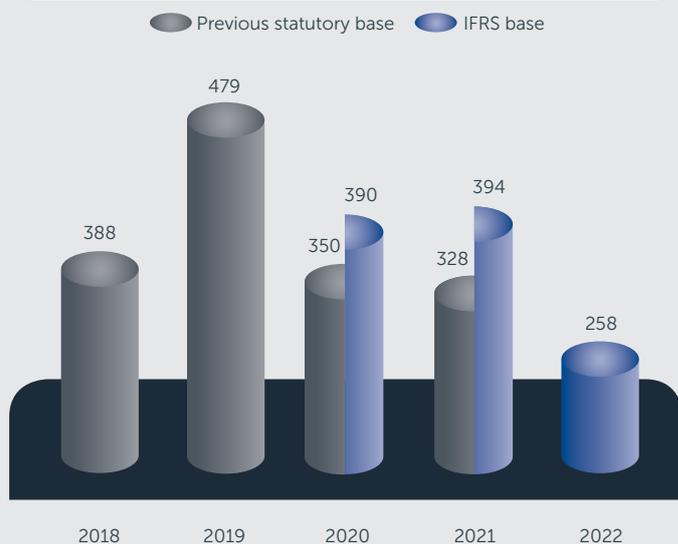
Net profit after tax (Rm)



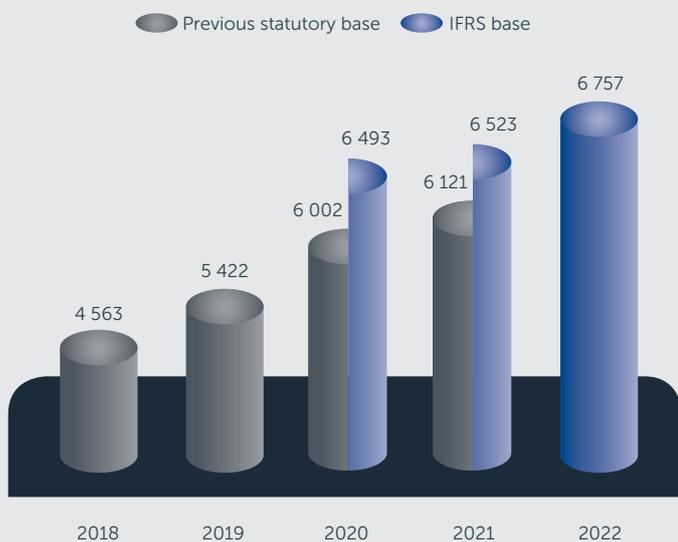
Adjusted operating profit (Rm)



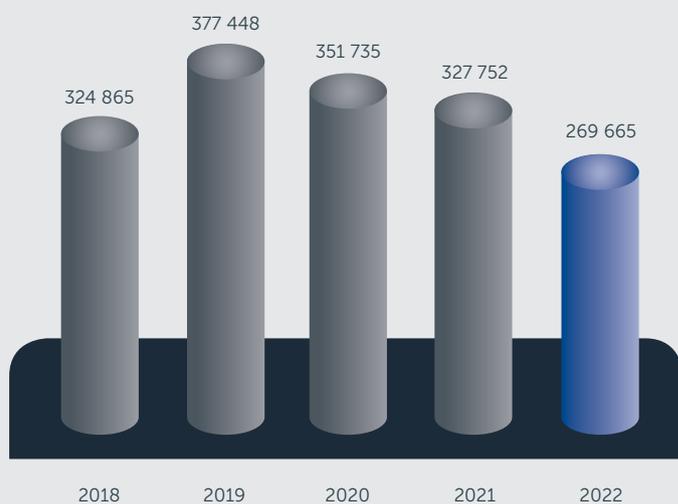
Value of new business (Rm)



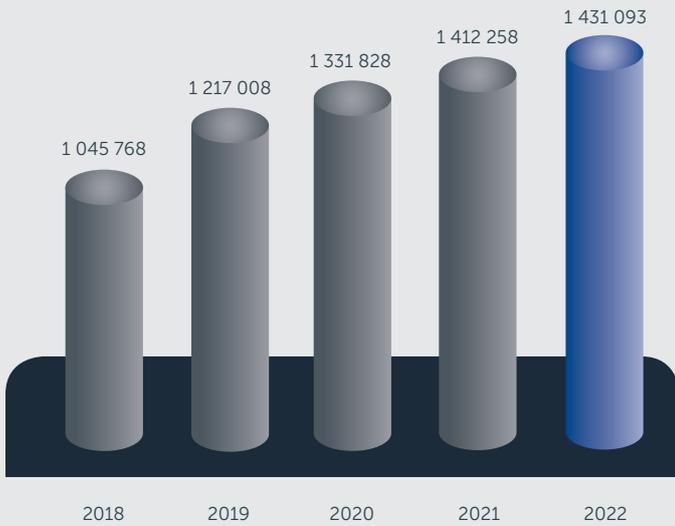
Group embedded value (Rm)



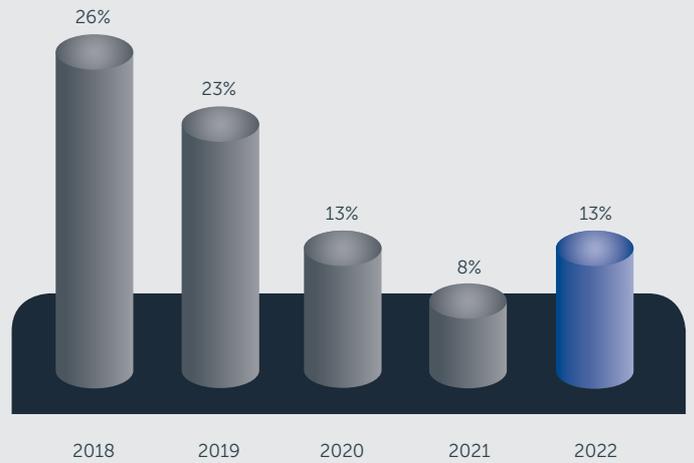
Total new individual business policies written



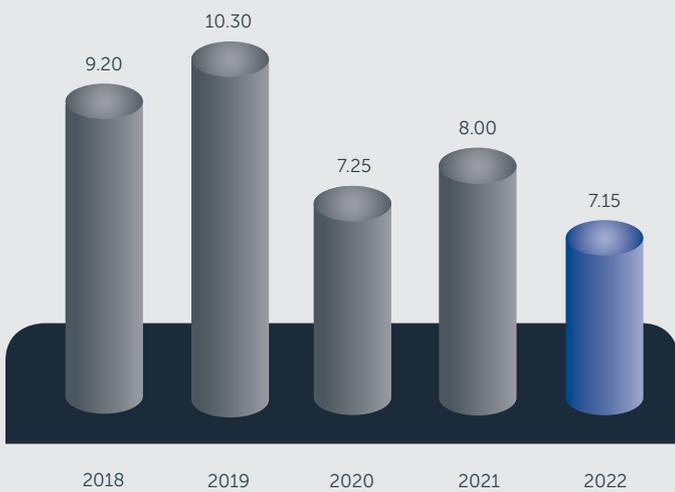
Individual policies in force



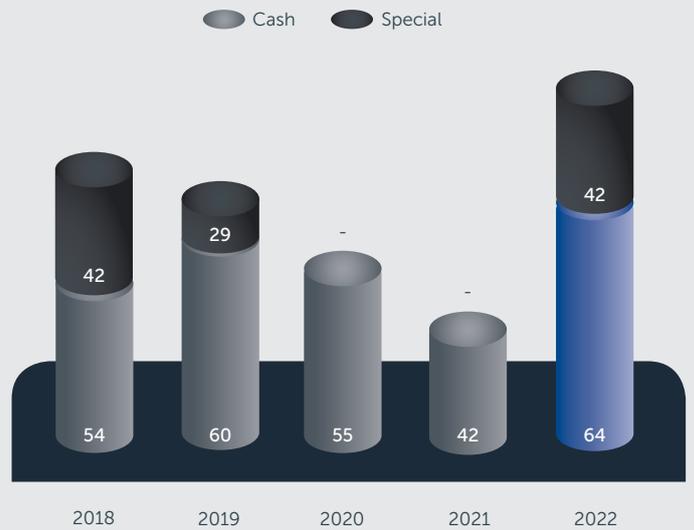
Return on equity



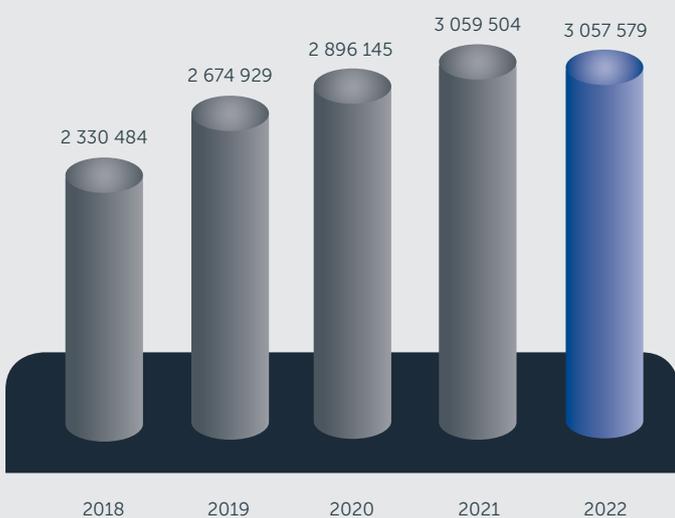
Share price (R)



Group dividend (cents)



Total lives insured (Individual life)



A word from

DR REUEL KHOZA

CHAIRPERSON



A world at odds

Before one can focus on the challenges that lie directly ahead, one must understand the broader context in which those challenges occur. If we first take a look at the international economy, which has a bearing on our local one, we note some areas of concern.

Russia's attack on Ukraine might seem as if it is a world away, but the repercussions in its wake are far-reaching. It certainly has a bearing on Europe, where NATO, driven largely by the USA, is coming to Ukraine's support in an attempt to balance what was a very skewed war situation.

The reliance on Russian oil and gas makes even a strong political economy like Germany get a little shaky and ambivalent.

The UK, which is one of our major trading partners, is in perhaps one of the most painful socio-political states as we speak.

All of that does not really augur well for the world at large. In fact, economist Nouriel Roubini, who predicted the 2008 recession, is saying that next year the world might experience something similar.

Closer to home

Thankfully, there are green shoots in terms of recovery with many sectors returning to pre-pandemic states of performance and growth.

We have to acknowledge that any democracy is in fact a political economy, and that the economic and political forces should actually be ideally in perfect tango. We know that the President is amenable to the idea of organised

business, under BUSA, helping to rekindle the economy through massive investments. One can only hope that the forces within the tripartite alliance, are amenable to that as well.

Business performance

As business, you keep hoping and doing the necessary despite all the challenges above.

By doing so, we continue to resonate with, and enjoy the requisite support from a segment of the market that we are very active in – namely the rural and peri-urban market in large measure, and professionals largely in government.

This is something I believe served us well as we began the year, or rather, the recovery phase. Some of our larger competitors also fared rather well during this period, but we are catching up commendably. Each time we meet as a Board, we are reassured that we are returning to our robust self. The future, to say the least, looks very promising.

Risk management – deeds in action

We, in turn, repay our clients' loyalty by behaving in a manner that is reassuring to them. We believe that treating the customer more than fairly, going the extra mile, is critical. This is a major strength of ours that we will never relent on.

Claims turnaround time has always been key to looking after our clients in the manner they require. We believe in letting our deeds speak for us, because business deeds like any other deeds, speak a lot louder than publicity – which is easy to trumpet to all and sundry.

Sticking to our turnaround times are those deeds speaking in a language that is best understood by our clients.

The regulatory environment and commitment to governance

The Prudential Authority and the financial services agencies that serve to regulate us are doing a commendable job. They are not merely thermometers of the industry, gauging the temperature of our work, but act rather as thermostats, regulating the temperature of the industry.

They remain very accessible and the cooperation between Assupol and them, in my observation, is optimal. Now, it's not a sweetheart arrangement by any means. Our roles are clearly defined and they make sure to keep us on the straight and somewhat narrow.

This industry needs regulation, discipline, and regulator guidance to be truly well-functioning. And I believe, the regulators continue to do that, much to our delight, gratitude, and appreciation.

As far as governance is concerned, I still maintain it as having two pillars, one that insists on competence, and the second that insists on ethical conduct.

Where competence is concerned, we should continue to enhance and uphold that as a guiding principle. Where morality and ethical conduct are concerned, we should continue to be guided by that as a compass we don't tinker with.

I stand by those guidelines because I strongly believe that good corporate governance is essentially wholesome leadership in practice. It is something which we should do both in times of stability and good prospects, as well as when things appear to be doldrums.

In the context of that, we should regularly visit and revisit our strategy. It is not something that should only be reviewed annually, but some something that should permeate the manner in which we operate every day.

A moment of gratefulness

Allow me to thank the people who are responsible for the manner in which we operate, the members of our Board. It is an exceptionally strong Board for a company the size of Assupol, comprised of highly-experienced people with knowledge that is germane to the business that we are in. Whether you're talking former players in insurance, current players in the financial services arena or people with international experience. It is a Board that I must thank for their dedication and continued robust engagement.

Our executive management team are working extremely well together under the leadership of Bridget Mokwena-Halala. The relationship between them and the Board enjoys the healthy tension that characterises a Board and executive that is actually hard at work. So, I thank the executives for that as well.

I thank the regulators for the commendable guidance that they give us in a firm-handed way, which is what regulators should actually do.

Our commitment to serving those who serve sets us apart as an organisation. There are various public servants that constitute our client base and who are the reason why we exist. I thank all of our clients for their ongoing support and loyalty.

I also thank our employees at large, who are at the interface between ourselves and our clients. They essentially are the frontline representatives of our brand, guiding, educating and assisting our clients. Our gratitude to them defies limits.

Transformation, in a digital sense

As I maintained last year, transformation is crucial, and at Assupol it shows in the makeup of our organisation in that we almost mirror our national demographic. We are at the stage in our transformation where we are constantly refining ourselves to get ever closer to that ideal.

In a sense, the bigger challenge we face in transforming as a business, is our transformation to a digital one.

If you want to be a serious player in now the third decade of the 21st century, one cannot avoid technology. It is an enabler and a facilitator, and pivotal in this post-information era.

Our commitment to greater reliance on technology remains strong. However, there are challenges with the adoption of technology, particularly in some of the outlying areas, both on the part of our staff and clients.

We have therefore in-sourced trade-training facilities to implement this change successfully.

We remain cognisant of the tactile nature of our business, and even as we continuously introduce high tech, we wish to remain high touch. We want to continue to be interfacing with clients, but at the same time heed the inevitability of the use of technology, and give it ample expression and application.

The difference that is conscientious citizenship

We wish to recommit ourselves to behaving as a conscientious corporate citizen. The emphasis is not on conscious, where one is aware of one's responsibilities, but may do nothing more than pontificate. But, being a conscientious corporate citizen, meaning you care and truly believe in practical social responsibility, committing to providing solutions that make a real difference.

The commitment to working with young children, who are in fact our future, forces us to think and act generationally. As such, it behoves us to focus our resources selectively so that they may have greater impact at the foundational youth level, which has an effect on the entirety of each child's life.

It is at the same time, heart-rending to see young graduates unemployed in a political economy that should be able to provide them with an environment within which to flourish. The situation as it stands is untenable, and both government and business have got to come to the realisation that only by addressing unemployment, can we be sustainable as a political economy.

Changes to the Board

Our Board continues to be as robust as can be with our latest appointment of a senior independent non-executive director. This is a position that effectively enables the appointee to step in whenever the chairperson could be conflicted – and as such, we believe it serves to strengthen the Board's functioning.

At the time of compiling this report, we regrettably had to say farewell to one of our directors, Nicola Gubb, who has been with the company for just over 10 years. In her time with Assupol, she has served with great distinction, with commendable diligence, and a meticulous preparation for our Board sessions. We would like to express our heartfelt gratitude to her and wish her well in her future endeavours.

We also bid farewell to Riaan van Dyk, former Group Chief Executive Officer of Assupol. In his time with us, he served commendably as the director of the Board. In any organisation, the chairperson and the chief executive should operate in a near-perfect tango for that business to be well led. I must say that my relationship with Riaan was one that could be described in those terms. He is a highly-qualified, highly-experienced person and his contribution could be felt throughout Assupol, and we wish him well as he continues to apply his trade elsewhere.

Keeping investors informed

During times of relative turbulence, you need to keep your investors, and your shareholders, fully abreast of what is actually happening with the business.

We have continued in the year under review to communicate with our shareholders regularly. It is essential they understand and know what is happening to their investments, and keeping them updated throughout the year is a practice we would like to continue with.

Opportunities for growth

The resilience of Assupol as a business can be largely attributed to the strong performance of our funeral product. But, we believe our biggest opportunity for growth lies in diversifying our offering to further meet the needs of our clients.

We are investigating the arenas of micro-insurance and legal insurance, which we intend to pursue with vigour. However, we are cognisant of the need to not spread ourselves thinly, but to create offerings that are substantial and impactful. Such is the aim for our partnership with Ackermans, which is showing promising signs of regaining traction lost due to the pandemic.

While we emphasize our unique configuration of service, we take care to better understand the competitive environment in which some of the larger players are rather robust. By doing so, we observe what we can do to good effect to strengthen ourselves.

In closing

To quote Abraham Lincoln, "A house divided against itself cannot stand."

That is true for business and especially true for the leadership of a political economy.

Neither can function effectively if they are merely a coalition of divergent forces. A united house requires robust, decisive and courageous leadership.

That is something we strive to maintain at Assupol, from our Board, through to our executive team and managers throughout the business. We believe this is a key reason we have maintained our service delivery levels and honoured the promises we made to our clients.

I look to the political leadership of the world at large, and right here at home, and ask them, "Will you provide the same?"

Dr Reuel Khoza
Chairperson

A word from

BRIDGET MOKWENA-HALALA

ASSUPOL LIFE CEO AND GROUP CEO



Our strategic roadmap is underpinned by our 6 strategic drivers



A year for recovery and growth

One of the greatest challenges for a country, or any organisation, is to regain impetus lost after a major disruption. Covid-19 changed the world as we knew it, and many businesses were fortunate just to survive nevermind thrive, during this period.

As we take stock of where we have come from, we must acknowledge the strengths and qualities that got us here, for they will be the same attributes that we rely on as we move forward.

The resilience of Assupol has meant that we were not only able to perform fairly well on the business side, but we

were able to continuously honour the promises we made to our clients, in a time when they needed us the most.

Doing business in the new normal

This past year has been one of two halves. In July 2021, we experienced the peak of the third, deadly wave of the pandemic. And then less than a year later, all restrictions had been lifted and life started returning to a semblance of normalcy. But, in reality we found ourselves operating in a new normal.

At Assupol, we have implemented a hybrid operating model. This change is functioning so well that it is a great benefit to both the company and the employees. Ultimately, helping us to better serve our clients.

Given that our face-to-face distribution channel was hardest hit by Covid-19 restrictions, we fast tracked implementation and adoption of digital interventions for the face-to-face distribution channel, as part of Assupol's digital transformation journey. These interventions are essential to ensure this integral component of our sales ecosystem regains its resolve.

Claims we deliver on

One thing that the market learned during Covid-19, is confirmation that life is uncertain, and as such, protection becomes ever more important.

Although the number of claims received during the reporting period remained high, they were lower than the preceding year. There was, however, an increase in the pay-out of benefits, which is an area that gives us comfort knowing that we are certainly adding value to our clients and that we remain relevant in their lives.

Thanks to the robustness of our business, we were able to pay 87% of valid claims within 24 hours, the majority of those within four to five hours.

Putting business strategy to the test

We ensure that we stress-test our business strategy periodically to assess whether it is still relevant to the environment we operate in. The past few years have indeed confirmed that our vision as the insurer of the people needs to remain the guiding compass in what we deliver.

As such, our strategy remains on course. However, we have a renewed focus on diversifying the business in order to continue its growth, and to provide relevant products to our client base.

Our digital journey is on track

We have always understood the importance of accessibility of our services for our clients. It is the reason we have such a vast network of branches and extensive on-the-ground sales force.

However, the implementation of our digital transformation, which is a constant work in progress, is key to simplifying

processes and offering easier ways for the client to interact with us.

We are satisfied with what we have achieved thus far, but our digital transformation has not come without its learnings. The uptake of technology by our clients did not match the pace for which we had hoped.

Even with our own financial advisors, we realise that change will not happen overnight. Which is why we embarked on a change management project, to ensure that all users of our sales platforms are comfortable advising and transacting with clients using digital tools.

We remain firmly committed, and significantly invested, to our Future State project which is our transformation to a completely digital business.

Partnerships for growth

We continued to identify and nurture partnerships that could broaden the capacity of our distribution channels.

Our partnership with Ackermans had shown great promise before the arrival of the pandemic. After our successful pilot project in 25 stores, we have expanded Assupol's footprint into 39 Ackermans stores, allowing us to provide even better service to the market.

We have also appointed senior people, who will solely focus on growing Ackermans as a successful distribution channel. We are actively recruiting consultants to work at these stores, and we feel positive about the growth potential this partnership has for both Assupol and Ackermans.

Unfortunately, we parted ways with our Assupol Wealth joint venture partners, and Assupol now owns 100% of this entity. We are continuously evaluating our options in this part of the market, and should conditions allow, we may reconsider our ambitions in this space.

We are pleased with the progress we are making in exploring further opportunities that we believe will transform the industry and better meet the needs of many South Africans. We look forward to sharing that exciting update with our stakeholders soon.

Transformation that brings real change

When we talk about transformation from Assupol's perspective, we are not only looking at transformation in simple terms of race or gender, which we are already exemplary, but the broader transformation with greater impact on the community. Real transformation is more than just a numbers game. It is an active role one plays to overcome the real challenges that plague our nation.

There are lingering problems that the country still needs to overcome. The high rate of unemployment is a major concern, especially amongst the youth. Our unstable power supply and high crime rates are seriously problematic, and negatively affect the desirability of South Africa as an investment destination.

But what is encouraging to see, is the willingness of business to be involved in addressing the challenges that we have within our communities. For instance, the partnership between government and the private sector made the nationwide roll-out of Covid-19 vaccines possible. It showed us that real partnerships can work to the best interest of everyone.

Serving our communities

We continue to invest in government's Sanitation Appropriate for Education initiative. We have so far completed building safe ablution facilities for 68 schools in rural areas across Limpopo, KwaZulu-Natal and the Eastern Cape. We believe the more dignified the learning environment is for the youth, the more receptive and productive they will be in the classroom.

The pandemic threw into sharp focus the need to support underprivileged communities. As part of Assupol Cares Community Week, our staff delivered 7.4 tonnes of food that was donated to 150 families in Mamelodi and Wolmer. We also financially supported many early childhood development (ECD) centres through the Assupol Community Trust to enable them to remain open and meet their monthly expenses, such as salaries, rates and taxes.

This past year, we helped 2,655 children gain access to crucial ECD services. Through one of the partners of the Assupol Community Trust, we also trained 154 ECD practitioners to earn ECD level 4 NQF qualifications which equip them with the knowledge and skills required to carry out effective ECD in the centres they work in or own.

Now that the worst of Covid-19 is seemingly behind us and we have undertaken some internal changes to better address our diversification ambitions, we are better positioned to reignite our youth recruitment drive. I have been enamoured over the years with the youth who have joined our ranks and taken their opportunities to grow and become integral parts of the Assupol family.

Assupol as an employer is committed to assist government to reduce the rate of unemployment in South Africa. We have implemented various learnership programmes as a vehicle to allow members of the youth to work and get started on their careers, while also studying for an educational qualification. We have recruited youth with NQF level 4 qualifications to work in our client services and sales departments, and a further youth were recruited for internships in our IT department.

As businesses, we have a moral obligation to ensure that young people get opportunities to gain the much-needed start and experience upon which they can build fruitful careers. I implore the youth not to lose hope, despite the dire unemployment statistics, but to seize any opportunity that comes their way.

Appreciating our stakeholders

All our stakeholders remain critically important to us, and we remain dedicated to demonstrating our commitment to them.

While the number of claims we received from our clients was not as high as it was during the peak of the pandemic, the numbers were far higher than average. We were able to continue honouring these claims within our exceptional turnaround times, understanding the importance of assisting families in their time of need. We are grateful for our loyal client base and will continue exploring ways in which we can better serve and assist them.

It is also heart-warming to see how many employers, across the private and public sectors, ensured that adequate cover is in place to look after the families of employees who have sadly passed on. The number of invitations we have received to come and educate staff members on the importance of having the right cover in place, is encouraging.

We continue to support our employees, representatives and broker business partners as they enable us to be there for our clients. It's been a trying time for them and we must acknowledge their resilience and commitment to help us deliver, no matter what.

Our ability to keep delivering on our promises to our clients has ensured our business performance remained strong. This enabled us to once again implement salary increases and pay bonuses to our staff, which we acknowledge is a privilege that other businesses were unable to do. We believe that when your staff are happy, you can be comfortable knowing that the clients they engage with will be well-looked after.

To our shareholders, know that Assupol remains a resilient company with a commendable track record and performance, even throughout the pandemic. We were able to pay a dividend in the last financial year, and we remain positive that your faith and investment in us will continue to reap the benefits.

Our Board continues to remain strong and provide guidance and support to the management team. As always, a particular thank you must go to Dr Khoza for the inspirational leadership he provides at all times.

Regulation matters

Our relationship with the Regulators remains sound.

Regulators ensure sustainability of our business. We take a proactive approach on regulation, contacting the regulator even before issues may crop up. Ethical compliance should be the culture within organisations, because that is how we are empowered to act ethically and treat our clients fairly.

In closing

In what has been another tough year for businesses and South Africa at large, we remain encouraged by the resilience Assupol continues to demonstrate.

We have a positive outlook towards the future in terms of the continued growth of our well-performing core business as well as building on our promising partnerships.

As the country continues returning to a sense of normalcy, we at Assupol look forward to recovering and growing our business.

Bridget Mokwena-Halala
Assupol Life CEO and Group CEO

A word from

NIËL DE KLERK

GROUP CFO



The devastating impact that the Covid-19 pandemic had in South Africa since March 2020 seems to have diminished substantially since the start of the 2022 calendar year, with restrictions experienced by the sales teams and other operating activities largely being eased and the business environment improving. With the third wave that peaked during the first quarter of the financial year, the impact of Covid-19 is still evident in the financial results of the Group but not to the extent as reported in the previous two financial years.

The new business volumes of nearly all the distribution channels in the Group have shown an increase in comparison to the previous financial year. The Group has reassessed the structure of its Direct Marketing distribution channel with the aim to improve the quality of new business as well as improving operational efficiencies. This restructuring had a significant negative impact on the channel's performance in the 2022 financial year. However early indications are that the actions taken will result in the intended benefits of the restructuring.

Notwithstanding the adverse economic impact that the volatility in the global economy in reaction to the aftermath of the pandemic as well as other external factors such as the Russia-Ukraine war had, the Group's embedded value (EV) increased from R6 523 million to R6 757 million with a return on embedded value of 6.49% against the 4.19% in the previous financial year.

Financial performance analysis

Our performance against strategic financial targets

Our financial performance is managed and measured against specific and defined strategic financial targets. As these are strategic financial targets with a longer-term outlook, one would expect adjustments to these targets depending on economic and other business cycles. The pandemic brought about an uncertainty that had a definite impact on these targets and adjustments had to be made as we navigated our way through the pandemic. It is the intention of the Group to return to these levels over the medium term.

Value of new business (VNB) growth

This metric speaks to our aspiration to be a high growth company while fulfilling a critical financial need to our client base and increasing our relevance as a brand through gaining market share.

Return on equity

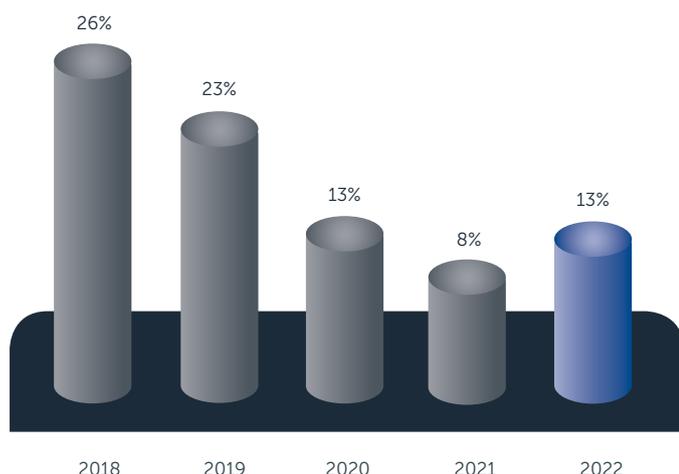
The Group aspires to be profitable, while being capital efficient with appropriate margins for expansion and within a defined risk appetite ensuring long term sustainability.

Return on embedded value

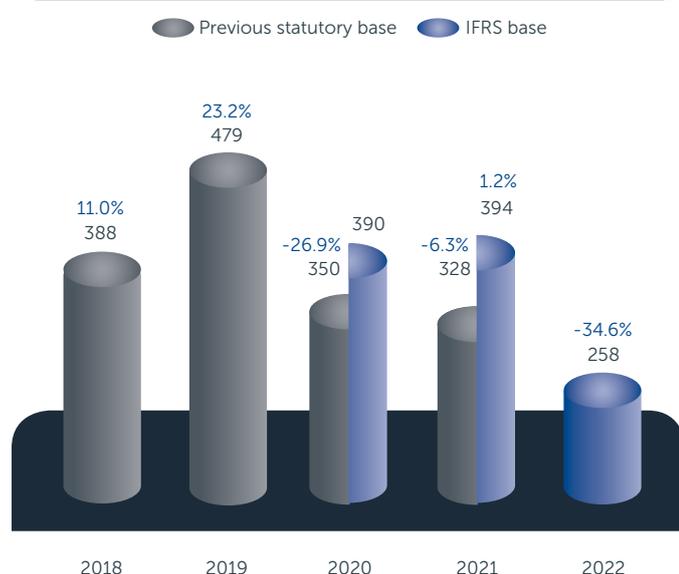
Shareholders provide capital and take financial risk. As a Group, we aspire to provide our shareholders with top tier financial returns.

The graphs show the Group's performance over the past 5 years.

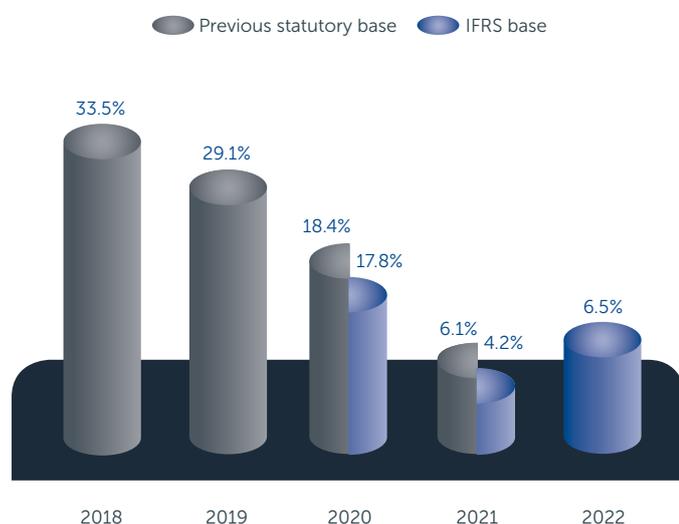
Return on equity 5-year compounded return 16.1%



Value of new business (Rm) and growth %



Return on EV (%)



New business growth

VNB growth was -34.6% for the 2022 financial year (2021: 1.2%) and on an economic equivalent basis (calculated on the June 2021 economic assumption), the growth was -16.1% (2021: 10.6%). The main reason for the negative growth is the reassessment and restructuring of the Direct Marketing distribution channel to improve operational efficiencies.

Recurring new business premium income decreased by 27.7% (2021: 42.7%) on an annual premium income basis but our single premiums increased by 483% (2021: decrease of 49.6%). The single premiums increase was supported by rising interest rates that enhance the relative attractiveness of the offering.

Efficient management of expenses

It is critical for a life assurance company to manage the efficiency of policy administration costs. This strategic drive ensures that costs efficiencies are key in performance measurement of the business. As reported in previous financial years this is always a key focus area of the Assupol Group. To preserve capital and existing infrastructure, no expense reserves were released during the height of the Covid-19 pandemic. Due to significant expense savings during the 2022 financial year and the diminishing impact of the pandemic, an amount of R111.2 million was released for the 2022 financial year.

Persistency rates

The strengthening of the withdrawal reserves increased actuarial liabilities by R188.9 million (2021: R20.7 million). This relates to persistency improvements in longer durations on the Progress4Sure, Progress4Life and Progress Legacy product lines.

Mortality experience

The Group experienced lower Covid-19 related claims during the latter part of the 2022 financial year, with R62.5 million of the 2021 reserve being unutilised. This unutilised portion was released during the financial year and a new reserve of R143.9 million (2021: R228 million) was set up for future excess deaths.

Investment performance of shareholders' funds

The after-tax investment returns on shareholders assets over performed against the long-term investment return assumption by R8.7 million (2021: R42.8 million). The return on shareholders assets was 7.47% (2021: 16.97%).

Cash back and loyalty benefits to clients

Cash back and loyalty benefits to an amount of R286.3 million were paid to the Group's clients during the financial year. This is an increase of 98.9% compared to the previous financial year. Our clients' financial needs are central to what we do. By being able to return R286.3 million to clients in addition to the R2.1 billion claims paid during difficult financial times is core to our existence.

Corporate and Social investment (CSI)

During the year under review the Group continued with its collaboration with government; spending R10 million per year to improve sanitation facilities at government schools.

Adjusted operating profit

The Group's net profit after tax increased to R614.6 million from R352.3 million in June 2021. To give a more realistic long-term and normalised view of our Group's profitability, management adjusts the net profit after tax to exclude the impact of short-term market fluctuations on investment returns on excess assets, non-recurring transactions or events, non-recurring actuarial adjustments (including the valuation interest rate), as well as non-core transactions. The table below reflects the adjustments made and can be analysed as follows:

	2022 Rm	2021 Rm
Reported net profit after tax	615	352
Adjustment of investment returns on excess assets ⁽¹⁾	(9)	(43)
Non-recurring transactions ⁽²⁾	26	257
Adjustment of non-recurring economic assumption ⁽³⁾	143	(20)
Operational and other assumption changes ⁽⁴⁾	(10)	201
Adjusted operating profit	765	747

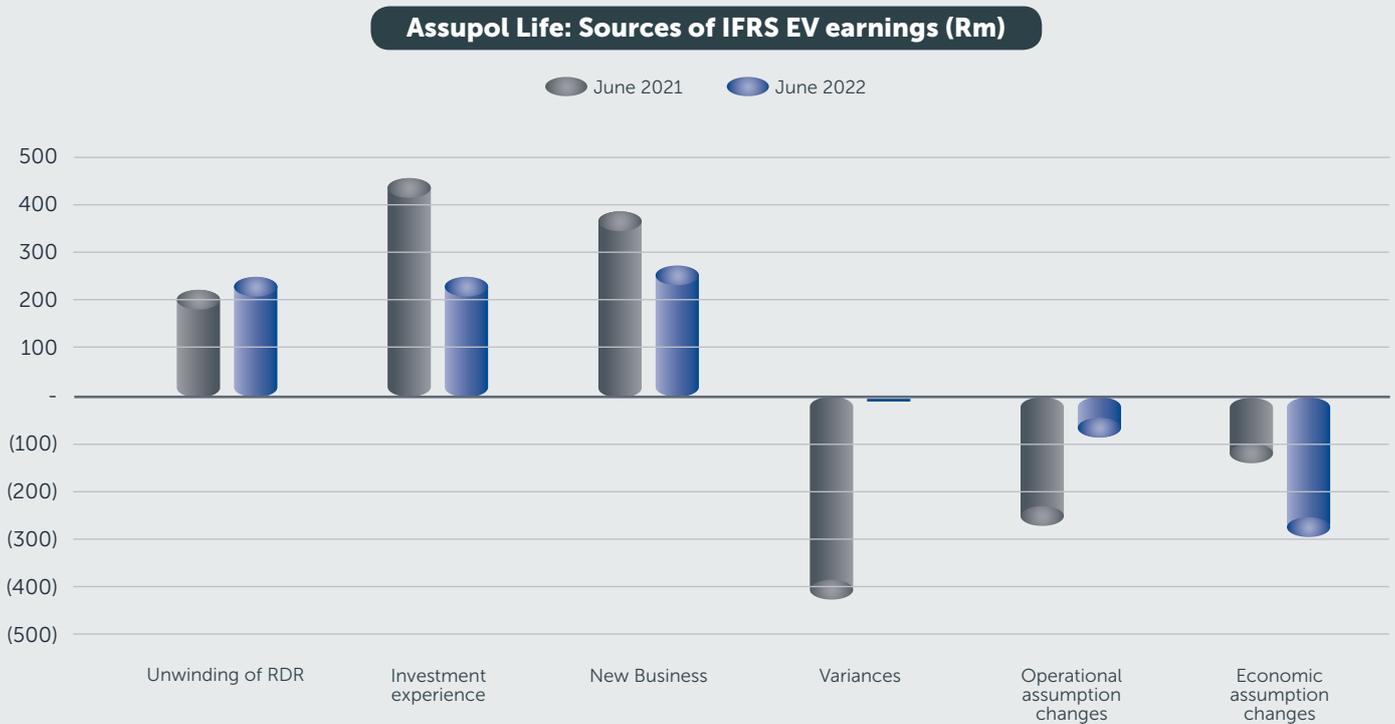
1. Shareholder funds' returns outperformed against the long-term investment returns assumption during the 2022 financial year. The investment funds overall outperformed the market benchmark by 1.3% (2021: 3.1%). The asset allocation in the fund and related investment returns are shown in the asset allocation section below.
2. Non-recurring transactions include an adjustment for excess death claims due to Covid-19, as well as adjustments to the deferred taxation due to changes in the income taxation legislation. These changes relate to the change in the corporate tax rate from 28% to 27% and the introduction by SARS of the loss limitation rule on the use of the assessed tax loss within the individual policyholder fund effective for years of assessment ending on or after 31 March 2023.
3. Changes in actuarial economic assumptions were driven by an increase in the valuation interest rate from 7.4% in 2021 to 9.3% in 2022. This was mainly due to the increase in the inflation rate from 5.2% in June 2021 to 6.8% in June 2022.
4. Changes in the actuarial operational assumptions included the reserve for excess deaths of R126.4 million after tax (2021: R164.1 million). The renewal expense assumption of individual business was adjusted, decreasing actuarial liabilities by R111.2 million.

Group embedded value

The Group embedded value was affected by the factors mentioned below but a return of 6.5% (economic equivalent calculated on the June 2021 economic assumption: 13.9%) (2021: 4.2%) was achieved:

- The restructuring of the Direct Marketing distribution channel, and
- The economic assumption changes due to the valuation interest rate

The graph below gives an analysis of our earnings on our Group embedded value (RDR means Risk discount rate):



Investment performance

The Group believes that strategic asset allocation is key in delivering long-term returns and will avoid decisions, where the time-frame of the decision, differs significantly from the investment horizon of the associated liability or funds (tactical or short-term market timing decisions).

The selected asset allocation must reflect each investment category's risk profile, and provide a reasonable level of returns in most investment scenarios. The investment return volatility of different asset classes is acknowledged and appropriate diversification between assets classes must be applied to minimize volatility of the returns.

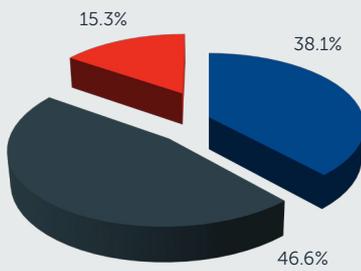
The Group continues to adopt a passive investment management approach which is aligned with its aim to deliver long-term returns.

Asset allocation and investment returns in our shareholder fund

The graphs on the next page illustrate the combined asset allocation for the capital fund of R1 819 million (2021: R1 458 million), including the SCR portfolio of R1 248 million (2021: R1 108 million) and the liquidity portfolio of R571 million (2021: R350 million).

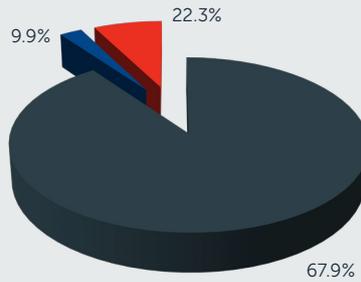
This graph shows the asset allocation at 30 June 2022:

Capital fund investment allocation



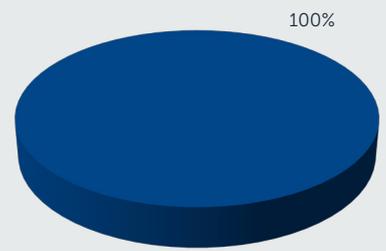
- Local equities
- Local bonds
- Local MM

Capital fund investment allocation: SCR portfolio



- Local equities
- Local bonds
- Local MM

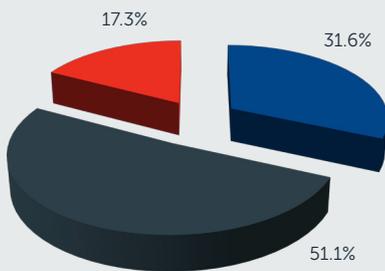
Capital fund investment allocation: Liquidity portfolio



- Local equities
- Local bonds
- Local MM

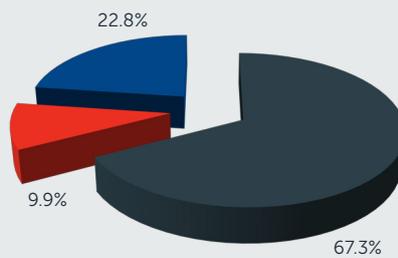
Asset allocation at 30 June 2021:

Capital fund - Total investment allocation



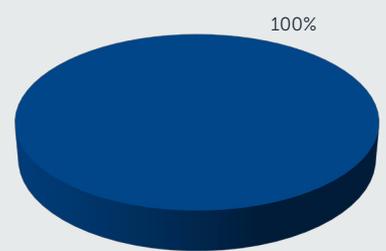
- Local equities
- Local bonds
- Local MM

Capital fund - SCR portfolio allocation



- Local equities
- Local bonds
- Local MM

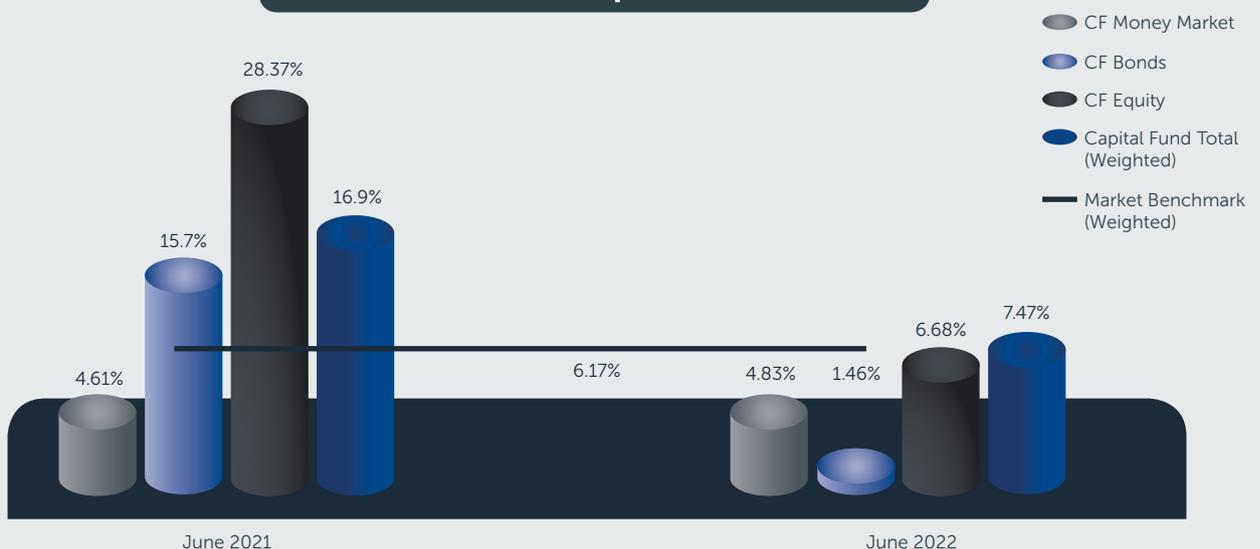
Capital fund investment allocation: Liquidity portfolio



- Local equities
- Local bonds
- Local MM

This graph shows the investment return at 30 June 2022:

Return on capital fund



Share capital

During the year, 3 827 819 B2 shares were converted into ordinary shares. The B3, B4 and B5 shares were awarded to senior management in September 2019, 2020 and 2021 respectively in terms of the deferred bonus scheme but have not been issued as yet due to the requisite approval from the Prudential Authority.

No legal entity in the Assupol Group repurchased and/or cancelled its shares during the financial year. Assupol Investment Holdings, a 100% subsidiary of Assupol Holdings, purchased shares in Assupol Holdings; effectively bringing the control of those shares within the ambit of the Assupol Group.

How we manage our capital

Our capital-management philosophy is to optimise the return on capital, but not at the cost of business sustainability. We therefore seek to optimise returns within acceptable risk-appetite ranges, and in accordance with regulatory requirements.

We ensure alignment of capital to risks and that the reward is commensurate with the risks taken. Reward in this sense relates to return on reported capital.

Our aim is to provide our shareholders with appropriate returns at an acceptable level of risk, and to successfully execute our Group's long-term strategy.

We apply the following principles:

- We determine capital on a statutory base in accordance with applicable legislation, and in compliance with the Companies Act;
- Determine risk-tolerance ranges;
- Allocate efficient funding for capital requirements;
- Allocate appropriately for projects yielding returns higher than the average return-on-equity targets;
- Optimise capital components:
 - frequent monitoring of risk-driven components in the required capital structure;
 - through asset-liability matching;
 - reinsurance retention limits;
 - sources of capital; and
- Applying a sustainable dividend policy, explained in the section on dividends below.

Our Group's dividends

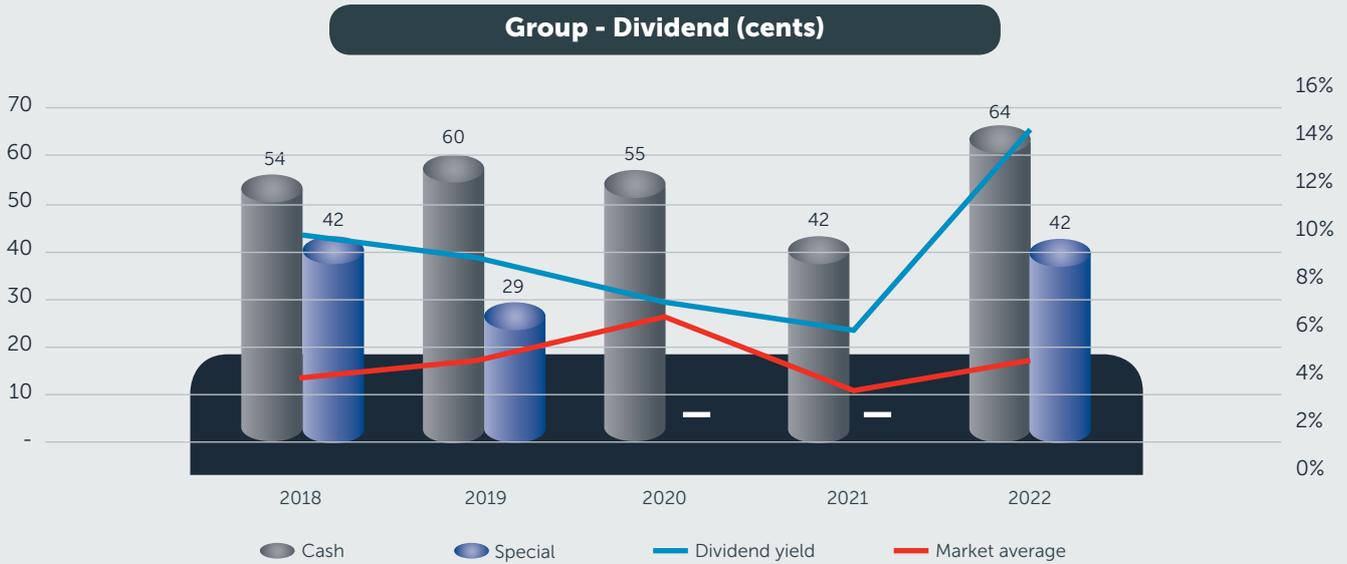
Our dividend policy is based on the following principles:

- To create a sustainable dividend flow to shareholders;
- align our policy with company performance, where cash generation will be used as guidance;
- hold sufficient liquid assets for working capital;
- maintain a target solvency capital ratio, as determined by our board from time to time;
- hold sufficient liquid assets to finance strategic initiatives;
- comply with all regulatory requirements; and
- declare a special dividend, if surplus cash is available.

Specific considerations relating to the 2022 dividend declaration were as follows:

- Adequate available capital for the excess deaths reserves;
- Adequate provision of capital for strategic initiatives for the Group; and
- Stress test of various scenarios indicating all post dividend scenarios to be well above risk appetite levels from a solvency and liquidity perspective.

This graph compares our dividends over the past 5 years:



Investment in new initiatives

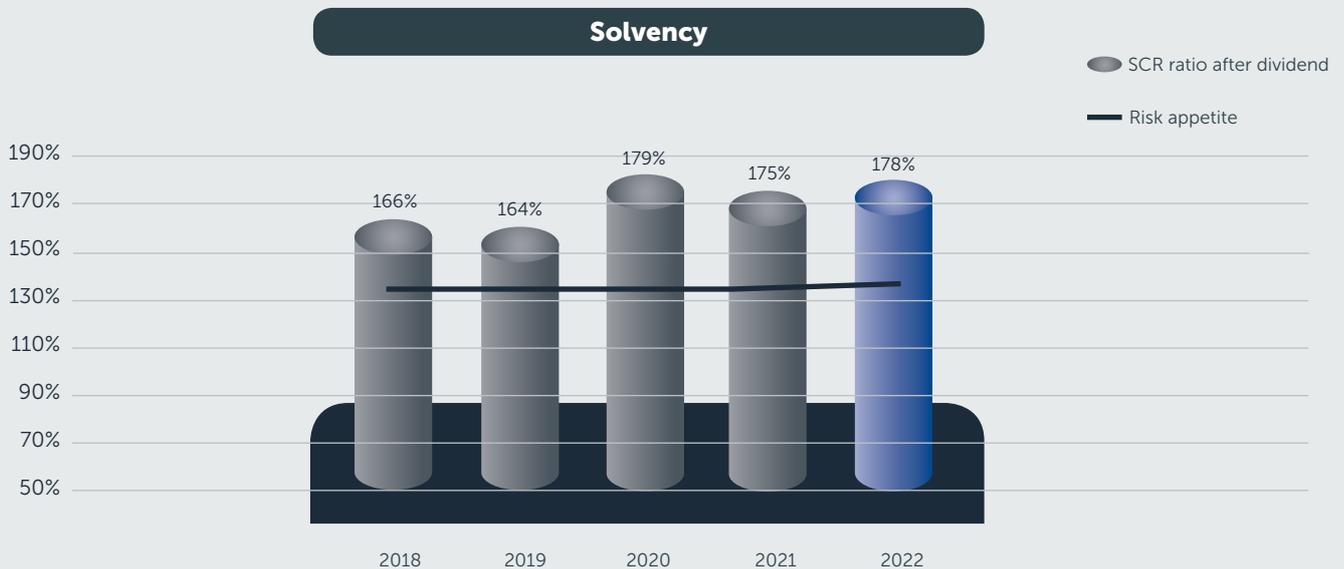
One of our key strategic focus areas is to continuously explore new initiatives that will expand and enhance our current offering to clients. In the current environment the focus is to ensure that new initiatives that were invested in in recent times are fully embedded in the operations of the Group and a definite future contribution is established.

Collectively, we have allocated R32.0 million (2021: R67.7 million) for the next financial year to these initiatives to ensure the availability of financial resources. One of the initiatives that was earmarked in the previous financial year, was terminated by the Board of Directors, hence the decrease in the allocated amount.

Solvency

Our Group’s life-insurer, Assupol Life, is well above the required capital adequacy requirement under the current statutory valuation method, and above the solvency capital requirement under the Solvency Assessment and Management framework (SAM).

This graph shows Assupol Life’s SAM solvency position over the past 5 financial years:



Interest rate sensitivity

It is important to take note of the Group's sensitivity to economic assumptions. The reason for this is the initial recognition of new business profit on the IFRS basis. The value of the probable future economic benefits is captured under the insurance asset balance sheet item, which is discounted at a rate based on economic assumptions. Although the value of this item is dependent on economic assumptions, the normalised cash generation profile of the business is not affected by this.

The following table illustrates the movement on the different metrics due to the impact of economic assumption changes:

Metric	2022 Interest and inflation assumptions		2021 Interest and inflation assumptions	
	-1%	+1%	-1%	+1%
Net profit after tax	223 300	(243 487)	156 479	(156 091)
Embedded value	574 824	(431 975)	520 716	(339 120)
Cash earnings	(10 075)	(9 048)	18 003	235
SCR ratio	180.29%	173.40%	189.4%	170.67%

Interest rate sensitivity

This sensitivity arises due to the high volume profitable new business policies relative to the in-force policy book amplified by the current profit recognition profile. The profit recognition profile of insurance policies will substantially change with the introduction of IFRS 17 in 2024. Business decisions are being made based on several relevant financial metrics including cash generation and solvency and adjusting for non-cash items.

As the solvency position and cash generation profile of the business is not sensitive to interest rate movements, the Group does not believe that an interest rate hedging strategy is appropriate at this stage.

Future considerations

IFRS 17

This International Financial Reporting Standard will be applicable to the annual financial statements for the year ending 30 June 2024.

The implementation process is managed by the Group's IFRS 17 steering committee which consists of representatives from various disciplines in the Group such as actuarial valuations, finance, information technology, and risk management. It is also supported by external consultants that provides the technical insights and guidance. The committee meets monthly and reports to the Audit Committee on a quarterly basis.

Most of the actuarial modelling has been completed and runs are being performed to test the system build and interrogate the results against expectations. The links to the accounting and reporting systems as well as the data warehouse are currently being addressed.

Preliminary calculations indicate that the annual profits of the Group will decrease when IFRS 17 is applied. Assupol's current financial policy to recognise profits when a policy commences, will no longer apply under IFRS 17 and the profits will be recognised over the lifetime of the policy.

Mandatory audit firm rotation

The requirement issued by the Regulatory Board for Auditors (IRBA) in 2017 regarding the mandatory audit firm rotation (MAFR) will affect the Group in the financial year ending 30 June 2024. The Board of Directors has already approved a new audit firm. Subject to shareholders approval at the annual general meeting, KPMG Incorporated will be appointed with effect from 1 July 2022.

Outlook

The Group's key focus is to return to pre-Covid-19 performance levels in an enhanced digitalised environment.

The Group remains well capitalised and have demonstrated a strong cash generation ability with sufficient liquidity to face the impact from an uncertain environment.

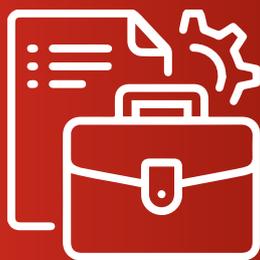
Our success is based on maintaining a strong relationship with all stakeholders, ranging from policyholders, shareholders, business partners, employees, and the sales force alike, while ensuring that cost and risk is managed appropriately.

I thank all stakeholders who contributed to the success of our Group. The financial performance in the recent financial years couldn't have been achieved without the continuous dedication and loyalty of all the role-players.

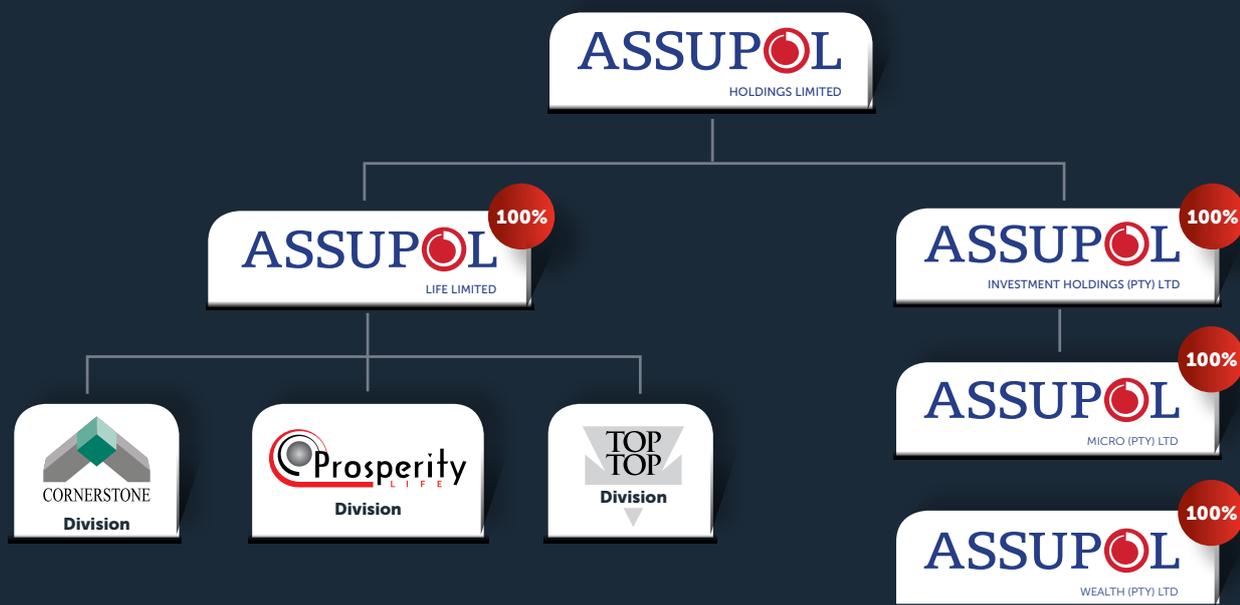
Niël de Klerk
Group CFO

03.

**OUR
BUSINESS**



OUR GROUP AT A GLANCE



Assupol Holdings Ltd is the holding company of the Assupol Group of companies. The Group operates through two wholly-owned subsidiaries: Assupol Life Ltd and Assupol Investment Holdings (Pty) Ltd.

Assupol Life Ltd

A registered life-insurer and authorised financial services provider, Assupol Life provides affordable funeral, life, savings, investments and retirement products, to the South African market.

Assupol Life acquired the business operations of Prosperity Life Ltd in 2012, Cornerstone Brokers Corporate (Pty) Ltd in 2017, and Top Top Business Consultants (Pty) Ltd in 2018. After the acquisition, the legal entities (with the exception of Prosperity Life Ltd that was deregistered) remained as dormant subsidiaries of Assupol Investment Holdings (Pty) Ltd.

Assupol Investment Holdings (Pty) Ltd is our investment-holding company. It holds our Group's strategic investments.

Assupol Wealth (Pty) Ltd is a financial services provider registered in terms of the Financial and Intermediary Services Act, with the intent to expand the Group's financial service distribution offerings and diversify its income stream. Assupol Investment Holdings acquired 100% of the issued share capital of Assupol Wealth (Pty) Ltd.

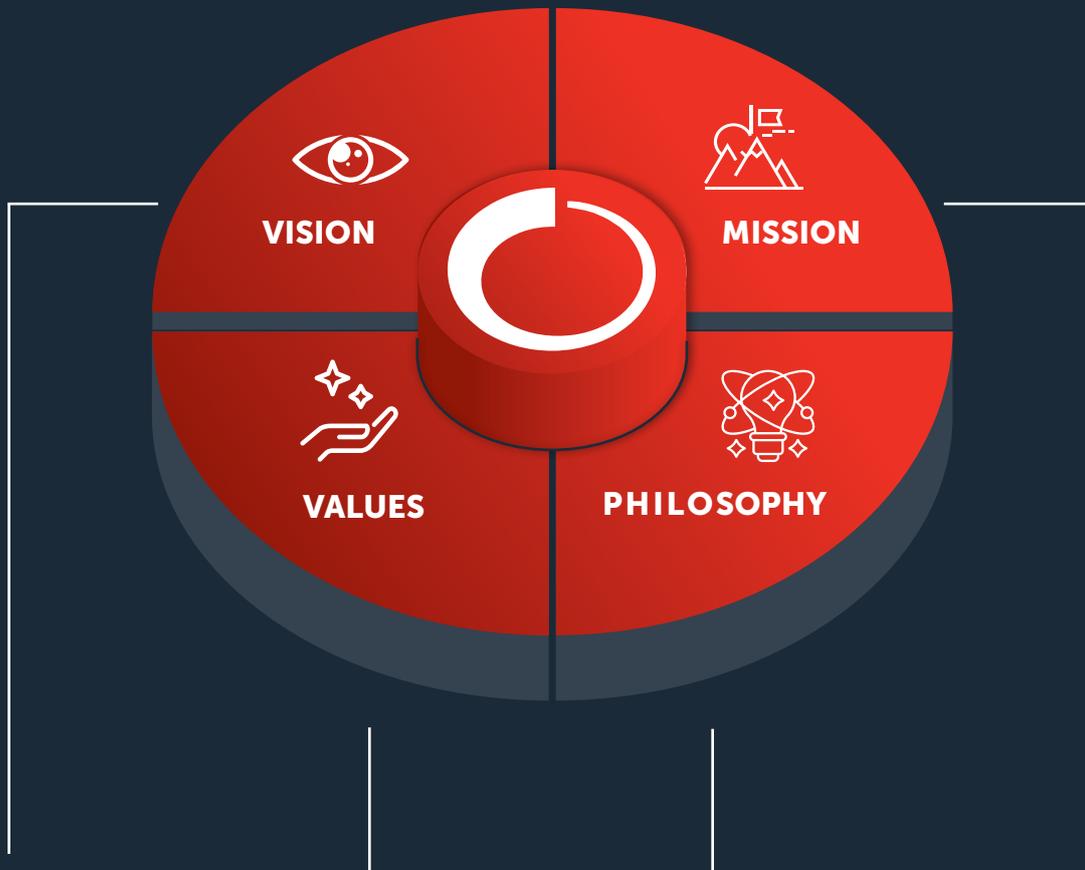
Assupol Micro (Pty) Ltd is a subsidiary of Assupol Investment Holdings and is in the process of being licensed by the Prudential Authority.

ASSUPOL, AFTER 109 YEARS

Assupol Life began in 1913 as a burial society for members of the South African Police Service. From that modest and caring beginning, it has grown into a fully-fledged life-insurer, serving those who serve and often leading with innovative products and services. Assupol has become a household name, synonymous with high-quality service and affordable products tailored for our focused markets. But more importantly, after more than a century, Assupol has remained the caring company it was at its inception.

OUR

PHILOSOPHY



VISION

To be the insurer to the people

VALUES

Treating our clients fairly is at the core of everything we do

PHILOSOPHY

1. Simple, relevant and affordable product range
2. Trusted brand in target markets
3. Impeccable client service
4. Effective and professional sales team and distribution channels
5. Strong national footprint

MISSION

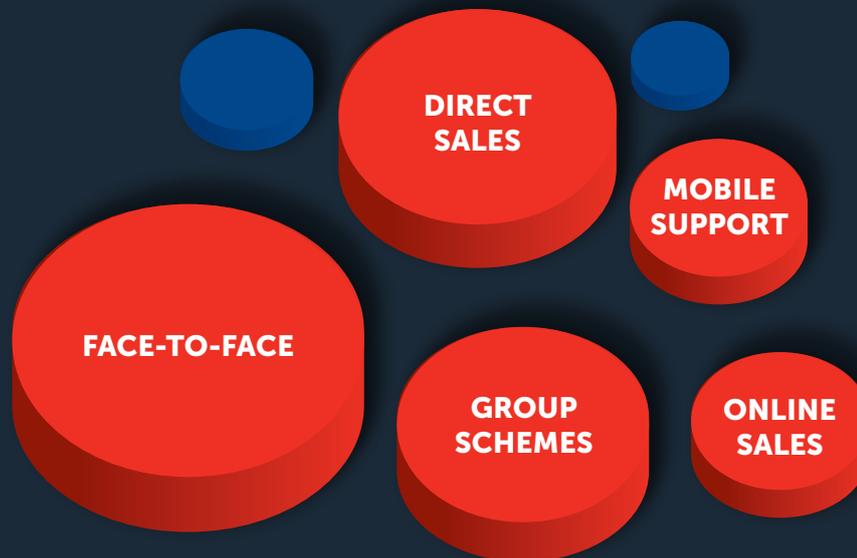
To serve those who serve

BUSINESS PARTNERS AND PROFESSIONAL SERVICE PROVIDERS

External auditors
Internal auditors
Head of actuarial function
Reinsurers

PricewaterhouseCoopers
Ernst & Young
Deloitte – R Subotzky
Hannover Re, Munich RE, GenRe and RGA

SALES DISTRIBUTION CHANNELS



Online sales

- www.instantfuneral.co.za
- No Touch™ sales solution
- E-application for funeral

Direct sales

- Call centre

Group schemes

- Voluntary groups
- Compulsory groups

Face-to-face

- Sales managers
- Sales development consultants
- Office consultants
- Representatives
- Brokers

Mobile support

- In addition to our branches countrywide, we also service many clients with mobile support centres

EXPANDED ACCESSIBILITY

Assupol Client and Rewards Portal

Our online client portal (my.assupol.co.za or datafree on myassupol.datrafree.co.za) offers clients easy access to policy documents and client communication. More than 300,000 policyholders have registered on the portal.

Enhancements implemented on the Client Portal:

- The identity of a client is easily verified against the Department of Home Affairs population register.
- Clients manage their own profile, existing policies, and banking details, withdraw cashback benefits, withdraw refunds, log complaints and compliments.

Assupol Rewards are also accessible from the portal. Assupol Rewards was introduced in 2019—there are more than 200,000 members on our rewards programme.

OUR BRANCH FOOTPRINT



WE HAVE BRANCHES ALMOST EVERYWHERE

There are 86 Assupol branches countrywide. We serve in all nine provinces in South Africa and our head office is in Pretoria.

A SUMMARY OF OUR PRODUCT OFFERING

	Excellence Family Funeral Plan	Absolute Advantage Funeral Plan (direct marketing)	instantFuneral™ Plan (online marketing)	Progress Legacy Plan	Progress 4Life Plan	Progress 4Sure Plan	Progress Accident Plan	Ultimate Retirement Income 4Life	Cornerstone Pensioner Plan	Cornerstone Solution Plan
Funeral	🔴	🔴	🔴	🔴	🔴	🔴			🔴	🔴
Death and/or Disability				🔴	🔴	🔴	🔴	🔴		
Critical Illness/ Dread disease				🔴	🔴	🔴				
Family Income	🔴	🔴	🔴							🔴
Premium waiver	🔴	🔴	🔴	🔴	🔴	🔴				
Cashback	🔴	🔴	🔴		🔴	🔴				
Assupol On-Call	🔴	🔴	🔴	🔴	🔴	🔴	🔴			
On-Call Plus	🔴	🔴	🔴	🔴	🔴	🔴				
RA Maturity Reward	🔴			🔴	🔴	🔴				
Health+	🔴	🔴	🔴							

Savings and investment products	Assupol One Savings Policy	Assupol One Tax-free Savings Policy	Guaranteed-return Single-premium Policy	Guaranteed-income Single-premium Plan	Carefree Life Retirement Annuity	Assupol Preservation Funds
Savings	🔴	🔴	🔴	🔴	🔴	🔴
Regular withdrawals or income	🔴	🔴		🔴		
Premium waiver	🔴				🔴	
Assupol One Bonus	🔴	🔴			🔴	

OUR BRAND

Relevance and resilience anchor Assupol's longevity

Respecting the integrity of Assupol's brand personality remains critical for creating and sustaining positive sentiment about the Assupol brand.

Assupol is a trusted insurer with a rich South African heritage and reputation of serving those who serve others. Our clients are proud to be associated with Assupol, and we take our conviction of retaining the trust our clients place in us, seriously. Which is why we emphasise the value in the products and services we offer and why we make the most of every opportunity to showcase our personality traits of being an approachable and reliable business.

As an insurer to the people, it is imperative that we remain relatable and considerate of our clients' lived experiences. The campaigns we executed in the 2021/2022 financial year were designed to demonstrate that we relate to the mourning, fatigue, financial pressure and a great desire for stability experienced by many South Africans, and that we are here to guide and support them as they plan for their future life stages.

Amaduzo (our deepest condolences)

We conveyed our heartfelt condolences to all South Africans who lost loved ones, through a digital and print campaign titled *Amaduzo*. This campaign was implemented at a time when heightened Covid-19 restrictions meant families were forced to mourn their loved ones alone or from a distance and without the comfort of their community. *Amaduzo* was a gesture of sincerity and sympathy for the pain experienced simultaneously by many, in the most difficult time of our century.

The campaign received recognition in the annual Pendering Awards – a second consecutive accomplishment following Assupol's 'There will be no monuments' print and out-of-home campaign in 2020.



Alwehlanga lungehlanga | *Muselwa wa midi yothe* | *Thobehang Matswalo* – Popular proverbs to send condolences to a bereaved family

Sikhala kanye nani | *Ri lila navho* | *Re lla le lena* – We are with you in your time of grief

We invested in community engagement and consumer education through introduction of two new campaigns, to increase efforts to educate consumers on how best to navigate life's uncertainties.

Through Thick and Thin is a radio series that provided financial lessons from a young couple's perspective. This fresh spin on a somewhat daunting subject reiterates Assupol's commitment to improving financial literacy in the country – a commitment that is not driven by sales or profit.

The campaign was executed on community and regional radio stations, reinforced on outdoor media as well as social media. A WhatsApp bot was introduced as part of the educational material available to consumers and an Assupol webpage was created for ease of access to the campaign resources.

We believe that *Through Thick and Thin* speaks to every South African who has good intentions to manage their finances but desperately seeks practical knowledge on how to actually do so. We are proud to serve South Africans with the knowledge required to improve their financial wellness.

Looking ahead, we continuously strive to honour the strong heritage that underpins the Assupol brand and we are excited about how the brand will evolve to remain relevant.

Kota Kwizine is a brand activation and sponsorship that enabled Assupol to increase engagement with local communities. The activation comprised a *kota* making competition in the communities of Seshego (Limpopo), Soweto (Gauteng) and Umlazi (KwaZulu-Natal).

As a symbolic gesture of serving beyond the products and services we provide, these activations provided a platform for Assupol to give back to communities, positively impacting areas where Assupol clients reside. It also yielded success from a community engagement perspective, empowering small businesses as well as from generating sales leads.

Velmah Nzembela
Head: Group Corporate Affairs



**THE MORE YOU BUDGET,
THE MORE YOU SAVE.**

Here's how to budget better

- TIP 1**
Add up what you earn.
- TIP 2**
Add up what you spend.
- TIP 3**
Spend less than you earn.

THROUGH THICK & THIN
THE FINANCIAL KNOW-HOW TO HELP YOU THROUGH LIFE

ASSUPOL
SERVING THOSE WHO SERVE SINCE 1913

BUDGETING. Visit assupol.co.za or WhatsApp **072 606 0173** to learn more.



04.

**OUR
LEADERSHIP**



EXECUTIVE COMMITTEE



BRIDGET MOKWENA-HALALA (57)

Assupol Life CEO and Group CEO - MBL

Bridget joined Assupol in 1999. Before then she was employed by the South African Police Service as senior manager of human resource management. She has held various positions in our Group, including being Prosperity Life CEO, and was appointed as Assupol Life CEO and an executive director of Assupol Holdings in 2011. She is a director and Exco member of the Association of Savings and Investment South Africa (ASISA) and the former Chairperson of the ASISA Transformation Board Committee. She is currently a trustee of the Assupol Community Trust. Bridget was appointed Assupol Group CEO on 6 November 2021.



NIËL DE KLERK (51)

Group CFO - CA(SA)

Niël joined Assupol in 1998. Before then he did his three-year chartered accountancy training at PwC. He became an executive director (finance) of Assupol Life in 2000, and an executive director of Assupol Holdings in 2011. In his important role as head of our finance function, Niël has developed our finance department into an efficient asset, through the development of structures, systems, policies, budget-control, and accounting procedures. He was instrumental in the development of our in-house actuarial, investment management, and risk-management capabilities. He is a member of the South African Institute of Chartered Accountants.



SIPHIWE NDWALAZA (56)

Group HR Director - MM (HR), MBA, CD(SA)

Siphiwe joined Assupol in September 2011. He became an executive director of Assupol Holdings in September 2012, and an executive director of Assupol Life in May 2013. As a highly experienced HR practitioner, he has over the past 25 years also held senior positions at several other organisations including Sentech, Sony South Africa and General Electric South Africa. He obtained a master's degree in business administration (MBA) from the University of the Witwatersrand's Graduate School of Business Administration. Siphiwe also graduated with a master's degree in human resources management (MM) from the Wits Business School.

EXECUTIVE COMMITTEE



MARK SALMON (49)

Group CRO - BSc (Actuarial Science), MBA

Mark joined our Group in January 2017, as head of our Group strategy, to pioneer and steer our growth initiatives. He has been a highly-rated investment analyst for a number of years, focusing on the listed long-term and short-term insurance companies. Mark was voted the top insurance analyst in the Financial Mail's annual survey of analysts three years in a row, and before joining our Group was also head of Investec's institutional research team. Mark was appointed Group CRO with effect from 1 October 2020.



NOMTHI NELWAMONDO (44)

Group CIO - BIT (Hons), MSc IT, MBL

Nomthi joined Assupol in January 2019 as Group CIO. Prior to joining Assupol, she was the CIO of Liquid Telecom South Africa and previously fulfilled a divisional CIO role at Telkom. She has over 20 years of experience in ICT and has held various diverse roles in senior management in IT, telecommunication core networks, network wholesale service operations and ISP. Nomthi was the joint winner of the Visionary CIO of the Year Award 2020, from the Institute of Information Technology Professionals South Africa.



SOPLY KEETSE (50)

Group Head: Legal and Compliance - B. Proc, LLB, LLM Corporate Law and Tax, PGDip Financial Planning, CFP Licensee

Solly joined Assupol in January 2020 as Group Head for Legal and Compliance. Prior to joining Assupol, Solly held senior positions at the Financial Sector Conduct Authority as head of market abuse and as head of market infrastructures and self-regulatory organisations. He was Chairperson of the Financial Planning Institute of Southern Africa, director of the Institute of Retirement Funds, and governor of the South African Institute of Financial Markets. Solly is an admitted Legal Practitioner of the High Court of South Africa, and an Associate of the Toronto Centre in Canada.



EDWARD (JAY) MNGOMA (65)

Group Sales Executive

Jay joined Assupol in 2013, as a senior executive sales manager. He has almost 30 years' experience in the financial services industry in various capacities. He, among others, played a leading role in the development of black financial advisors and professionals through his long-standing involvement in the Black Brokers Forum. He has also served on the Training and Development Committee of the Financial Services Board, and is a former counsellor of the Inseta Board. Jay was appointed as our Group sales executive with effect from 1 July 2017. Jay retired from full time employment on 30 June 2022.

05.

**CORPORATE
GOVERNANCE**



CORPORATE GOVERNANCE

Assupol Holdings Limited King IV™ Report

Introductory comments

1. During the period under review, the Board oversaw the continued implementation of King IV™.
2. A summary of Assupol's application of the King IV™ principles is found on the Assupol website, www.assupol.co.za.

The Board and management are satisfied to conclude that Assupol is currently achieving the governance outcomes of King IV™ in all material aspects, based on the policies, frameworks, procedures and practices implemented.

PRINCIPLE 01	The governing body should lead ethically and effectively.			The governing body should ensure that the evaluation of its own performance and that of its Committees, its chair and its individual members, support continued improvement in its performance and effectiveness.	PRINCIPLE 09
PRINCIPLE 02	The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.			The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and effective exercise of authority and responsibilities.	PRINCIPLE 10
PRINCIPLE 03	The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.			The governing body should govern risk in a way that supports the organisation in setting and achieving strategic objectives.	PRINCIPLE 11
PRINCIPLE 04	The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.			The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.	PRINCIPLE 12
PRINCIPLE 05	The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short, medium and long-term prospects.			The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.	PRINCIPLE 13
PRINCIPLE 06	The governing body should serve as the focal point and custodian of the corporate governance in the organisation.			The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long-term.	PRINCIPLE 14
PRINCIPLE 07	The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.			The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.	PRINCIPLE 15
PRINCIPLE 08	The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties.			In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.	PRINCIPLE 16
				The governing body of an institutional investor organisation should ensure that responsible investment is practiced by the organisation to promote the good governance and the creation of value by the companies in which it invests.	PRINCIPLE 17

EXECUTIVE DIRECTORS OF THE BOARD

ACO Actuarial Committee

AUDCO Audit Committee

NOMSCO Nominations Committee

SECO Social, Ethics and Transformation Committee

RCO Risk Committee

REMCO Remuneration Committee



RIAAN VAN DYK (56)

Group CEO - BSc (Actuarial Science), FASSA, FFA

Director of Assupol Holdings from July 2017 – 5 November 2021 and non-executive director from September 2013 – June 2017

ACO

RCO



BRIDGET MOKWENA-HALALA (57)

Assupol Life CEO and Group CEO - MBL

Director of Assupol Holdings since January 2011 and appointed as the Group CEO on 6 November 2021

ACO

RCO



NIËL DE KLERK (51)

Group CFO - CA(SA)

Director of Assupol Holdings since January 2011

ACO



SIPHIWE NDWALAZA (56)

Group HR Director - MM (HR), MBA, CD(SA)

Director of Assupol Holdings since September 2012

SECO

NON-EXECUTIVE DIRECTORS OF THE BOARD



DR RJ KHOZA (72)

Chairperson

BA (Hons), MA in Marketing, EngD in Business Leadership, LL.D (hc), D Econ (hc), CD(SA)

Independent non-executive director and Chairperson since May 2019

NOMSCO **REMCO**



LJ SENNELO (45)

CA(SA)

Non-executive director since May 2021 and lead independent director since March 2022

AUDCO **NOMSCO** **REMCO**



NE GUBB (51)

BCom, PDM (Bus Ad), HDip Tax, CFA

Non-executive director from May 2013 - 7 November 2022

SECO **NOMSCO**



GR BURGER (66)

BAcc, CA(SA), HDip BDP, MBL

Non-executive director since May 2019

RCO



S BRAUDO (50)

BEconSc, BSc (Hons), FIA, CFA

Independent non-executive director since May 2019

ACO **AUDCO** **REMCO**



EDJ ASHKAR (45)

CA(SA) and CA(Australia)

Non-executive director since February 2013

ACO **REMCO** **NOMSCO**



NB DUKER (42)

CA(SA)

Independent non-executive director since September 2020

AUDCO **SECO** **RCO**



MD COLLIER (68)

HND/BA Business Studies

Independent non-executive director since August 2020

AUDCO **RCO** **NOMSCO**



SRL MBILI (67)

BBusSc (Hons), BCom, FASSA

Non-executive director since September 2021

ACO

THE ROLE OF THE BOARD

- a. Good corporate governance is critical for the long-term performance and sustainability of a business, and for protecting and enhancing stakeholders' interests and value. Assupol, under the diligent watch of our Board, upholds the highest standards of corporate governance, and did so in the period under review.
- b. Our Board voluntarily applies the King IV Report on Corporate Governance for South Africa, 2016 ("King IV™"), which is fully entrenched in our policies, structures and processes.
- c. Our Board embraces the principles and practices of King IV™ as its guide for good corporate governance. Thus, as recommended by King IV™, the role and responsibilities of our Board include:
 - Providing effective leadership on an ethical foundation;
 - Ensuring that our company, as a responsible corporate citizen, considers the impact of our business operations on the environment and the community;
 - Ensuring that we have an effective and independent Audit Committee;
 - Ensuring that we perform an effective risk-based internal audit;
 - Overseeing our Board's relationship with management, our shareholders and other stakeholders of our company, according to sound corporate governance principles;
 - Understanding that strategy, risk, performance and sustainability are inseparable, and giving effect to this by:
 - iv. Contributing to and approving our strategy;
 - v. Thoroughly assessing our strategy and business plans to mitigate risks;
 - vi. Identifying key performance and risk areas;
 - vii. Ensuring that our strategy will result in sustainable outcomes; and
 - viii. Considering sustainability as a business opportunity that guides strategy.
 - Maintaining responsibility for the governance of risk;
 - Managing information technology-related governance;
 - Ensuring that our company complies with applicable laws, and considers adherence to non-binding rules and standards;
 - Being aware of how our stakeholders' perceptions affect our company's reputation;
 - Acting in the best interests of our company by ensuring that our directors individually:
 - i. Adhere to legal standards of conduct;
 - ii. Are permitted to take independent advice in connection with their duties following an agreed procedure;
 - iii. Disclose real or perceived conflicts to our Board, and deal with them appropriately; and
 - iv. Deal in securities only in accordance with the policy adopted by our Board.
 - Commencing business rescue proceedings immediately should our company become financially distressed;
 - Confirming the integrity of our company's integrated report;
 - Electing a Chairperson of our Board that is an independent non-executive director; and
 - Appointing and evaluating the performance of our Group Chief Executive Officer.

A report from the different Board Committees, members, attendance

- a. Our Board has established Committees with specific responsibilities, to assist it in discharging its duties and responsibilities. But ultimate responsibility remains with our Board. The Committees do not assume the functions of management, which remain the responsibility of the executive directors, officers and other members of senior management.
- b. The following Board Committees oversee the activities of our entire Group:
- Actuarial
 - Audit
 - Nomination
 - Risk
 - Remuneration
 - Social, Ethics and Transformation

Meeting attendance

The tables indicates the attendance of directors at Board and Board Committee meetings held in the year under review. A review of the effectiveness of the Board and chair was conducted post year end.

A Absent with an apology M Member C Chairperson I Invitee AC Acting Chairperson

General Board meetings

	2021/09/23	2021/09/29	2021/12/01	2022/03/08	2022/03/09	2022/03/10	2022/06/09	2022/06/23
Executive directors								
CJ van Dyk	X	X	N/A	N/A	N/A	N/A	N/A	N/A
MB Mokwena-Halala	X	X	X	X	X	X	X	X
D de Klerk	X	X	X	X	X	X	X	X
SL Ndwalaza	X	X	X	X	X	X	X	X
Non-executive directors								
Dr R Khoza	C	C	C	C	C	C	C	C
EDJ Ashkar	X	X	X	X	X	X	X	X
NE Gubb	X	X	X	X	X	X	X	A
B Duker	X	X	X	X	X	X	X	X
M Collier	X	X	X	X	X	X	X	X
L Sennelo	X	X	X	X	X	X	X	X
S Braudo	X	X	X	X	X	X	X	X
S Mbili	X	X	X	X	X	X	X	X
G Burger	X	X	X	X	X	X	X	X

Actuarial Committee

Members

S Braudo (chair since 17 May 2019)
 EDJ Ashkar
 CJ van Dyk (until his resignation during November 2021)
 MB Mokwena-Halala (since November 2021)
 D de Klerk

Invitees

Other members of senior management as may be required.

Required

Company Secretary
 External auditors
 Head of Actuarial Control Function

Meetings and attendance

	2021/08/04	2021/08/11	2021/09/13	2021/10/21	2021/11/22	2022/02/21	2022/03/18	2022/05/24
Executive directors								
CJ van Dyk	X	X	X	X	N/A	N/A	N/A	N/A
MB Mokwena-Halala	I	I	I	I	X	X	X	X
D de Klerk	X	X	X	X	X	X	X	X
SL Ndwalaza	N/A	I						
Non-executive directors								
EDJ Ashkar	X	X	X	X	X	X	X	X
B Duker	N/A	N/A	N/A	N/A	N/A	N/A	I	N/A
M Collier	N/A	N/A	N/A	N/A	N/A	N/A	I	N/A
L Sennelo	N/A	N/A	N/A	N/A	N/A	N/A	A	N/A
S Braudo	C	C	C	C	C	C	C	C
S Mbili	N/A	N/A	N/A	N/A	X	X	X	N/A

Role and function

The role of the Committee is to support the Board with its obligations under SAM (Solvency Assessment and Management). It evaluates, considers and where necessary, makes recommendations to the Board and management regarding actuarial assumptions and projections, and their impact on:

- Matters relating to TCF (treating customers fairly);
- Compliance with PPFM (Principles and Practices of Financial Management), including bonus declarations;
- Solvency, valuation assumptions, methodology, results, and analysis of surplus;
- Own Risk and Solvency Assessment (ORSA) projections, stress and scenario testing, and out-of-cycle ORSA requirements;
- Capital requirements and capital management;
- Asset-liability matching and liquidity management;
- Our dividend policy and proposals relating thereto;
- Consideration of actuarial risks, by evaluating completeness of risk register and challenging risk ratings;
- Policies with actuarial content;
- Products, rating, and reinsurance arrangements; and
- Capital funding plans.

Audit Committee

Members	NB Duker (chair appointed on 1 October 2020) S Braudo MD Collier LJ Sennelo
Invitees	Other members of senior management as may be required
Required	Company Secretary Internal and external auditors Head of Actuarial Control Function

Meetings and attendance

	2021/09/06	2021/09/08	2021/09/15	2021/11/24	2023/02/24	2022/05/27
Executive directors						
CJ van Dyk	I	I	I	N/A	N/A	N/A
MB Mokwena-Halala	I	I	I	I	I	I
D de Klerk	I	I	I	I	I	I
SL Ndwalaza	N/A	N/A	N/A	N/A	I	I
Non-executive directors						
B Duker	C	C	C	C	C	C
M Collier	X	X	X	X	X	X
L Sennelo	X	X	A	X	X	X
S Braudo	X	X	X	X	X	X

Role and function

The Committee has the following duties:

- Statutory duties as prescribed by section 94(7) of the Companies Act;
- Additional duties over and above the statutory duties, such as:
 - Oversight of integrated reporting;
 - Combined assurance;
 - Evaluation of the finance function;
 - Oversight of internal audit function;
 - Oversight of external audit function; and
 - Oversight of risk management as it pertains to financial reporting.

Nominations Committee

Members

LJ Sennelo (chair)
EDJ Ashkar
NE Gubb
RJ Khoza
MD Collier

Invitees

Other members of senior management as may be required

Meetings and attendance

	2021/09/14	2021/11/17	2022/02/03	2022/05/19	2022/06/08
Executive directors					
CJ van Dyk	I	N/A	N/A	N/A	N/A
MB Mokwena-Halala	N/A	I	I	I	I
SL Ndwalaza	N/A	N/A	N/A	I	I
Non-executive directors					
Dr R Khoza	X	X	X	X	X
EDJ Ashkar	X	X	X	X	X
NE Gubb	X	X	X	X	X
M Collier	X	X	X	X	X
L Sennelo	C	C	C	C	C
S Braudo	N/A	N/A	N/A	N/A	I

Role and function

The role of the Committee is to consider and recommend to our Board:

- Nominees to serve as non-executive directors on the Board, or fill vacancies as and when they arise;
- Outcome of the annual Board evaluation;
- On an annual basis, any new nominees to replace non-executive directors retiring from the Board; and
- The removal of any non-executive directors serving on the Board from time-to-time.

Remuneration Committee

Members	S Braudo (chair) EDJ Ashkar RJ Khoza LJ Sennelo
Invitees	Other members of senior management as may be required
Required	Company Secretary

Meetings and attendance

	2021/09/09	2021/09/21	2021/11/24	2022/02/25	2022/03/08	2022/03/30	2022/05/23
Executive directors							
CJ van Dyk	I	I	N/A	N/A	N/A	N/A	N/A
MB Mokwena-Halala	I	I	I	I			I
SL Ndwalaza	I	I	I	I	I	I	I
Non-executive directors							
Dr R Khoza	X	X	X	X	X	X	X
EDJ Ashkar	X	X	X	X	X	X	X
NE Gubb	N/A	N/A	N/A	N/A	I	N/A	N/A
M Collier	N/A	N/A	N/A	N/A	I	N/A	N/A
L Sennelo	X	X	A	X	X	X	X
S Braudo	C	C	C	C	C	C	C

Role and function

The role of the Committee is to:

- Consider and determine the remuneration policy of all employees of our Group;
- Consider and recommend to shareholders the remuneration paid to non-executive directors; and
- Ensure that the disclosure of director information and remuneration is accurate, complete and transparent.

Risk Committee

Members	MD Collier (Chair) GR Burger NB Duker CJ van Dyk (until his resignation in November 2021) MB Mokwena-Halala (since her appointment in 2021)
Invitees	Other members of senior management as required Internal and external auditors
Required	Company Secretary

Meetings and attendance

	Risk and Investment			Risk	
	2021/09/16	2021/10/29	2021/11/23	2022/02/23	2022/05/25
Executive directors					
CJ van Dyk	X	X	N/A	N/A	N/A
MB Mokwena-Halala	I	A	X	X	X
D de Klerk	I	I	I	I	I
SL Ndwalaza	N/A	N/A	N/A	N/A	I
Non-executive directors					
B Duker	X	X	AC	X	X
M Collier	C	C	A	C	C
S Braudo	N/A	N/A	I	N/A	N/A
G Burger	X	X	X	X	X

Role and function

The role of the Committee is to assist our Board to ensure that:

- We have implemented an effective policy and plan for risk management that will enhance our ability to achieve our strategic objectives; and
- The disclosure regarding risk is comprehensive, timely and relevant.

Risk

- Oversee the development and annual review of a policy and plan for risk management and monitor implementation.
- Make recommendations to the Board concerning the levels of tolerance and appetite and their monitoring.
- Oversee that the risk management plan is widely disseminated throughout the Assupol group and integrated in the day-to-day activities of the company.

- Ensure that risk management assessments are performed on a continuous basis and that frameworks and methodologies are implemented to increase the possibility of anticipating unpredictable risks.
- Liaise closely with the Audit Committee to exchange information relevant to risk.
- Review the ORSA report annually, recommend changes and provide feedback to the Board to enable approval of the ORSA report before submission to the Prudential Authority of the South African Reserve Bank (PA).

Investment

- Oversee the development and annual review of investment objectives and strategies for the management of the assets as described in the Group Investment Policy.
- Monitor implementation of the investment objectives and strategies.
- Review the investment management process and investments on a regular basis as described by the Group Investment Policy.
- Consider the risks inherent in the portfolios and the management of these risks.
- Review of key items, including, but not limited to, performance, compliance with requirements, and concentration and liquidity considerations on at least a quarterly basis.

IT

- Oversee the development and annual review of IT objectives and strategies.
- Monitor implementation of the IT objectives and strategies.
- Consider the risks inherent to IT and the management of these risks.
- Review reporting concerning IT initiatives.

Compliance

- a. Oversee and monitor implementation of the compliance policies.
- b. Consider the risks inherent to compliance and the management of these risks.

Social, Ethics and Transformation Committee

Members	NB Duker (Chair) NE Gubb SL Ndwalaza
Invitees	Other members of senior management as required
Required	Company Secretary

Meetings and attendance

	2021/09/07	2021/11/16	2022/02/10	2022/05/17
Executive directors				
CJ van Dyk	I	N/A	N/A	N/A
MB Mokwena-Halala	I	I	I	I
SL Ndwalaza	X	X	X	X
Non-executive directors				
NE Gubb	X	X	X	X
B Duker	C	C	C	C

Role and function

The role of the Committee is to assist our Board with the oversight of social, ethical and transformation matters relating to our Group, specifically as listed in regulation 43(5) of the Companies Act. The complete report of its activities is included on page 84.

Board composition and diversity

- a. As at 30 June 2022, the Boards of Assupol Holdings Ltd and Assupol Life Ltd had changes due to the resignation of CJ van Dyk during November 2021. S Mbili was appointed as an independent non-executive director with effect from 8 September 2021. LI Sennelo was appointed as the Lead Independent Director on 10 March 2022.
- b. Our Board currently comprises of nine non-executive directors, and three executive directors. The non-executive directors were selected through a formal process, with our Nominations Committee identifying suitable candidates to be proposed to our shareholders for election pursuant to the Memorandum of Incorporation (MOI) of the company. Other non-executive directors are directly appointed by the company's three large institutional shareholders (namely; MyChina, the IFC and the WDB) in accordance with the MOI.
- c. The remuneration of non-executive directors is approved by a special resolution of shareholders at our annual general meeting, as required by the Companies Act.
- d. The composition of the Board is considered in the filling of vacant positions from the perspective of knowledge, skills, experience, diversity and independence.
- e. When determining the number of directors to serve on the Board, the knowledge, skills and resources required as appropriate to the business of the company are considered.
- f. The composition of the Board is also considered in light of the mandatory requirements of the various stipulations in the prudential standards promulgated by the Prudential Authority that apply to insurers and controlling companies, and also the relevant fit and proper requirements that apply.
- g. Diversity of the Board is given priority in the consideration of new Board candidates.
- h. The Nominations Committee oversees a formal succession plan for the non-executive directors of the Board and the Remuneration Committee oversees and recommends to the Board, the formal succession plan for the Group CEO and certain senior executive appointments.

Board independence

- a. The non-executive directors that are classified as 'independent' by the company are subjected to an annual evaluation of their independence by the Board.
- b. The evaluation is conducted through a critical analysis of the various factors that impact on the independence of directors. These are measured against the definitions of independence as set out in King IV™ and also the governance standards issued in terms of the Insurance Act, 2017.

The Audit Committee's report is included on page 51.

06.

AUDIT



The Audit Committee is pleased to present an overview of its activities for the year ended 30 June 2022.

The Audit Committee has pleasure in submitting this report, which has been approved by the Board and which incorporates the recommendations of King IV™ and presents an overview of its activities for the year ended 30 June 2022.

As a statutory committee of the Board of Directors of Assupol Holdings, in terms of section 94(7) of the Companies Act, 71 of 2008, the members of the Audit Committee are appointed by the shareholders at the annual general meeting.

The Prudential Authority granted Assupol Life exemption from establishing its own audit committee in terms of section 66 of the Insurance Act, 18 of 2017, and section 7.3 of the Prudential Standard Governance and Operational Standards for Insurers (GOI 2), subject to the following conditions:

- The composition of the committee must at all times comply with the requirements of section 94(4) of the Companies Act, 2008, and any deviation thereof will constitute non-compliance and the necessary regulatory actions will be taken against Assupol Life;
- The committee must formally accept full responsibility and accountability for the functions of the audit committee as contemplated in the Companies Act, 71 of 2008 and in GOI 2; and
- The Prudential Authority, through the Board of Assupol Holdings, shall at all times have full access to the work of the committee and any matters relating to Assupol Life and the committee shall avail itself to the Prudential Authority at all times to discuss matters pertaining to Assupol Life.

The Board has approved the terms of reference of the Audit Committee. The committee has conducted its affairs in compliance with these terms of reference.

Members of the committee satisfy the requirements to serve as members due to their non-executive and independent designation in the governance structures of the Group, which are in compliance with the principles of the King Report on Corporate Governance for South Africa (King IV). In addition, the members have adequate knowledge and experience to carry out their duties.

Refer to page 44 of the integrated report for the membership of the committee and the meetings attended.

The Group's internal and external auditors attend and report at all Audit Committee meetings except for the meeting relating to the auditor rotation. The Group's risk management function is also represented by the head of risk. Executive directors and relevant senior financial managers attend meetings by invitation.

The committee's focus areas for the 2022 financial year were:

Focus area	Feedback
Monitoring of the Group's readiness for the implementation of IFRS 17: Insurance contracts	Notable progress was made towards the implementation of IFRS17.
Monitoring the implementation of combined assurance	The programme was successfully implemented, and further enhancements were made as more experience is gained.
Consideration of the mandatory external audit rotation requirement	The tender process was successfully completed, and a new external audit firm was recommended for the 2023 financial year.

ROLES AND RESPONSIBILITIES

The Audit Committee's role and responsibilities include statutory duties in terms of the Companies Act and additional responsibilities assigned to it by the Board. The main objective of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities, in particular with regard to evaluation of the adequacy and efficiency of accounting policies, internal controls and financial and corporate reporting processes. In addition, the committee assesses the independence and effectiveness of the external auditors. Below the Committee provided details on how it has satisfied its various statutory obligations during the year, as well as discuss some of those significant matters that arose during the year under review and how these have been responded to by the committee in order to ensure the integrity of the Group's financial reporting.

External auditor appointment and independence

The committee is satisfied that the external auditor is independent in accordance with King IV, which includes consideration of previous appointments of the auditor, the extent of non-audit work undertaken by the auditor for the Group and compliance with criteria relating to independence or conflicts of interest as prescribed by the Independent Regulatory Board for Auditors. The auditor provided requisite assurance that internal governance processes within the audit firm support and demonstrate its claim to independence.

Assupol Holdings is considered a public interest company. In terms of the mandatory audit firm rotation rule

implemented by the Independent Regulatory Board for Auditors (IRBA), the current auditor, PricewaterhouseCoopers, will not be able to continue. The committee has recommended the appointment of KPMG Incorporated to audit the financial year ending June 2023.

The external auditor had direct and unrestricted access to the chairman of the Audit Committee. The committee is satisfied with the quality of the external audit work that was performed. The factors considered were specifically the feedback from management as well as the interaction between the committee and the external auditor.

The committee, in consultation with executive management, agreed to the engagement letter, including its terms and conditions, audit plan and budgeted audit fees, for the 2022 financial year.

The committee understood and assessed the procedures performed by PricewaterhouseCoopers as detailed in their audit plan to the committee and further confirmed in their final report to the committee. A review of the external auditors' report on the year end audit and the key audit matters was conducted by the committee (more detail is provided under "Financial statements and accounting practices" below). The monitoring of the effectiveness of the external auditors in terms of their audit quality, expertise, and independence, as well as the content and execution of the audit plan was also performed by the Audit Committee. This included reviewing the findings and recommendations of the external auditors and confirming that there were no unresolved matters.

There were no reportable irregularities which were identified and reported by the external auditors in terms of the Auditing Profession Act, 26 of 2005, of South Africa.

All decision letters and explanations issued by the Independent Regulatory Board for Auditors in South Africa (IRBA) or any other regulator, and any summaries relating to monitoring procedures or deficiencies (if applicable) issued by the audit firm to confirm the suitability for appointment of the audit firm and the designated individual partner, Mr L Sihya, were considered.

Financial statements and accounting practices

The committee has reviewed the accounting policies and the interim and year-end financial statements of the Group with both management and the external auditor and is satisfied that they are appropriate and comply with International Financial Reporting Standards (IFRS). Accounting estimates and assumptions, accounting treatments, significant unusual transactions and key accounting judgements which have the potential for significant adjustment of the overall financial statements are specifically listed in the annual financial statements. The committee has considered the appropriateness of key audit matters reported in the external audit opinion to the annual financial statements and considered the significant audit matters relating to the Group annual financial statements and how these were addressed by the committee.

Material matter	Manner addressed by the committee
<p>Valuation of policyholder assets and liabilities under insurance contracts</p>	<p>The Group's valuation methodologies and practices for the policyholder assets and liabilities under insurance contracts are monitored and implemented by the Risk Committee and the Actuarial Committee. Both these committees have reporting responsibilities to the Audit Committee. The work performed by these committees in this regard included:</p> <ul style="list-style-type: none"> • A detailed review of the fit and purpose of the valuation practices and methodologies, with a specific focus on impact on COVID-19 on the Group's business and relevant scenarios from the Own Risk and Solvency Assessment (ORSA). • An impact assessment on the reported results, whilst also benchmarking to peers and the industry at large, through independent guidance and feedback from the Head of Actuarial Control Function and external auditors. <p>The committee also reviewed the accounting policies of the Group, with a particular focus on the valuation requirements arising from IFRS 4 Insurance Contracts and IAS 39 Financial Instruments.</p> <p>Over the course of the financial year, management reported to the committees of Risk, Actuarial and Audit on the valuation models and outcomes which formed the basis of the quarterly management reporting as well as interim and year-end financial statements reporting. The processes, key areas of judgement and outcomes were found to be appropriate.</p>

Based on processes and assurances obtained, the committee recommended the financial statements to the Board for approval.

Financial controls, actuarial controls and risk management

The committee reviewed a written assessment on the effectiveness of the design and implementation of internal financial controls, actuarial controls, and risk management as considered through feedback from the Risk Committee. Nothing has come to the committee's attention that causes it to believe that the system of internal financial controls, actuarial controls, and risk management is not effective, or has resulted in any material financial loss, fraud, corruption, or error; or that the internal financial controls do not form a sound basis for the preparation of reliable financial statements.

Going concern

The committee has reviewed documented assessments prepared by management and presented on a quarterly basis, on the going concern status of the Assupol Group. Specific attention was placed by the committee on the impact of the Covid-19 pandemic and its aftermath. Management provided regular feedback to the Board of Directors and the committee on the volatility and uncertainty that were experienced in the operating environment, the markets and economy.

Combined assurance

The Group's combined assurance framework governs the combined assurance in the Group. The combined assurance strategy entails risk identification, identification of controls, identification of assurance providers, planning, assurance activities, the assurance result, corrective actions, as well as reporting. The combined assurance forum discussed overarching issues and co-ordinate assurance activities. This forms the basis for the assurance plan which is tabled at the Audit Committee as well as the Risk Committee for approval.

Governance of risk and information technology

The committee forms an integral part of the risk management framework and the governance of information technology. The Board of Directors specifically assigns oversight of the Group's financial risk management function to the committee in respect of financial reporting risks, internal financial controls, fraud and information technology risks relating to financial reporting, and compliance with laws and regulations.

On a quarterly basis, the committee received feedback from the chairman of the Risk Committee on matters pertaining to risk, combined assurance, and information technology. No adverse matters were noted.

Internal audit

The committee is responsible for ensuring that the Group's internal audit function is independent and has the necessary resources, standing and authority within the Group to enable it to discharge its duties. In addition, the committee oversees co-operation between the internal and external auditors and serves as a link between the Board and these functions.

The execution of the internal audit work was outsourced to Ernst & Young. The internal audit service provider reports directly to the Audit Committee and is responsible for reviewing and providing assurance on the adequacy of the internal control environment. The service provider reports the findings of the internal audit work to the committee on a regular basis and has direct unrestricted access to the committee, primarily through its chairman. The committee approved internal audit's annual audit plan for the 2022 financial year.

The committee also assesses the performance of the internal auditor and the internal audit function and is satisfied with the overall effectiveness of the chief audit executive and the arrangements for the internal audit function.

Ernst & Young confirmed, through a negative assurance statement, the strength of the internal control environment that supports the reporting for the year under review. The committee befittingly used this confirmation in concluding on the control environment and the reported results.

Evaluation of the expertise and experience of the Group Chief Financial Officer and the finance function

The committee is satisfied that the Group Chief Financial Officer has appropriate expertise and experience. Furthermore, the committee has considered and satisfied itself of the appropriateness of the expertise and adequacy of resources of the finance function, and experience of the senior members of management responsible for this function. In making these assessments, the committee has obtained feedback from both internal and external audit.

Integrated report

The committee fulfils an oversight role regarding the Group's integrated report and the reporting process. The committee considered the Group's sustainability information as disclosed in the integrated report and has assessed its consistency with operational and other information known to the Audit Committee members, and with the annual financial statements.

Regulatory and compliance matters

The impact of pending regulatory and compliance matters that could affect the internal financial and other controls, financial statements, or other matters relating to the roles and responsibilities of the committee is discussed at the meetings of the Audit Committee.

FOCUS AREAS FOR THE 2023 FINANCIAL YEAR

The focus areas for the committee for the 2023 financial year include:

- Continuous monitoring of the Group's readiness for the implementation of IFRS 17: Insurance contracts
- Continuous monitoring of the combined assurance function
- Successful transition of the external audit function between audit firms as per the Mandatory Audit Firm Rotation of IRBA

07.

RISK



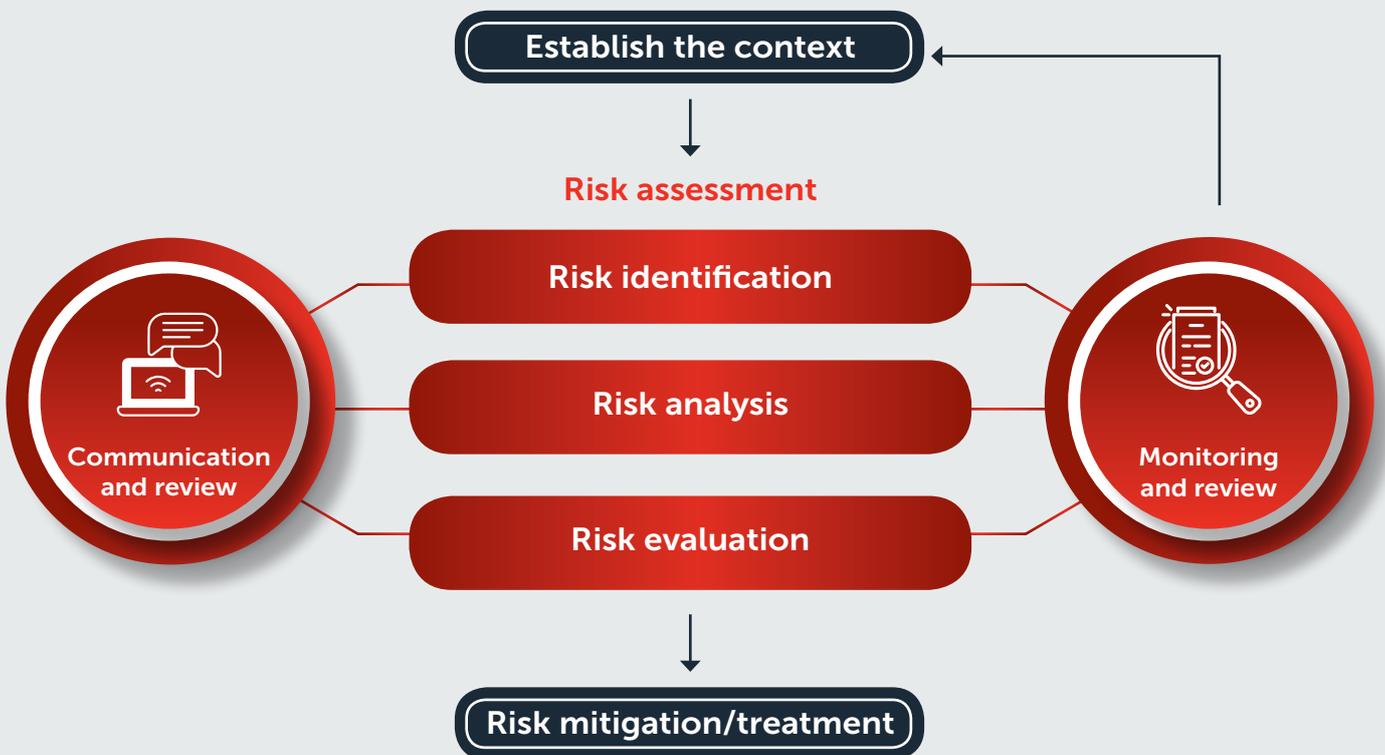
RISK

We focus on managing risk well

As a financial services Group, Assupol is understandably exposed to a variety of risks, hence strong risk management across all disciplines is a critical competence and an integral part of Assupol's good business practice. The Board takes ultimate accountability for the management of risks within the Assupol Group.

Our top priority is to ensure we continue to improve and mature our formal risk management framework, structures and practices, and to increase risk awareness in all areas. The main objective of our risk management strategy as approved by the Board is to ensure Assupol can deliver on its strategic objectives in a sustainable manner where the risks are identified and managed within our appetite.

The risk environment in Assupol is multi-faceted with various types of risk affecting the business. These risks are identified at an executive level as well as a business level and are categorised accordingly. The risks identified by business owners are linked to the risks identified by the Executive Committee and the combined position represents the Assupol Group risk profile. This provides a bottom-up as well as top-down view of the Group's risk profile.



Our risk management programme is aligned with the requirements as set out by the Prudential Authority in the Governance and Operational Standards for Insurers (GOI), the Governance and Operational Standards for Insurance Groups (GOG) and King III and IV.

Key features of our approach to risk management

The Board Risk Committee oversees our Group’s risk management framework, processes and structures. More information about this Committee is given in the corporate governance section on page 47.

- Our Group Executive Committee (Group Exco) takes primary responsibility for the design, implementation and maintenance of an effective risk management programme.
- Our Risk Steering Committee, comprising the Group Exco and senior executives, considers and reviews all risks from both top-down and bottom-up perspectives.
- A formal risk management programme is implemented and monitored by our risk management function.
- Each department is responsible for its individual business functions, and for managing the risks to which it is exposed.
- Processes are in place to monitor and review the effectiveness of our risk management framework on an annual basis, and to implement improvements where required.

The diagram below gives an overview how risks are raised at the various reporting levels to ensure that the Risk Committee has a comprehensive overview of Assupol’s risk profile.



Risk appetite

Assupol’s risk appetite statement quantifies the levels of different types of risks that Assupol is willing to take and ensures that there is consistency between the various articulated risks, any associated appetite and the Group’s strategic objectives.

Assupol’s key risk appetite measures revolve around solvency and liquidity risk where quantitative measures are articulated and qualitative measures (compliance, market conduct and reputational risk), where the Group has either a low or zero appetite.

The appetite statement also articulates our risk preferences in respect of the key risks which influence our risk appetite measures. As part of the process whereby the various risk categories and associated risk appetites or risk preferences are measured and managed, Assupol has established various risk metrics that are tracked as part of the Group’s various risk management activities.

Risk categories

Risks are classified according to the following categories in our risk management framework:

1. Strategic
2. Solvency
3. Financial
4. Operational
5. Compliance
6. Market conduct
7. Reputational

The following heatmap provides an illustration of how the risk ratings have changed for the above categories from 2021 to 2022.



Category	Risk	Mitigation
1. Strategic	Concentration risk in distribution and product	<ul style="list-style-type: none"> The concentration risk we face is not just a risk but also a strength. For this reason Assupol does not want to completely mitigate the risk, but we are investigating various options to expand our market. We have implemented a specific diversification strategy to expand our distribution channels, including a successful direct sales channel. We continuously monitor the social and political environment to ensure that we can address any increased risk in this regard proactively.
	Not meeting required sales volumes	<ul style="list-style-type: none"> Strategic initiatives have been implemented to diversify our sales channels. Focused management within each sales channel. We are in the process of rolling out an electronic application form to improve agent productivity, reduce risk and extract efficiencies.
	Competitors in our market	<ul style="list-style-type: none"> Strategic initiatives have been implemented to diversify our sales channels. Ongoing product development and innovation.
	Increased expenses per policy	<ul style="list-style-type: none"> Vigorous expense management has been implemented. Budget overspending is monitored by a dedicated Committee.
2. Solvency	Solvency Capital Ratio (SCR) ratio and appetite	<ul style="list-style-type: none"> Assupol Life is adequately capitalised, and the SCR ratio is monitored on an ongoing basis. A variety of sensitivities and stress scenarios over a 5-year projection horizon are produced and analysed. Our minimum SCR ratio risk appetite (1.37x) is set to ensure a 95% certainty that the SCR ratio will not fall below 1.0x. The actual SCR ratio remains well above this minimum.
	Death and disability not insured at correct levels and premiums	<ul style="list-style-type: none"> With our defined application and underwriting process, we accept insurance risk within our risk appetite preferences. We are able to adjust the pricing of our products should premiums prove to be inadequate.
	Adverse mortality, withdrawal, and expense experience	<ul style="list-style-type: none"> We do annual and quarterly experience analysis on claims, withdrawals and expenses, to detect areas of loss and to make necessary adjustments.
	Our investments decreasing in value	<ul style="list-style-type: none"> We have invested our assets in a diversified portfolio of equities, bonds and cash. A prudent investment strategy is followed. Our asset managers may invest only according to mandates that have been approved by our Risk Committee.
	Group liquidity challenges	<ul style="list-style-type: none"> All Group companies do detailed budget modelling prior to Board approval, to ensure that they have sufficient liquid financial resources for the financial year. A liquidity risk appetite has been articulated to ensure that the Group has sufficient high quality liquid assets to meet unforeseen requirements.

		<ul style="list-style-type: none"> • Long-term finance requirements can be met by liquidating assets over time, thereby minimising possible losses. • We undertake liquidity stress modelling annually to ensure we hold adequate liquidity, as part of the Own Risk And Solvency Assessment (ORSA) and our regular going concern assessments.
3. Financial	Possible credit losses from our trading parties	<ul style="list-style-type: none"> • Credit risk from intermediaries is monitored on a monthly basis by our Credit Control Committee.
	Policyholder liabilities not estimated reliably	<ul style="list-style-type: none"> • Our internal actuarial team models and sets parameters for the actuarial valuation in accordance with industry guidance and practice. • Our Head of Actuarial Function reviews the parameters and assumptions and suggests or determines necessary changes.
	Asset and Liability Management (ALM)	<ul style="list-style-type: none"> • Our ALM process is governed by our Group Investment Policy and reviewed by the Group Risk Committee. After appropriate asset portfolios have been constructed for a specific liability class, the most important action is to ensure that the asset portfolios are rebalanced timeously.
4. Operational Risk	Key dependency on our IT environment	<ul style="list-style-type: none"> • An IT development and prioritisation plan has been developed to ensure that Assupol evolves and remains technologically relevant, while also ensuring we remain efficient and competitive. • An off-site disaster recovery centre is in place for critical IT services.
	Premium collection	<ul style="list-style-type: none"> • A large proportion of our premiums are collected through payroll deduction systems, which ensures a very high rate of success in the collection of premiums. • We have strategies in place to ensure stable debit order collection.
	Impact of fraud on new business and claims	<ul style="list-style-type: none"> • We monitor and improve our controls on a continuous basis to ensure that fraud is detected, and fraud losses are therefore minimised. • Monitoring and review of new business and claims has been intensified due to Covid-19 in order to mitigate the increased risk of possible fraudulent business.
	IT, digital and cyber risk	<ul style="list-style-type: none"> • A digital optimisation programme has been implemented to simplify processes, modernise IT infrastructure to enhance client experience and to ensure business resilience. • Understanding the cyber security threat landscape and maturing the technology and information security programme is a top priority to enable secure digital client interaction as well as the safeguarding of client and employee information, especially as a large number of employees access the system remotely. • A training and awareness strategy has been implemented to assist Board members, senior executives, and employees to make the right decisions when faced with potential threats. • Security by design is now central to business initiatives and the congregated approach to technology and information security architecture is relevant and proportionate to our operations.

	Managing critical service provider risk	<ul style="list-style-type: none"> • A risk evaluation of our critical service providers is done on a regular basis; and business owners have been provided the tools to identify and assess the risks posed by critical service providers. • Contingency plans have been put in place to ensure business operations can continue if a critical service provider is unavailable.
	Key person dependency and managing transformation	<ul style="list-style-type: none"> • Succession planning has been implemented and new staff are trained by key identified personnel. • Transformation is driven and understood through the entire company.
	Attract and retain the right staff with the correct skills	<ul style="list-style-type: none"> • We conduct competency-based interviews, pay market-related salaries, and have implemented staff retention incentives, whereby staff share in efficiency improvements and good financial performance.
	Keeping abreast of new legislation	<ul style="list-style-type: none"> • Our legal and compliance departments monitor legislative changes and alert the Group of applicable changes and the associated business implications.
5. Compliance	Compliance with applicable laws and subordinate laws	<ul style="list-style-type: none"> • Our compliance department monitors compliance with relevant laws and subordinate laws.
	Attract and retain the right staff with the correct skills	<ul style="list-style-type: none"> • We conduct competency-based interviews, pay market-related salaries, and have implemented staff retention incentives, whereby staff share in efficiency improvements and good financial performance.
6. Market Conduct Risk	Client experience	<ul style="list-style-type: none"> • The client experience is seen in the context of advice risk and product design risk. • A market conduct framework has been approved and implemented. • A Market Conduct Committee meeting is held quarterly to discuss and address any conduct related issues as well as risks, with a particular focus on advice risk. • Client experience throughout the value chain (including client service and claims), is a major focus point and actions relating to mitigating identified risks are monitored until implementation.
7. Reputational Risk	Environmental and social	<ul style="list-style-type: none"> • We do annual and quarterly experience analysis on claims, withdrawals and expenses, to detect areas of loss and to make necessary adjustments.
	Social media	<ul style="list-style-type: none"> • We are active on social media. A social media policy has been approved and implemented to manage our social media presence. • Media monitoring also assists in monitoring social media and any reputational risk that might originate from social media.

Combined assurance

King IV defines "assurance" as follows:

The diligent application of mind to evidence, resulting in a statement or declaration concerning an identified subject matter or subject matter information, and that is made for the purpose of enhancing confidence in that subject matter or subject matter information.

In order to ensure that risks are managed and that the Board gains comfort that controls are effective, a robust combined assurance programme has been implemented. Assupol has adopted the four lines of defence model as per below graphic representation:

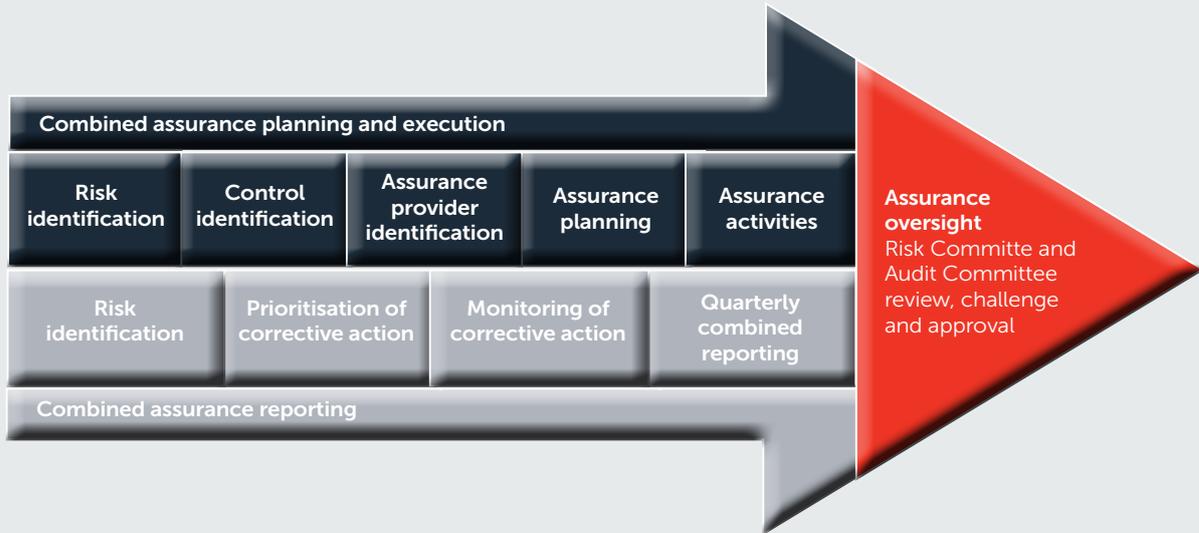


The primary purpose of the combined assurance programme is to:

- enable the Risk Committee, Audit Committee and executive management to make an informed assessment that there is appropriate and timely assurance on all key risks and material matters facing the company;
- ensure that the issues highlighted through assurance efforts are appropriately reported and addressed; and
- optimise overall assurance to the Board, Audit Committee, Risk Committee and executive management, taking into account the company's risk appetite.

The diagram below provides an overview of how the framework is implemented:

ERM Framework:



Own Risk and Solvency Assessment

On an annual basis, as part of our Own Risk and Solvency Assessment (ORSA) process, Assupol projects its expected Solvency Assessment Management (SAM) solvency position forward for a period of five years, using as a base its business plans and budgets. In addition, at the request of the Board, the projected solvency position is tested under a range of more than 20 sensitivities and scenarios, including scenarios with high new business growth rates; a number of unlikely but extremely negative scenarios; and severe but plausible pandemic related scenarios.

The assessments done during the period under review confirmed again that Assupol is expected to maintain a robust SAM solvency position with a very high degree of certainty.

Key milestones during the period under review

1. We reviewed our risk management framework, our risk management policies and their implementation. We also made and implemented enhancements to our risk management strategy and the way we manage our third party service providers.
2. The risk appetite statement was reviewed for continued relevance. The appetite statement

includes various appetites and monitors risk metrics for all seven risk categories.

3. The combined assurance framework was reviewed and expanded. Combined assurance reporting has been improved to give the relevant Board Committees assurance on the activities performed.
4. Our business continuity management (BCM) programme has been implemented and continues to mature. Awareness campaigns continue to be run within the organisation. In addition, we have conducted various business interruption simulations and continue to ensure our staff undergo training to ensure that all employees know what is required of them in a BCM event.
5. The capital management framework and the internal capital management model were further enhanced and used in decision-making.
6. Our ORSA 2022-2026, covering various sensitivities and scenarios, was submitted to the Prudential Authority. The Board's mid-year meetings included consideration of scenarios in preparation for ORSA 2023-2027.
7. Key risk indicators were further refined to assist operational units in managing their risks.
8. We undertook ongoing risk training and awareness campaigns to ensure that our employees have the knowledge, awareness and inclination to identify and manage the risks in their business areas.

08.

COMPLIANCE



Regulatory requirements and implementation

At Assupol Group, regulatory compliance forms a significant part of the environment within which we operate and therefore our operations should have the requisite variety (i.e. complexity) to deal with the variety coming from the regulatory environment. Hence, the Board of Directors, which is ultimately responsible for the compliance function, takes keen interest in Assupol Group's compliance with applicable laws and regulations and has delegated the day-to-day management of the compliance function to the Group Head: Legal and Compliance who reports to the Board on a quarterly basis (or as required) on the state of compliance in the organisation. To demonstrate our seriousness about the compliance function, we have developed a healthy relationship with our regulators who assist us with regulatory compliance. Our stakeholders are reminded that with the introduction of Twin Peaks regulation on 1 April 2018 for the South African financial services industry, Assupol Group became subject to regulation and supervision by two primary regulators, viz; the Prudential Authority (PA) and the Financial Sector Conduct Authority (FSCA). The PA regulates and supervises Assupol Group in terms of the Insurance Act (No. 18 of 2017) which came into effect on 1 July 2018 and established a legal framework for the prudential regulation and supervision of insurers, insurance groups and controlling companies of insurance groups.

The objectives of the Insurance Act are, *inter alia*, facilitating the monitoring and the preservation of the safety and soundness of insurers; enhancing the protection of policyholders and potential policyholders; increasing access to insurance for all South Africans; promoting broad-based transformation of the insurance sector, and contributing to the stability of the financial system in general. The Insurance Act repealed all prudential requirements that were in the Long-term Insurance Act, 1998. Pursuant to Twin Peaks, the FSCA became solely responsible for the conduct of financial institutions towards their customers. Its objectives are, *inter alia*, to protect financial customers by promoting their fair treatment by financial institutions; providing financial education and promoting financial literacy. Further, just like the PA, the FSCA assists in maintaining financial stability in general.



Another vital regulator of Assupol Group is the Financial Intelligence Centre (FIC) which exists to apply measures outlined in the Financial Intelligence Centre Act, 2001 (Act 38 of 2001) (FIC Act), that are intended to make the financial system intolerant to abuse. The FIC does this by working towards fulfilling its mandate of assisting in identifying the proceeds of crime, combating money laundering, the financing of terrorism and the proliferation of weapons of mass destruction. A significant development regarding the FIC Act, which materially affected our life business was the second tranche of amendments to the FIC Act, effected in October 2017. The amendments introduced a risk-based approach to customer due diligence, which relied on institutions determining the risks that the customer posed to the institution and its products in terms of money laundering (ML) and terrorist financing (TF). Based on this the institutions are able to apply lighter or heavier touch customer verification and identification measures

Other notable regulatory developments that will impact our business include:

- The Conduct Standard of Third-Party Cell Captives
- The Financial Action Task Force (FATF) Mutual Evaluation of South Africa 2021 – possible Grey Listing of South Africa
- PA – Risk assessment ML and TF in the life insurance sector

The Conduct Standard of Third-Party Cell Captives

The FSCA on 30 September 2022 published on its website the Conduct Standard setting out requirements relating to third-party cell captive insurance business, made in terms of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017) (FSR Act). The Conduct Standard came into operation on 1 October 2022. The main objective of the Conduct Standard is to set out the requirements that cell captive insurers must comply with in order to mitigate certain conduct of business-related risks that have been identified in respect of third-party cell captive insurance business arrangements. The specific requirements include:

- a general overarching oversight requirement, that places a positive obligation on third-party cell captive insurers to have ongoing oversight over the business being operated under their licences;
- a specific requirement that the complaints review and escalation processes relating to such business must allow for escalation to be made directly to the insurer, including the maintenance of a central complaints register;
- minimum requirements for the due diligence process to be undertaken in respect of a cell owner;
- ongoing oversight and governance measures applicable to all insurance businesses in cell structures to ensure, among others, that products from these structures are suitably designed and appropriately distributed, provide value to the policyholder, and that the premiums for these products are fairly determined;
- disclosure requirements by cell captive insurers to policyholders;
- specific reporting requirements to the FSCA; and
- a limitation on ownership in cell structures where the cell owner is a non-mandated intermediary.

The specific requirement which is of interest to Assupol Group is the limitation on ownership in cell structures where the cell owner is a non-mandated intermediary (NMI) as contained in Clause 6 of the Conduct Standard. Prior to the publication of the Conduct Standard on 30 September 2022, the draft Conduct Standard imposed a limitation in respect of cell owners that are NMIs or their associates.

Firstly, the intention was to limit cell owners that are NMIs from selling policies other than policies underwritten in the cell structure of which they are the owner. This was to, among other things, avoid the inherent conflict of interest that exists as a result of the cell owner being incentivised to act in its own interest because of the financial benefits emanating from the cell structure, while also being obliged, as an NMI earning regulated commission, to act independently and unbiasedly in the interests of policyholders when rendering intermediary services. For this reason, the Cell Captive Conduct Standard requires that such a cell owner must be “tied” to the cell.

Secondly, the expansion of the limitation to include NMI associates of cell owners was intended to avoid potential circumvention of clause 6(1)(a), where separate structures are established in which cell owners would be able to influence the business and decision-making process of other NMIs by virtue of their associate relationship, resulting in a similarly conflicted situation as described under the first point above.

Lastly, the limitation on ownership was aimed at addressing the risk of regulatory arbitrage as a result of cell captive arrangements being structured in a way that bypasses the legislative prohibition on profit sharing by NMI binder holders, potentially resulting in unlevel playing fields and driving unfair competition in the market.

After careful consideration of all submissions received on the draft Conduct Standard, the FSCA made necessary amendments and refinements to the draft Conduct Standard, where appropriate, in response to the various targeted engagements and public consultation processes. The FSCA decided to remove the ownership restriction that applies to a cell owner that is not an NMI, but that is an associate of an NMI. However, to mitigate potential residual risks emanating from the removal of this restriction, the general principles-based requirements contained in clause 6(2) of the Conduct Standard – aimed at ensuring fair outcomes for policyholders, remained but were expanded as ongoing obligations on all cell captive insurers that enter into cell structures with cell owners that are either NMIs or their associates. The general oversight and governance requirements, specific reporting and disclosure obligations contained in clauses 3 to 5 of the Conduct Standard remained as is and will serve as an additional tool for the FSCA to monitor the extent to which fair policyholder outcomes are being achieved in the context of cell structures entered into with associates of NMIs.

Clause 7 of the Conduct Standard provides that the Conduct Standard comes into operation on its publication. However, the Conduct Standard also provides for a two-year transitional period for cell

arrangements entered into before the effective date of the Conduct Standard, meaning that all such cell arrangements have a two-year period to comply with the requirements of the Conduct Standard. The Conduct standard will apply immediate to cell structures entered into after the effective date of the Conduct Standard.

The stated amendments to the Conduct Standard provide any person who intends to establish a cell captive insurance business an opportunity to structure the business such that an entity which is not an NMI but an associate of the NMI can become a cell owner without having to be a tied agent of the cell captive insurer. However, the cell captive insurer will be required to ensure that the general principles-based requirements contained in clause 6(2) of the Cell Captive Conduct Standard, aimed at ensuring fair outcomes for policyholders are complied with on an ongoing basis. The FSCA will also rely on the general oversight and governance requirements, specific reporting and disclosure obligations contained in clauses 3 to 5 of the Cell Captive Conduct Standard which it will use as an additional tool to monitor the extent to which fair policyholder outcomes are being achieved in the context of cell structures entered into with associates of NMIs.

The FATF Mutual Evaluation of South Africa 2021 FICA – possible Grey Listing of South Africa

During the period 22 October to 12 November 2019, the Financial Action Task Force (FATF) conducted an onsite inspection on South Africa to assess the country's level of compliance with the FATF 40 Recommendations and the level of effectiveness of South Africa's anti-money laundering/combating the financing of terrorism (AML/CFT) system. The FATF is an international body that promotes policies and standards for combating money laundering, terrorist financing and the financing of proliferation of weapons of mass destruction. The FATF assessment was led by staff of the International Monetary Fund (IMF) and adopted by the FATF at its June 2021 plenary meeting. The FATF report was

officially released in October 2021 and provides recommendations on how the South African AML/CFT system could be strengthened. Crucially, the report made a number of key findings, with the general finding being that the South African AML/CFT system has deficiencies in how it combats money laundering (ML), terrorist financing (TF) and the financing of proliferation of weapons of mass destruction (PF). One of the specific findings regarding financial institutions was that -

“Larger banks are more developed at understanding their ML risks and implementing mitigating measures commensurate with those risks. Smaller Financial Institutions (FIs) and Designated Non-Financial Businesses and Professions (DNFBPs) are focused on compliance, not on identifying and understanding risks. TF risk is understood by the private sector to some extent. Overall, the risk-based approach (RBA) is inadequately implemented. Basic customer due diligence (CDD) is applied by many accountable institutions (AIs) satisfactorily but BO requirements only to some extent. Larger banks and Authorized Dealers with Limited Authority (ADLAs) meet suspicious reporting obligations to a large extent, but some high-risk sectors rarely report. The potentially high-risk sectors of Dealers in Precious Metals and Stone (DPMS) and Company Service Providers (CSPs) are not AML/CFT regulated, save for a general reporting obligation, as is also the case for Virtual Asset Service Providers (VASPs).”

The FATF gave South Africa until the end of February 2023 to meet a tight deadline to amend its Financial Intelligence Centre Act, 2001 (“FICA”) to tighten its AML/CFT requirements or face the consequences of its financial institutions being added to a grey list. The FATF is due to visit South Africa at the end of October 2022 to ascertain whether sufficient progress has been made after a one-year observation period. If not, South Africa may be added to the FATF non-compliance list commonly referred to as the “grey-list” as early as February 2023. Being on the grey-list poses a risk to the stability of South Africa’s financial system – disinvestment could occur in the country’s financial institutions.

Risk assessment of ML and TF in the life insurance sector

In pursuance of the FATF findings and recommendations the Prudential Authority (PA), which supervises insurers, banks and market infrastructures for compliance with FICA via delegation from the Financial Intelligence Centre (FIC), conducted a few life insurance sector risk assessments. The first assessment was conducted in 2019. The second assessment was conducted in July 2022 and in line with Recommendation 1 of the FATF Recommendations, which requires that countries identify, assess and understand the ML/TF risks within their respective jurisdictions and take appropriate action, including designating an authority and/or a mechanism to coordinate actions to assess these risks and apply resources aimed at ensuring that such risks are mitigated effectively. Recommendation 1 also states that countries should identify, assess and understand the PF risks for the country. The PA itself wanted to better understand the ML/TF/PF risks within the life insurance sector. In conducting this assessment, survey-type questionnaires were distributed to life insurance businesses and information was requested from FIC, law enforcement agencies and the Insurance Crime Bureau. The data was analysed and interpreted to understand potential sectoral risk levels of ML/TF/PF.

Some of the raw data that came out of the survey revealed that -

- Business segments within the life insurance sector such as onboarding teams, servicing teams and finance departments are the most exposed to ML risk due to their level of engagement with the policies and the client.
- There were varying approaches to sanction screening of customers, beneficiaries, and so forth, and the frequency with which this is done.

- Not all institutions conduct sanctions risk assessments, and not all life insurers understand their obligations to screen customers and the risk posed in terms of dealing with sanctioned beneficiaries or policyholders.

The survey also discovered that some of the factors that contribute to the appreciation of ML, TF and PF risks at life insurers:

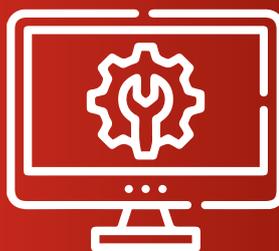
- dealing with politically exposed persons (PEPs) and/or sanctioned individuals;
 - conducting business with customers whose preferred mode of payment is cash;
 - inadequate identification of the origin of funds;
 - delivery channel;
 - type of customer;
 - nature of products; and
 - domestic prominent influential persons (DPIPs).
- Most life insurers indicated that the crime that usually affects their businesses is fraud, followed by corruption and then identity theft.

Assupol Group has conducted a risk assessment of its own life insurance business in accordance with the risk-based approach envisaged in FICA and submitted our report to the PA. Further, we have made necessary changes to our business processes as per the findings of the onsite inspection conducted by the PA in 2020. Furthermore, we strive to strengthen and improve our systems and processes to mitigate any ML, TF and PF risks on a continuous basis. Moreover, we closely and continuously monitor the regulatory environment for new legislative developments that may have an impact on our business and communicate same to operations and the Board.

09

IT

GOVERNANCE



IT GOVERNANCE

As an insurer to the people, Assupol's Information Technology (IT) capability needs to enable more efficient ways of conducting business, but also to increase access to financial services for clients, while making it easier for the business to comply with the relevant rules and regulations that govern the long-term insurance industry. We embrace and incorporate the relevant technologies in our business processes to ensure that Assupol remains competitively relevant in a digital age. Assupol regards IT as a strategic enabler and partner in a changing operating environment. In support of the larger Assupol strategy, we continued to make progress on our digital journey to create or modify existing business processes, ways of working and client experiences that will strengthen Assupol's ability to respond to changing business and market requirements. There are currently several initiatives underway in support of Assupol's digital modernisation journey. Some of the key achievements include:



Digital workforce

Solutions to automate onboarding processes within Assupol's sales ecosystem, including processes accessed by sales representatives and broker business partners.

- We have enabled uploading and storing of documentation to perform due diligence and conclude the recruitment process.
- Representative data is shared with the training system to manage product specific training.
- As part of the contracting process, a digital document is generated and signed electronically.



Digital enablement

A new sales enablement solution that is an integrated, online, and real-time client engagement platform for quoting and sales solutions has been implemented. The platform:

- Allows our agents and representatives to move away from time-consuming paper-based application processes by having the entire sales-fulfilment process completed electronically;
- Supports improved data integration between different sections within the sales process to realise operational efficiencies; and
- Enables client identification and verification against the Department of Home Affairs population register.

We have also expanded the sales system to provide flexibility for the client to purchase a product online, at any time, using any device.

Once the client has been successfully onboarded, the client is able to access the Assupol Client and Rewards Portal to actively manage their Assupol profile. The Portal enables clients to change banking account details, contact information and review pertinent documentation in a secure manner. Clients can withdraw cashback benefits and refunds, as well as register complaints and compliments.



Digital risk management

To ensure compliance with multiple regulations as a financial service provider, we have introduced the following controls:

- Identification and verification of all Assupol clients/beneficiaries using the population register from the Department of Home Affairs.
- Direct integration with the Financial Sector Conduct Authority to manage the fit and proper statuses of Assupol agents.
- Complying with new debit order mandates.
- Information security controls to bolster Assupol's cyber posture, build resilience and protect client information against cyber criminals.



Governance, risk and compliance

We have employed and aligned to principles and requirements outlined in different frameworks and standards such as King IV™ and Governance and Operational Standards for Insurers (GOI), Control Objectives for Information and Related Technology (COBIT) and others to govern IT, manage risks and comply to industry obligations. As part of the combined assurance, IT Governance Risk and Compliance continued to fulfil the role of second line of defence to independently assure that both management and technical controls implemented are adequate and effective. New Policies Standards and Guidelines (PSGs) have been established, while existing policies have been reviewed, and compliance to these is verified periodically.

10.

REMUNERATION



REMUNERATION

The Remuneration Committee (“Remco”) is pleased to present the Assupol remuneration report for the year ended 30 June 2022.

King IV Code on Corporate Governance

We have considered the impact of the King IV Code on Corporate Governance (“King IV™”) on the remuneration policy.

Fair and responsible remuneration

Assupol is committed to fair and responsible remuneration for all employees. During the course of the period under review, we have implemented benchmark salary adjustments based on a benchmark study that was conducted during the course of the last financial year. In essence we have ensured that no deserving employee is remunerated below the industry-benchmarked median as determined by a reputable independent remuneration advisory consultancy, 21st Century Pay Consultants.

ROLES AND ACCOUNTABILITIES

Board of Directors

The Board is ultimately responsible for the remuneration policy. To assist the Board in fulfilling its responsibilities, it has appointed and mandated a Remuneration Committee.

The Remuneration Committee

The Remuneration Committee (“Committee”), which functions as a sub-committee of the Board in terms of an agreed mandate, evaluates and monitors the Group’s remuneration philosophy and practices

to ensure consistency with governance principles and corporate strategy. Its mandate is reviewed and approved by the Board annually. It comprises of four non-executive directors who are tasked with guiding and overseeing the structure and implementation of the Group’s remuneration policy. The Group Chief Executive Officer, the Chief Executive Officer of Assupol Life Limited and the Human Resources Director are the standing invitees of the Committee. The Committee ensures that the remuneration philosophy, policy and human capital practices support Assupol’s strategic objectives to enable the attraction, motivation and retention of high calibre employees and senior executives in order to maximise shareholder value while also complying with legislation. It ensures that the Group’s remuneration philosophy and policy are competitive and meet best practice standards, in support of the Group’s strategic objectives.

Three of the four non-executive directors on the Committee are independent, and one of the independent directors serves as the Committee Chair. The membership of the Remuneration Committee therefore complies with both King IV™ and the Cape Town Stock Exchange (Pty) Ltd Listing Requirements which advocate a majority of independent non-executive directors. The Group Chief Executive Officer, the Chief Executive Officer of Assupol Life Limited, and Executive Director: Human Resources attend the meetings by invitation, but they do not form part of the Remuneration Committee’s formal decision-making process.

The Committee has an independent oversight role in respect of all remuneration and employee related matters for the Group. It determines the policy for remunerating executives and non-executive directors.

The Chairperson of the Remuneration Committee provides feedback to the Board after each Remuneration Committee meeting.

The Board recommends the fees for non-executive directors to shareholders for approval at the annual general meeting (AGM). Non-executive directors' fees are benchmarked at least biennially against fees published by a peer group of companies in their most recent AGM notices. Services of an independent remuneration consultancy are utilised, where required, for benchmarking of non-executive director fees.

Group Executive Committee

The Group Executive Committee proposes reward programmes and remuneration structures to the Remuneration Committee. They also ensure the oversight and implementation of approved remuneration programmes.

KEY PRINCIPLES OF OUR REMUNERATION PHILOSOPHY

- The Remuneration Committee's key objectives are to enable Assupol to reward performance in the context of appropriate risk management, align the interests of executives and staff with those of shareholders and to build and maintain a sustainable performance-based culture within the organisation.
- Importantly, the remuneration philosophy supports the Group's business strategy by aligning strategic goals with organisational behaviour based on meritocracy and performance. Focus is also placed on ensuring compliance of the remuneration policies with the relevant regulatory requirements, including those of the Financial Sector Conduct Authority (FSCA), as well as aligning the remuneration policies with King IV™.
- As a Group, Assupol strives to remunerate successful executives and employees between the median and upper quartile and measured on a total reward basis (i.e. on the total remuneration package), including the guaranteed as well as short and long-term incentive elements thereof.
- Within the total reward context, the benchmarking bias will always be towards the incentive (at risk)

elements of the remuneration packages, with less emphasis on the benchmarking of the guaranteed element of the total remuneration package.

- We recognise that the executive management team has a material influence on our Group's performance and growth, and as such the variable compensation (short and long-term incentives) makes up a meaningful part of their total compensation. Variable compensation is directly linked to the performance of our Group. An optimal balance between short and longer-term incentives is sought to ensure the alignment of the interests of executives and the interests of shareholders. This balance is also based on a total reward concept and ensures that short-term success is not striven for at the cost of undue risk or adversely affecting long-term sustainability.
- A single incentive pool scheme is utilised to cover both short and long-term incentives for all executives and other employees. Effectively, there is one incentive scheme for both short and long-term incentives, with the bias towards the deferment of rewards.
- Critically important for the Group and its shareholders is the fact that all incentives incorporate metrics related to the management of our existing business as well as reward management for growth. Strict alignment with the interests of shareholders is gained through the creation of an incentive pool that is driven by return on embedded value as well as on growth in the value of new business.
- By employing a blended and measured approach to incentives, there is strong mitigation against undue risk-taking to achieve short-term objectives, which can undermine longer-term goals.

The key principles that shape our policy are:

- That the Group has the ability to attract, retain and motivate exceptional talent required to achieve positive operational outcomes, strategic objectives, and adherence to an ethical culture and good corporate citizenship. Both short and long-term incentives are used to this end.
- A significant portion of senior management's reward is designed to be variable and aligned with stakeholder interests. This is prescribed by the achievement of realistic financial targets together

with, where applicable, the individual's personal contribution to the growth and development of their immediate department, their division or the wider Assupol Group.

- Long-term incentives align the objectives of management and shareholders and other stakeholders for a sustainable period.
- Salary structures and policies, cash as well as share-based incentives, motivate superior performance and are linked to realistic performance objectives that support sustainable long-term business growth.

Compliance with all applicable laws and regulatory codes

The Remuneration Committee has discretion—when warranted by exceptional circumstances and where considerable value has been created for shareholders and stakeholders of Assupol by employees—to award special bonuses or other ex gratia payments to general staff, excluding management. In exercising this discretion, the Remuneration Committee satisfies itself that such payments are fair, justifiable and defensible and are disclosed to shareholders as required by remuneration governance principles.

REMUNERATION POLICY

Scope of the policy

The policy is Board-approved and forms part of our operating philosophy, policies and standards. It sets out how total remuneration must be managed in the Group.

Aims of the policy

- Our reward arrangements aim to enable us to attract, motivate and retain people of high calibre, with the right mix of experience, skill and knowledge to deliver on the strategy, support and reinforce our desired culture and encourage ethical behaviour consistent with our values, thereby stimulating employee engagement.

- It also aims to create appropriate balance and alignment between the needs, expectations and risk exposures of our stakeholders, including our staff members, clients, shareholders, regulators and communities, to ensure the creation of sustainable long-term value for each of these.
- It incentivises employees to deliver sustained high levels of performance and excellent execution of our strategic priorities, while being cognisant of the impact this delivery has on the risk profile and exposure of the organisation.
- It enables appropriate transparency in the development of remuneration programmes and the distribution of individual remuneration awards to ensure equity and fairness (ethical outcomes) based on valid and appropriate external and internal benchmarks.
- It aligns with the principles of good corporate and remuneration governance, ensuring an appropriate share of value for the relevant stakeholders in its business. We believe that there should be appropriate sharing of value among stakeholders. Therefore, while employees should not be prejudiced as a result of remuneration design issues, remuneration programmes should equally not be designed to favour or benefit employees at the expense of other stakeholders.
- We are committed to ensuring that remuneration of executive management is fair and responsible in the context of overall employee remuneration.

THE STRUCTURE OF OUR REMUNERATION OFFERING

Our approach to reward is holistic based on the total reward approach and includes the following elements: guaranteed cash packages, variable short-term incentives, variable long-term incentives, various recognition programmes, individual learning and development opportunities, a stimulating work environment and a well-designed and integrated employee wellness programme.

Guaranteed package

The guaranteed package is delivered to the employee as a cash salary and a mix of compulsory and discretionary benefits. It is reviewed annually based on performance against agreed objectives and market surveys. The guaranteed package is benchmarked against a comparator group and positioned on average at the 50th percentile.

Variable short-term incentive

In respect of employees who do not participate in the company incentive pool scheme, the variable short-term incentive, in the form of an annual cash bonus, is linked to the employee's performance against individually agreed objectives.

In respect of employees who do participate in the company incentive pool scheme, a pre-defined portion of the individual bonus that has been allocated to the employee is paid to the employee in the form of a cash bonus. The remainder of the bonus so allocated to the employee (if any) is deferred and allocated to the employee in the form of restricted shares and restricted phantom shares in the Group.

Variable long-term incentive

The deferred element (as described above) of the bonus allocated to participants of the company incentive pool scheme makes up the variable long-term incentive portion of the specific employee's total reward package. The intention of the long-term incentive portion is to achieve closer alignment of participant and shareholder interests. Our long-term incentive encourages ownership and loyalty and supports our objective to retain valued employees. It is designed to align executive performance to shareholders' interests.

Various recognition programmes

Every financial year, the Group runs a reward and recognition programme that is open to all employees

except those who qualify to participate in the company incentive bonus pool (i.e. senior and executive management). The Assupol reward and recognition programme aims to recognise employees who make a significant contribution to the achievement of Assupol's strategic objectives and values. It is aimed at honouring and celebrating exceptional performance within Assupol. It offers an opportunity for employees to nominate fellow workers who go above and beyond the call of duty, and who live the Assupol values to the maximum. Employees are nominated for their significant contributions in a particular pre-defined category.

The categories are:

Team player: As a team player, contribute to achieving the Group and departmental goal of serving our clients fairly and selflessly.

Integrity: Maintain utmost integrity by having our clients' needs at heart whenever dealing with them.

Innovation: Always think of ideas to better current services, products and processes to best meet the needs of our clients.

Service excellence: Serve with passion, enthusiasm and an energetic attitude at all times.

Respect: Treat all stakeholders with respect and give them all the attention they deserve when dealing with them.

Nominations are reviewed and quarterly winners are selected per category. An annual winner is then selected from the quarterly winners. The programme cycle is aligned with the Assupol financial year and runs from July to June. A successful winner is eligible to receive a tax adjusted amount of fifty thousand rands as a reward.

Individual learning and development opportunities

Assupol affords all its employees the opportunity to develop and grow through the study assistance programme that enables any qualifying employee to enrol for tertiary studies. The company pays for tuition fees and affords employees paid time off for preparation and writing of the exams.

A stimulating work environment

As a Group, we have long understood that our employees play a critical role to our continued success. We are continuously searching for ways to provide the 'ultimate' employee experience and have regularly opened ourselves up for scrutiny, by competent external (independent) verification entities, to assess our employment practices and provide us with valuable scientific assessment on how we match up when compared to other "best employers" in the country.

We seek to attract the most talented of employees and fully understand that the most talented employees strive for the most stimulating and challenging environments to work in—more so than the less talented ones—and it is our job to keep providing it. To this end we have regularly participated in the Deloitte Best Company Survey which is arguably the most prestigious and respected of its kind in South Africa.

We have constantly exceeded all the critical benchmarks in the survey and have never, since our participation, attained a level lower than the gold status. In the latest survey, we achieved platinum status, reflecting the commitment made to listening to our staff and to creating a stimulating work environment.

A well-designed and integrated employee wellness programme

The primary aim of our employee wellness programme is to establish an understanding of the current health and wellness status of our senior employees and to further provide guidance on how best to enhance

their future health, their quality of life and their level of productivity.

Comprehensive wellness assessments have been conducted on the eligible participants. Key areas of risk, objectives and lifestyle action plans have been identified. Participants have received face-to-face feedback and were given the appropriate advice at the time by the attending medical professionals.

NON-EXECUTIVE DIRECTORS' REMUNERATION

Non-executive directors do not have service contracts and do not participate in any of the Group's short-term incentive (STI) or long-term incentive (LTI) schemes. No shares are granted to them. The Chairperson of the company and non-executive Board member fee structure has one component namely, an annual retainer component (base fee).

Fee structures are reviewed biannually. The Remuneration Committee reviews the fees paid to non-executive directors by taking into consideration the individuals' responsibilities and Board Committee membership. The Chairperson is not present when his or her remuneration is reviewed. In addition, from time-to-time, the fees are benchmarked against other financial services companies to ensure that the fees remain competitive and fair. Recommendations are made to the Board for consideration and taken to the annual general meeting for shareholder approval.

EXECUTIVE CONTRACTS

Assupol executive directors and members of the executive Committee are contracted as full-time, permanent employees for employment contracting purposes. As standard elements of these contracts, a 12-month restraint of trade as well as a 6-month notice period are included. Bonus payments and the vesting of long-term incentives that are in place at the time of an individual's termination of service are subject to the rules of the relevant scheme with some discretion being allowed to the Remuneration Committee based on the recommendations of the Group Chief Executive.

REPORT ON ACTIVITIES

Changes to the Committee

There had been no changes to the composition of the Committee.

The Assupol Group Incentive Scheme

The Assupol Group Incentive Scheme (AIS) was implemented with effect from 1 July 2020. The objectives and workings of this scheme are detailed below.

Objectives of the scheme

- Drive the delivery of the Assupol Group's strategy.
- Motivation of participants to deliver upon the stated strategies of the Assupol Group.
- Alignment of participants' interests with shareholder interests.
- Attraction and retention of scarce human resources.
- Link levels of variable remuneration directly to the levels of performance delivered.

Components of the scheme

The proposed scheme consists of an incentive pool determined using the following formula:

Incentive pool = formula amount [A] x strategic performance score [B] x relative performance score [C].

Each component is determined as follows:

Each year, a "formula pool" is determined based on a formula using the adjusted return on embedded value (RoEV) as well as the adjusted growth in value of new business (VNB).

The adjustments made reflect normalisation for economic factors which are outside of management's control (e.g. interest rates), as well as unusual "headwinds and tailwinds" faced by the business. These adjustments are subject to a strict oversight process including review by the Actuarial and Audit Committees.

The size of this formula-determined pool has been benchmarked using 21st Century pay solutions data (calibrated on a biennial basis) and targets the 50th percentile at adjusted RoEV of 25% and adjusted VNB growth achieved of 15%.

In calculating this formula pool, the adjusted RoEV has a weighting of 75% and adjusted VNB has a 25% weighting.

This formula pool is then adjusted by a "strategic factor score", which has a 20% weighting, which reflects management's achievement of three strategic items relative to the budget, namely:

- Dividend growth (10% weighting)
- Income diversification (5% weighting)
- Client engagement (5% weighting)

Importantly, this adjustment is downwards only as the formula pool assumes 100% achievement of both the strategic factors above as well as KPIs agreed to. As such, after adjusting for these strategic factors, the minimum size of the pool is 80% of the formula pool (i.e. 80% x formula pool assumes a zero score for the strategic factors).

The selection of which strategic factors to be included will be reviewed annually by the Board although the intention is that (given the strategic i.e. longer-term, nature thereof) the factors should not change too frequently.

At Remco's discretion, the pool can then be further adjusted by a "performance relative to competitor score" if required. This adjustment will be made after the strategic factor score adjustment. It is important that peer group metrics are considered in assessing relative performance in our market space. This could result in an increase or decrease in the formula pool.

We then multiply the pool by 90% which will be allocated with the remaining 10% being retained as a discretionary reserve for Remco to allocate and/or carry forward.

This pool is then allocated amongst the number of participants in the scheme (taking their individual KPIs into account) and is used to pay their annual bonus (STI) in cash, as well as to fund their LTI.

The split between STI and LTI is determined according to a fixed table that is dependent on job grade, with the principle being that the higher the grade, the lower the STI and the higher the LTI component, as set out in table below:

Grade	STI Physical Share	LTI Phantom Share	LTI
F Upper	40%	30%	30%
F Lower	45%	27.5%	27.5%
E Upper	50%	25%	25%
E Lower	55%	22.5%	22.5%
Other participants	60%	20%	20%

The STI portion is capped and cannot exceed 75% of the individual's annual package. Any STI portion that exceeds the cap, will automatically be added to the LTI portions of the incentive pool allocation.

Where a discretionary allocation is made to a participant, Remco has discretion as to whether it will go into the STI or/and the two LTI components. If the total of the incentive pool allocation, before the STI and the two LTI allocations, is less than R250,000, the entire amount will be paid as STI. The amount of R250,000 shall be reviewed annually by Remco.

A scheme participant may select a lower allocation for the STI with a greater allocation to the two LTI schemes. This may only be done at the allocation date and will be subject to a minimum amount, at Remco's discretion. The shares (physical as well as phantom) allocated to participants will remain restricted until they vest. Shares will vest over 5 years from the award thereof, with a phase-in as follows:

	After 2 years	After 3 years	After 4 years	After 5 years
F2021 LTI Award	30% (2023)	30% (2024)	20% (2025)	20% (2026)
F2022 LTI Award	25% (2024)	25% (2025)	25% (2026)	25% (2027)
F2023 LTI Award and onwards	15%	25%	30%	30%

The STI portion is capped and cannot exceed 75% of the individual's annual package. Any STI portion that exceeds the The LTI portions will be settled by two separate and distinct schemes:

- By issuing physical Assupol Holdings shares equivalent in value to 50% of such total LTI portion (the "Physical Share Scheme").
- By issuing phantom Assupol Holdings shares equivalent in value to 50% of such total LTI portion (the "Phantom Share Scheme").

King III provisions recommend that vesting starts after three years. We have intentionally departed from such to assist in motivating our senior team, particularly due to the current Covid-19 environment creating additional uncertainties and difficulties for our senior management team, and also to assist our executives with the change management associated with a new scheme. This vesting period will be reviewed in a year's time.

Upon vesting:

- A. The physical shares vesting will be delivered to participants who are free to sell and/or retain such shares.
- B. Participants would be liable for the tax arising on the vesting of the physical shares.
- C. The following will be paid to participants, net of all relevant taxes:
 - a. The value of the phantom shares that are vesting, plus
 - b. The actual dividend equivalents accumulated on the physical shares that are vesting, plus
 - c. The actual dividend equivalents accumulated on the phantom shares that are vesting.

All shares vest immediately upon change of control of Assupol Holdings.

- If a participant leaves the employ of Assupol, all unvested shares (plus accumulated dividend equivalents thereon) are forfeited, unless the participant is agreed to be a good leaver (i.e. a "No-Fault" Termination).
- Because LTI shares and dividend equivalents will only vest if the participant is in the employ of Assupol at the date of vesting, they are only taxable in participants hands when (if) they vest.
- The value of the vested shares plus accumulated dividend equivalents at vesting will be fully taxable in the hands of participants.

The Assupol Group has adopted this malus and clawback policy with the intention of aligning shareholder interests and the variable remuneration outcomes of participants. It allows the company to reduce or recoup the AIS allocations in specified circumstances defined herein.

Malus provisions apply before AIS allocations have vested or been paid to a participant whilst clawback provisions apply to allocations that have already vested or been paid to a participant.

"Clawback" means where AIS allocations have already vested, been settled, paid or otherwise made available, a trigger event which indicates an error is discovered and the Board seeks to fulfil its fiduciary duty to shareholders by invoking its discretion to seek recoupment of an AIS allocation.

"Malus" means the reduction and/or cancellation of unpaid, unvested or unsettled AIS allocations when a trigger event is discovered, and the Board seeks to fulfil its fiduciary duty to shareholders by invoking its discretion to reduce and/or cancel the AIS allocation.

Meetings

The Remuneration Committee met seven times during the past financial year to June 2022. This includes the number of special Committee meetings.

11.

**SOCIAL,
ETHICS AND
TRANSFORMATION**



SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE REPORT

Purpose

The Social, Ethics and Transformation Committee (“the Committee”) is constituted as a statutory Committee of the Board in line with section 72(4) of the Companies Act, 71 of 2008 (the “Companies Act”), as amended, read together with regulation 43 of the Companies Regulations, 2011 and the King IV Report on Corporate Governance for South Africa, 2016 (“King IV™”). The Committee assists the Board in protecting the Group’s reputation as a good, ethical, and responsible corporate citizen. This report gives an overview of the Committee’s performance in our financial year that ended on 30 June 2022 (year under review) and is prepared in compliance with the requirements of the Companies Act.

Terms of reference

The Committee’s role and responsibilities are governed by the terms of reference as reviewed and approved in the year under review by the Board.

Composition and function

The Committee met four times during the year under review and comprised of two non-executive directors and one executive director as members. An independent non-executive director chairs the Committee. The members of the Committee were Bridget Duker (Chairperson), Nicola Gubb and Sipiwe Ndwalaza as at the end of year under review. Attendance at the meetings is reflected under the governance section of the integrated report.

The effectiveness of the Committee is assessed as part of the annual Board and committee self-evaluation process. The Committee was assessed to have adequately discharged its mandate.

Role and responsibilities

The main objectives of the Committee are to assist the Board in monitoring the Group’s performance in respect of ethics, responsible corporate citizenship, compliance, stakeholder relationships and sustainable developments as set out below, thereby assisting the Board in achieving its objectives.

Monitoring of sustainable development practices

In the execution of its duties, the Committee has reviewed the sustainable development practices of the Group, specifically relating to:

- Implementation of the Group’s Code of Conduct;
- Compliance with the Employment Equity Act;
- Labour relations and working conditions;
- Training and skills development;
- Broad-Based Black Economic Empowerment Act;
- Health and public safety;
- Strategic empowerment and transformation;
- Ethics and compliance; and
- Social and community investment initiatives.

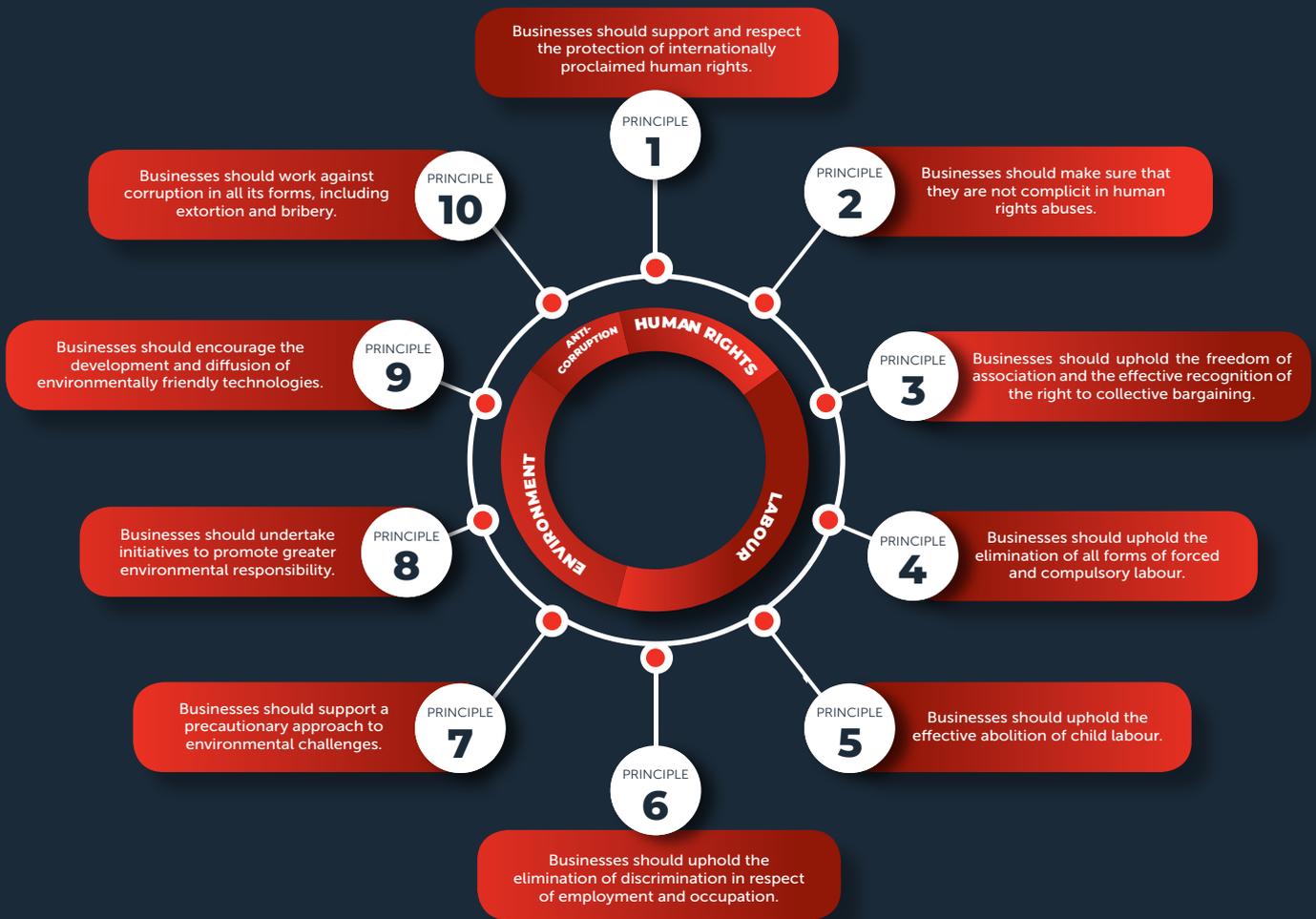
Ethical conduct

Our Group, in its interaction with all our respective stakeholders, exercises the highest standard of ethical behaviour. All conduct complied with applicable laws and regulations, in accordance with their letter and purpose. Our Board is ultimately responsible for the establishment and upholding of an ethical culture in our Group by giving direction on how we must approach and apply ethics. To this end, our Board has approved the Code of Conduct.

Key matters attended to during the year under review

- The Committee continued to monitor Assupol’s adherence to King IV™ Sustainability and also undertook to play an oversight role in future with regards to reporting on the sustainability of economic, environment and social fronts.
- Transformation was a key aspect that was considered throughout the year.
- The Committee considered the procurement practices of the organisation to ensure fair treatment of all service providers. Our company is currently rated as a level 1 contributor. This demonstrates our commitment to broad based black economic empowerment (B-BBEE).
- As at the end the year under review, Assupol was 90,75% compliant with the Regulations of the Occupational Health and Safety Act 85 of 1993.
- Assessed the Group’s actions in relation to the 10 principles of the United Nations Global Compact (UNGC) as well as the group’s standing in terms of the International Labour Organisation’s protocol on decent work and working conditions. As a signatory to the UNGC, the Group has adopted the 10 Principles and monitors compliance against these principles in the areas of human rights, labour, anti-corruption and the environment. Adherence to and support of the OECD recommendations regarding corruption, considering the recommendations issued by the OECD and applicable to South Africa from time-to-time.
- A whistleblowing facility is available which is addressed through the Deloitte ethics line.
- Monitored the Group’s response to Covid-19 in terms of ensuring the health and safety of employees and clients, and supporting communities.

ASSUPOL SUPPORTS THE UNITED NATIONS GLOBAL COMPACT PRINCIPLES



ASSUPOL'S STANDING IN TERMS OF THE TEN UNITED NATIONS GLOBAL COMPACT PRINCIPLES AND THE ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT (OECD) RECOMMENDATIONS REGARDING CORRUPTION.

UNGC Principles on corporate sustainability start with a company's value system and a principles-based approach to doing business. This means operating in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, labour, environment, and anti-corruption. Responsible businesses enact the same values and principles wherever they have a presence and know that good practices in one area do not offset harm in another. By incorporating the Ten Principles of the UN Global Compact into strategies, policies, and procedures, and establishing a culture of integrity, companies are not only upholding their basic responsibilities to people and the planet, but also setting the stage for long-term success. The Ten Principles of the UNGC are derived from: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

More information on how Assupol complies with the United Nations Global Compact principles can be found on our website www.assupol.co.za.

OECD recommendations regarding corruption

- Adherence to and support of the OECD recommendations regarding corruption, considering the recommendations issued by the OECD and applicable to South Africa from time-to-time.
- A whistleblowing facility is available which is addressed through the Deloitte ethics line.
- Monitored the Group's response to Covid-19 in terms of ensuring the health and safety of employees and clients, and supporting communities.

Employment equity

We continue to make considerable progress with the transformation of our company. In the year under review the composition of African, Indian and Coloured (AIC) employees has increased from 88.1% to 89.2% of our overall workforce. Sixty four percent (64%) of our total employees are female.

	African	Coloured	Indian	White	Total
 Number of employees	773	53	15	102	943
Percentage (%) total	82.0%	5.6%	1.6%	10.8%	100.00%

Transformation

The transformation (B-BBEE) scorecard elements are subject to monitoring by management. Assupol Life Limited is a level 1 B-BBEE contributor as a result of the transformation focus of the Company. Our focus on transformation and employment equity is adding value through the increased diversity of our workforce.

The Committee monitored the implementation of the transformation strategy, focussing on the diversity and inclusion programmes. The Group is implementing its transformation strategy and is tracking well against its employment equity plan. In FY2021, the Group continued with a number of initiatives such as those implemented through the Assupol Community Trust.

Environmental, Social and Governance (ESG)

The life insurance sector may, at face value, not appear to have a significant environmental and social impact. However, companies in the life insurance sector, *inter alia*, contribute to increased electricity consumption, pollution, and natural resource depletion. Reports are provided on a quarterly basis on what Assupol Group does in this regard to the Committee.

The Committee commenced to encourage management to identify and assess risks and opportunities associated with ESG issues. While the Company has made substantial progress in this regard, management is focusing on how to further integrate ESG into our Group strategy.

We have responsible investment practices which includes the integration of ESG criteria into our investment processes as indicated in the King IV™ principles report under principle 17.

The approved Assupol Group Procurement Policy provides for specific actions to be taken regarding environmental factors. The guidance to be followed in terms of this policy, as it relates to environmental factors is:

- a. Procuring from a vendor who has had previous adverse exposure relating to environmental factors (such a dumping waste, etc.) is prohibited;
- b. The environmental impact should be considered in any purchase / order; and
- c. Where the primary procurement factors (BEE, price, quality) are equal, then the environmental impact / statement of vendors must be considered as a deciding factor.

On a social front, amongst others, relief was provided to our customers during the flooding that affected KwaZulu-Natal. The corporate social initiatives we invest in make a difference to the lives of children and adults, whether they are customers or not.

By practising good corporate governance through the application King IV™, the Board provides ethical, effective and responsible leadership and strategic decision-making.

12.

**OUR
STAKEHOLDERS**



INTRODUCTION

PRINCIPLE 16 IN THE KING IV REPORT ON CORPORATE GOVERNANCE FOR SOUTH AFRICA HIGHLIGHTS THE IMPORTANCE OF STAKEHOLDER ENGAGEMENT

In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.

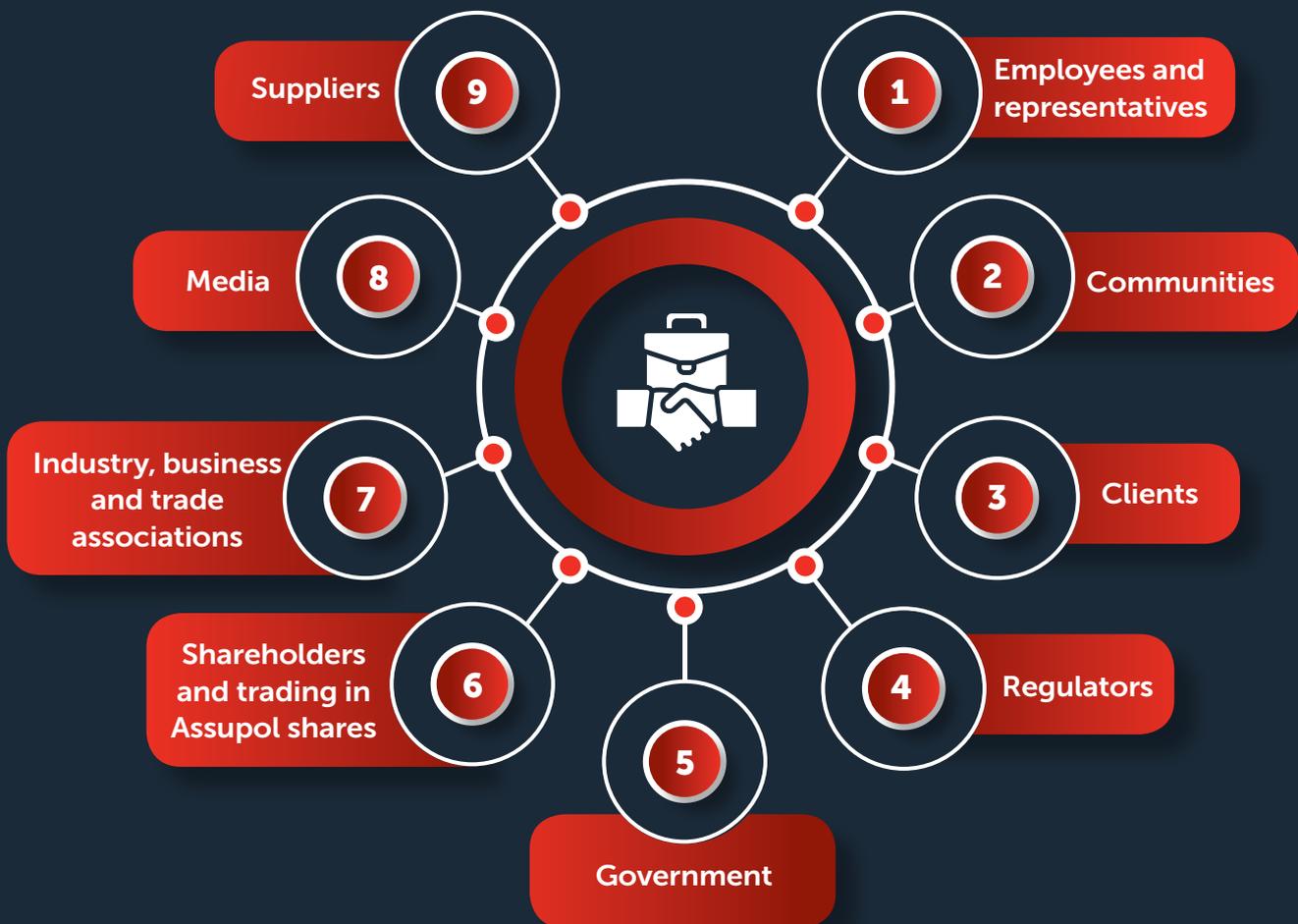
There is an interdependent relationship between the organisation and its stakeholders. The organisation's ability to create value for itself depends on its ability to create value for others. (King IV™: 2016)

In continued fulfilment of implementing King IV™, in 2021, Assupol adopted a stakeholder policy recognising the imperative of and dependence on continuously cultivating and maintaining effective, impactful and robust reciprocal stakeholder engagement across the spectrum of governmental and societal institutions and individual representatives. This, in order to deliver on Assupol's strategic intent of playing a meaningful role in transforming South Africa for the benefit of all her citizens.

This stakeholder engagement report is structured to showcase how Assupol delivers value to its key stakeholder relationships.



STAKEHOLDER OVERVIEW



EMPLOYEES AND REPRESENTATIVES

EMPLOYEE DEVELOPMENT

We invested over R10.9 million in employee training and development in the year under review.

The development of our employees and representatives are of utmost importance to the growth and success of our organisation. We have continued to provide learning opportunities to all through face-to-face events, online interventions and distance learning.

WELLNESS ASSISTANCE PROGRAMMES



In line with our vision of being the preferred employer in the financial services sector, we provide an employee-assistance programme through Life Employee Health Solutions. Through this programme our employees, as well as their immediate family and dependants, enjoy access to registered clinical, legal, and financial professionals on a 24-hour basis, seven days a week.

EMPLOYEE ENGAGEMENT



Assupol performed exceptionally in this year's survey. Not only did we attain the Deloitte Platinum Seal of Achievement 2022, the highest possible achievement, with a 70.8% engagement score from 75.2% in 2021, but we also achieved the same employee participation rate of 79.5% as the 2021 survey.

SALARY INCREASES + BONUSES



Salary adjustments for employees were implemented during the month of July 2022. Benchmark salary adjustments were implemented to comply with our remuneration policy.

CULTURE



We continue to ensure that the impact of working from home does not adversely affect the 'Assupol Way' in terms of shaping attitudes and behaviours on our collective action and decision-making. We have during the period under review, continued with our culture roll out programme, "United in Service". To create an environment that is warm, collaborative and welcoming where employees help and support one another.

OUR COMMUNITIES

PRINCIPLE 3 OF THE KING IV REPORT STATES THAT THE GOVERNING BODY SHOULD ENSURE THAT THE ORGANISATION IS AND IS SEEN TO BE A RESPONSIBLE CORPORATE CITIZEN.

The community within which we operate remains a critical component of our stakeholder universe, in order to continue to play a meaningful role in transforming South Africa for the benefit of all her citizens. Our value and relevance as a responsible and socially active corporate citizen is embedded in the communities we serve.

INVESTING IN OUR COMMUNITITES



**SANITATION
APPROPRIATE FOR
EDUCATION INITIATIVE**

R10 million



**STAFF
CONTRIBUTIONS**

ACEI projects
R528,000 in 2022 from
R189,146 in 2021



**EDUCATION AND SKILLS
DEVELOPMENT**

CSI initiatives
R876,000



**SPORTS AND
DONATIONS**

R5.5 million

NOTEWORTHY MOMENTS FOR 2022

Sanitation Appropriate for Education (Safe) initiative: In the year under review, 20 schools in the Eastern Cape were identified as schools that urgently required safe and dignified ablution facilities. As a financial partner in government’s Safe initiative, Assupol in partnership with the Department of Basic Education and the National Education and Collaboration Trust, successfully completed the third phase of construction of sanitation facilities at primary schools. This brings the total number of schools completed to 68, which is more than half way towards Assupol’s commitment of assisting 100 schools since inception of the project in 2018.

Assupol has provided funding to the value of R50 million over five years and R10 million for the 2021/22 financial year as part of phase 3 of the project.

Serving through early childhood development

The Assupol Community Trust (“the Trust”) is a registered public benefit organisation in terms of the Income Tax Act of 1962, established in 2010 to benefit communities in areas where a significant number of Assupol Life policyholders resided at the time of Assupol Life’s demutualisation. The Trust is a shareholder in Assupol Holdings Limited and functions independently. Only designated communities may benefit from the Trust. The designated communities are those communities of which at least 85% of the members are black people and were insured under group schemes underwritten by Assupol Life. The Trust aims to support the South African government in attaining its goal of ensuring universal access to early childhood development (ECD) for all children by 2030, as prescribed in the National Development Plan (NDP).

The impact of Covid-19

In 2021, we put in place a Covid-19 relief plan to lessen the dire effect of Covid-19 on ECD practitioners, children and families. This plan comprised stipends to practitioners, the contribution of operational costs to ECD centres, and the provision of personal protective equipment.

In 2022, as we emerged from the restrictions of lockdowns and the worst effects of the pandemic, we continued to support the operational costs of 99

centres for six months as children and practitioners gradually returned to ECD centres.

-  To improve access to ECD for children between the ages of 0-5 years in Nellmapius, Msinga and Nquthu by 2022
-  To improve the quality of ECD services in Nellmapius, Msinga and Nquthu by 2022
-  To facilitate compliance with basic standards of registration, health, and safety in line with the Children’s Act and municipal by-laws in ECD facilities in Nellmapius, Msinga and Nquthu by 2022
-  To advocate for models that accelerate universal access to ECD
-  To promote good governance, partnerships and stakeholder relations in the City of Tshwane and uMzinyathi District Municipality

Assupol provided funding to the members of KZN communities affected by the flooding in April 2022.

OUR CLIENTS

Assupol has over 3 million individual lives insured through 1,4 million individual policies. Our clients are South Africans from all walks of life. We pride ourselves in understanding our clients' needs and responding to this in a meaningful way to positively impact socio-economic inclusion and participation.

In life and in death, Assupol is focused on the needs of the people of South Africa. Our ambition to be the insurer to the people and to live our values in treating our clients fairly has been the driver behind why Assupol has been proudly serving those who serve for over a century.



OUR PRODUCTS

FUNERAL



LIFE



SAVINGS



RETIREMENT



REWARDS



REGULATORS

ASSUPOL IS REGULATED BY VARIOUS ENTITIES INCLUDING:

The Prudential Authority, responsible for monitoring compliance with the Insurance Act. The Prudential Authority is a juristic person operating within the administration of the South African Reserve Bank. The Prudential Authority has two principal departments:

- The Banking, Insurance and Financial Market Infrastructure (FMI); and
- Supervision Department and the Policy, Statistics and Industry Support Department departments:

The Prudential Authority's main prudential regulatory strategy for the insurance market up to 2021 is to implement the Insurance Solvency Assessment and Management (SAM) framework and establish a supervisory framework for significant owners.

The Financial Sector Conduct Authority (FSCA) is responsible for monitoring market conduct compliance with Short-term Insurance Act (STIA), Long-term Insurance Act (LTIA) and the Pension Funds Act. The FSCA's regulatory strategy for the insurance market up to 2021 is wide-ranging but includes enhancing the efficiency of the insurance market and promoting fair customer treatment and customer education.



OTHER KEY STAKEHOLDERS ASSUPOL ENGAGES WITH INCLUDE:



National Credit Regulator



National Consumer Commission



Office of the Ombud for Financial Services Providers



Ombudsman for Long-Term Insurance



Consumer Goods and Services Ombud

GOVERNMENT



Notwithstanding the flux in the political environment, Assupol engages across party lines and with various government stakeholders irrespective of their political affiliation. Maintaining a political agnostic approach to our government stakeholder engagement complex ensures that we sufficiently insulate Assupol from the impact of political dynamics in the delivery of our products and services.



Assupol seeks to entrench Assupol's license to operate within society, with government being a key and primary stakeholder. We strive to cultivate and maintain relationships with government, both as a partner in growth and as a key client.



Assupol seeks to remain a proactive, positive and constructive partner to government, contributing to the economic and financial well-being, health and safety of the public sector workforce. We engage with government as a public sector client through various national departments.



Assupol has built and continues to cultivate a relationship of trust with government in the interests of maintaining open dialogue on legal, policy, regulatory, and commercial issues. We therefore continue to participate in key forums within national and local governmental structures in the interests of our clients and shareholders.

SHAREHOLDERS AND TRADING IN ASSUPOL SHARES



OUR DEMUTUALISATION

The demutualisation scheme effectively ran from 1 January 2010 to 31 December 2020, and we managed to transfer 90,03% of the shares issued in terms of the demutualisation scheme (by value) to qualifying members. The funds remaining in the Assupol Members' Trust will be transferred to a charitable trust as soon as the administrative processes relating to the Assupol Members Trust are completed, and the new Charitable Trust has been registered.



	SHAREHOLDERS	REDEEMED SHARES PAID	NET VALUE PAID (R)
June 2013	98 298	183 881 489	427 413 829
June 2014	38 557	54 670 505	130 615 057
June 2015	13 302	17 091 172	43 016 005
June 2016	4 056	5 690 126	15 244 682
June 2017	12 582	20 756 928	57 197 132
June 2018	22 757	25 778 528	71 354 807
June 2019	2 561	2 964 228	9 043 855
June 2020	4 731	5 696 420	19 500 402
June 2021	587	640 069	2 267 575
June 2022	-	-	-

Net payment is gross payment at R2.50 per share, plus interest, less dividend withholding tax, payment costs and tracing fees if applicable

CURRENT SHAREHOLDING



The shareholding as at 30 June 2022 is stratified as follows:

NAME	RESTRICTIONS	CATEGORY	DIRECTOR NOMINATION	SHARES HELD	% HOLDING
MyChina (Pty) Ltd	None	Corporate	3	197 029 940	46.2%
International Finance Corporation (IFC)	Yes	Corporate	2	82 711 565	19.4%
WDB Investment Holdings (Pty) Ltd	None	Corporate	1	54 575 657	12.8%
Assupol Community Trust	None	CSI	–	18 700 000	4.4%
Staff incentives and restraint of trade/ shares	Yes	Employees	–	2 227 649	0.5%
Assupol Investment Holdings (Pty) Ltd	None	Treasury	–	2 248 498	0.5%
Other shareholders	None	Free float*	–	68 668 666	16.1%
				426 161 975	

* These shares are unrestricted, and some are held by employees.

Trading in Assupol shares

During the year under review, the volume weighted average monthly price fluctuated between R5.50 and R9.40 per share.



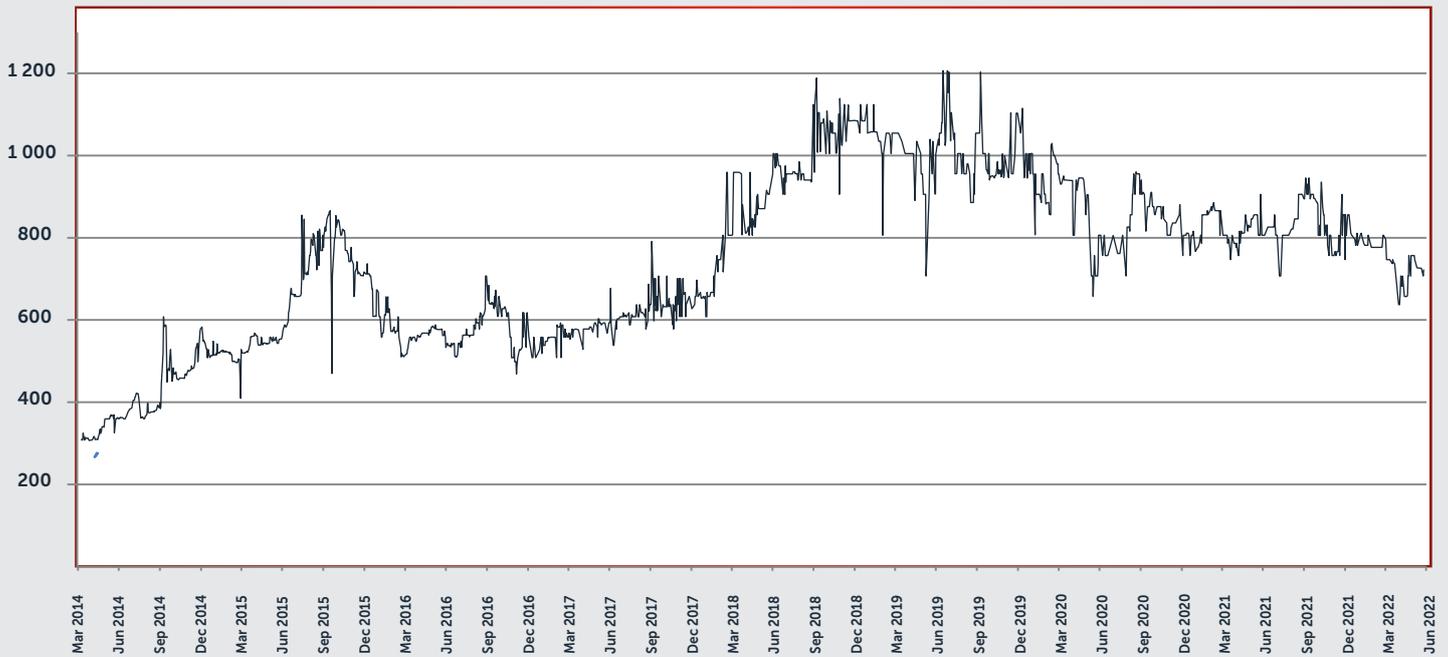
The trading statistics for the year under review can be summarised as follows:

MONTH	TRADES	VOLUME	VALUE (R)	VWAP* (R)
2021/7	13	823 754	6 599 544	8.01
2021/8	28	44 277	350 441	7.91
2021/9	31	444 048	3 922 598	8.83
2021/10	71	2 506 516	22 608 230	9.02
2021/11	59	162 568	1 391 800	8.56
2021/12	43	80 604	622 831	7.73
2022/1	24	113 826	888 345	7.80
2022/2	26	164 165	1 303 531	7.94
2022/3	32	70 108	527 907	7.53
2022/4	26	682 609	6 050 849	8.86
2022/5	47	175 981	1 164 052	6.61
2022/6	25	108 490	787 158	7.26

*VWAP means 30-day volume weighted average price.

Share-trading platform

Assupol completed its third year as a listed company on the exchange operated by Cape Town Stock Exchange (Pty) Limited during the year under review. The platform provided a secure facility for shareholders to buy and sell their shares in Assupol.



DIVIDEND DECLARATION

On 28 September 2022, following the approval of the annual financial statements for the year ended 30 June 2022, Assupol's Board declared an ordinary dividend of 64 cents per share, and a special dividend of 42 cents per share.

INDUSTRY, BUSINESS AND TRADE ASSOCIATIONS

As a diversified Group, Assupol engages with industry, sector, business and trade associations such as the Association for Savings and Investment South Africa (ASISA) and South African Insurance Association (SAIA), on a regular basis.

We leverage our membership of, and participation within, these bodies to elevate the voice and concerns of Assupol and to promote Assupol perspectives on key matters of common and collective interests.

Maintaining our share of voice and seat at the table during these dialogues and engagements, is vital to support and facilitate Assupol's market objectives in driving a collective agenda in the interest of all South Africans.



MEDIA AND REPUTATION MANAGEMENT

- Assupol engages with media across all platforms, including digital, print, social media and TV.
- Our communications strategy enables us to navigate the media matrix and effectively communicate with our internal and external stakeholders.
- Media strategy helps Assupol with:
 - Reputation management and brand equity;
 - Remaining a relevant brand;
 - Thought leadership; and
 - Being the voice for our selected market;
 - Cultivating trust and confidence;
 - Maintaining our societal relevance; and
 - Delivering Assupol's mission, vision and values within public and industry forums in a responsible, thoughtful and pioneering manner.

SUPPLIERS

Assupol is committed to realising economic inclusion and participation at every level within society. This includes the manner in which we engage with our suppliers and develop and empower the supplier value chain within which we operate.

The legal and compliance manager is responsible for the sustainability reporting in the organisation. The Committee considered the procurement practices of the organisation to ensure fair treatment of all service providers. We expect our service providers, employees and clients to uphold the values of Assupol in their interaction and conduct.

Assupol's commitment regarding the Organisation for Economic Co-Operation and Development (OECD) recommendations on corruption is further implemented in our interaction with and procurement practices applicable to service providers to uphold our principles on anti-corruption and ethical conduct at all levels within our company.

13.

**CONDENSED
FINANCIAL
RESULTS**



CONDENSED FINANCIAL RESULTS

GROUP REVIEW for the year ended 30 June 2022

Assupol Holdings Limited and its subsidiaries ('the Group') present the condensed financial results for the year ended 30 June.

Assupol Holdings Limited ('Assupol Holdings') is incorporated and domiciled in South Africa. Its registered office and principal place of business is at Summit Place Office Park, Building 6, 221 Garstfontein Road, Menlyn, Pretoria. The shares of Assupol Holdings are listed on the Cape Town Stock Exchange ('CTSE'). The directors are aware of their responsibilities in terms of the CTSE Listings Requirements and are not aware of any non-compliance with the listing requirements.

CORPORATE ACTIVITIES Update on the impact of the Covid-19 pandemic

The devastating impact that the Covid-19 pandemic had in South Africa since March 2020 seems to have diminished substantially since the start of the 2022 calendar year, with restrictions experienced by the sales teams and other operating activities largely being eased and the business environment improving.

During the third wave, that peaked during the first quarter of the financial year, Assupol has experienced excess death claims to the value of R181m, which have largely been funded out of Covid-19 reserves set up in the previous financial year. The Group had an insignificant number of excess death claims during the fourth wave that occurred during the third quarter of the financial year.

The longer term outlook for the pandemic remains uncertain. The Group has set up a reserve for its individual and group business channels to provide for the impact of possible future excess deaths. The after-tax value of the reserve was R126.4 million at the end of the financial year. This is continuously being monitored by the Board and more specifically the Actuarial Committee.

Distribution channels

The performance of the various distribution channels in Assupol Life Limited ('Assupol Life'), a registered long term insurer in the Group, varied. Those that had a significant impact on the results are discussed below:

Direct Marketing: The Group reassessed the structure of this distribution channel with the aim to improve new business quality as well as improving operational efficiencies. A decision was taken to restructure the operations of the channel through the insourcing of the call center capability which impacted new business generation. However, early indications from these actions have seen a realization of the intended benefits of the restructure.

Cornerstone: The positive experience of the previous financial year continued during the financial year ended June 2022.

Single premium business: The sales in this distribution channel were significantly higher than the previous financial year. This increase was supported by rising interest rates; enhancing the relative attractiveness of the offering.

Cash back and loyalty benefits to clients

An amount of R286.3 million worth of cash back and loyalty benefits were paid to the Group's clients during the financial year. This is an increase of 98.9% compared to the previous financial year.

Corporate social investment

During the financial year, the Group contributed to South Africa's social development agenda by upgrading the ablution facilities of rural schools to an amount of R10.0 million.

International Financial Reporting Standard 17: Insurance contracts

The Group continues with the implementation of this accounting standard that will become effective in Assupol's financial year ending June 2024. The implementation is currently on track with the project plan being closely monitored by the Board of Directors through the Audit Committee and Group Executive Committee.

GROUP RESULTS

With the business and sales environment slowly returning to normal, new business generation, with the exception of the Direct Marketing channel, showed positive improvements during the financial year.

Actuarial assumption and modelling adjustments detracted R240.2 million (2021: R353.5 million) from profit after taxation. This included the following significant adjustments:

- The unused portion of the Covid-19 reserve that was set up in the previous financial year was released (R45.0 million after tax). A reserve for excess deaths amounting to R126.4 million was created for individual and group business.
- The renewal expense per policy was decreased for individual business and left unchanged for the Cornerstone business channel and amounted to a release of R111.2 million (2021: -R79.0 million). Significant expense savings were recorded during the financial year.
- The withdrawal and not-taken-up assumptions were updated in accordance to the most recent withdrawal experience investigation, with an improvement in longer term durations having the largest impact. This detracted R136.0 million from net profit.
- The investment return assumptions for both the unit and non-unit reserves were increased, as well as the inflation assumption, reducing profits by R233.7 million (2021: -R96.4 million).

The after taxation returns on shareholders assets outperformed the long-term investment return assumption by R9 million (2021: R43 million). The investment return achieved on shareholders funds was 7.47% (2021: 16.97%).

The Group's life insurer is in a financially sound position and held, at the end of the financial year, eligible own funds exceeding the solvency capital requirement with a cover of 1.78.

The key financial performance statistics for the Assupol Group for the year under review are set out below:

Earnings performance	2022	2021	Change
Gross insurance premium revenue (R'm)	4 714	4 359	8.14%
Profit attributable to ordinary shareholders (R'm)	615	353	74.22%
Value of new business (R'm)	258	394	-34.57%
Adjusted operating profit (AOP) (R'm) ^(a)	765	747	2.41%
Return on equity	13%	8%	4.89%

(a) The adjusted operating profit is calculated by adjusting the reported profit to exclude the impact of short-term market fluctuations on the investment returns of shareholder funds, as well as non-recurring transactions or events such as the discontinuation of a business relationship, non-recurring actuarial adjustments and noncore transactions. The calculation does not consider the economic impact of actuarial adjustments on new business during a financial period.

When a transaction, that was initially perceived to be a non-recurring event, continues to occur in subsequent financial years, the transaction is reassessed to determine whether or not it should have been included in the adjusted operating profit at all. The non-recurring transactions calculated in the previous financial year were reassessed as more information and certainty regarding the impact of the pandemic became available. The previously reported 2021 adjusted operating profit of R799 million was adjusted lower by R52 million to R747 million.

The adjustments that were made in the non-recurring transactions of the 2021 financial year are Covid-19 related expenses. The duration of the impact of the pandemic was longer than initially anticipated and as a result the Group no longer regard these transactions to be short-term or non-recurring in nature.

New business	2022	2021	Change
Recurring premiums (R'm)	397	549	-27.67%
Single premiums (R'm)	1 083	224	> 100%
Total new business premiums (R'm)	1 480	773	91.46%
Annual premium equivalent (APE) (R'm)	505	571	-11.56%
Present value of new business premiums (PV NBP) (R'm)	4 802	4 225	13.65%
Value of new business margin	5.4%	9.3%	-3.96%

The embedded value represents an estimated value of the Group that comprises shareholders' funds which is the aggregate of free surplus funds and required capital to support the in-force business; plus the present value of in-force business; less the cost of required capital.

Group embedded value (R'm)	2022	2021
Shareholders' funds	5 059	4 582
Value of in-force business	1 732	1 939
Gross	2 332	2 494
Cost of required capital	(600)	(555)
Embedded value of covered business ^(a)	6 791	6 520
Embedded value of other Group operations ^(b)	(34)	3
Group embedded value at year end	6 757	6 523
Return on embedded value (%)	6.49%	4.19%

(a) Covered business is business written under a life insurance license and is valued by using the methodology outlined in the Advisory Practice Note, APN 107, of the Actuarial Society of South Africa.

(b) Other Group operations include the value of Assupol Holdings as well as other subsidiaries in the Group that are not included in the value of covered business.

Embedded value earnings (R'm)	2022				2021
	Adjusted net worth	Value of in-force	Cost of required capital	Total	
Covered business EV					
Opening EV	4 582	2 949	(555)	6 521	6 483
Opening adjustments	44	(1)	-	43	15
Opening EV (adjusted)	4 626	2 493	(555)	6 564	6 498
Dividends paid ^(c)	(187)	-	-	(187)	(232)
Deferred bonus shares	17	-	-	17	25
EV after adjustments	4 456	2 493	(555)	6 394	6 291
Unwinding of risk discount rate	-	300	(60)	240	224
Expected profits	463	(463)	-	-	-
New business	38	318	(99)	257	394
Operating experience variations	21	(77)	(31)	(87)	(345)
Taxation	87	-	-	87	(28)
Assumption changes	(153)	(252)	47	(358)	(485)
Investment experience	138	(7)	98	229	445
Miscellaneous	9	20	-	29	24
Closing EV - Covered business	5 059	2 332	(600)	6 791	6 520
Other Group operations					
Opening EV	3	-	-	3	10
Dividends received	187	-	-	187	232
Dividends paid ^(c)	(178)	-	-	(178)	(321)
EV after adjustments	12	-	-	12	11
Net profits	(9)	-	-	(9)	(1)
Holdings company expense adjustment	-	(60)	-	(60)	(51)
Market value adjustment	-	23	-	23	44
Closing EV - Other group operations	3	(37)	-	(34)	3
Total closing group EV	5 063	2 295	(600)	6 757	6 523

Key statistics relating to the issued shares of Assupol Holdings are provided below:

Share statistics	Note	2022	2021	Change
Share price - closing (R) ⁽¹⁾		7.15	8.00	-10.63%
Number of shares in issue ('000) ⁽²⁾		426 162	421 714	1.05%
Market capitalisation (R'm) ⁽¹⁾		3 047	3 409	-10.62%
Earnings per share (cents)		145	84	72.39%
Diluted earnings per share (cents)		144	83	73.51%
Diluted adjusted operating profit per share (R)		1.79	1.88	-4.70%
Group embedded value per share (R)		15.86	15.31	3.56%
Dividend per qualifying ordinary share (cents) ⁽³⁾		106	42	152.38%

1. Market information is based on the CTSE exchange on which the company's shares trade.
2. The B3, B4 and B5 shares were awarded to senior management in September 2019, September 2020 and September 2021 respectively in terms of the deferred bonus scheme but have not been issued as yet due to the requisite approval from the Prudential Authority.
3. It is the policy of the company to declare a dividend on an annual basis. The dividends per qualifying share were declared as follows:
 - In respect of the year ended 30 June 2021: The dividend was declared on 28 September 2021 and paid on 18 October 2021: An ordinary dividend of 42 cents per qualifying share.
 - In respect of the year ended 30 June 2022: On 30 September 2022 the Board declared an ordinary dividend of 64 cents and a special dividend of 42 cents per qualifying share (Payable on 17 October 2022).

The qualifying shares included the listed ordinary shares but excluding shares held by the Share Incentive Trust. It will also include those 'B' shares that qualify to be converted to ordinary shares after the restricted period ends in September 2022 and that are unrestricted at record date.

STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2022

R'000	2022	2021
Insurance premium revenue	4 714 047	4 359 112
Insurance premium ceded to reinsurers	(178 012)	(145 113)
Net insurance premium revenue	4 536 035	4 213 999
Commission received on outward reinsurance	3 895	74
Fee income	96 913	75 183
Investment income on financial assets		
- at fair value through profit or loss	269 099	226 360
- at amortised cost	167 512	157 073
Net fair value gains on financial assets	(103 463)	367 539
Other income	2 445	692
Income	4 972 436	5 040 920
Insurance benefits and claims	(2 018 965)	(2 016 378)
Insurance claims recovered from reinsurers	192 990	261 272
<i>Net insurance benefits and claims</i>	<i>(1 825 975)</i>	<i>(1 755 106)</i>
Commission expenses	(859 099)	(888 404)
Operating and administrative expenses	(1 281 605)	(1 221 934)
Investment management expenses	(15 080)	(11 850)
Change in insurance contract provisions	(63 491)	(279 036)
Fair value adjustments on investment contract liabilities	(116 412)	(322 265)
Expenses	(4 161 662)	(4 478 595)
Result of operating activities	810 774	562 325
Finance charges	(38 746)	(38 312)
Profit before taxation	772 028	524 013
Income taxation expense	(157 413)	(171 685)
PROFIT FOR THE YEAR	614 615	352 328
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR	614 615	352 328
Profit attributable to:		
Owners of Assupol Holdings Ltd	614 800	352 680
Non-controlling interests	(185)	(352)
	614 615	352 328
Total comprehensive income attributable to:		
Owners of Assupol Holdings Ltd	614 800	352 680
Non-controlling interests	(185)	(352)
	614 615	352 328
Group earnings per share (cents)		
Basic earnings per share (cents)	145.2	84.2
Diluted earnings per share (cents)	144.0	83.0

STATEMENT OF FINANCIAL POSITION

as at 30 June 2022

R'000	2022	2021
ASSETS		
Property and equipment	228 091	200 085
Intangible assets	230 671	181 269
Financial assets: Investments		
At fair value through profit or loss		
Equity securities	2 031 500	1 564 654
Debt securities	2 390 943	2 222 110
Deposits and money market securities	1 374 258	1 051 868
At amortised cost		
Deposits and money market securities	1 557 610	1 869 308
Policyholder assets		
Insurance contracts	2 567 083	2 596 284
Reinsurance asset	66 302	100 593
Insurance and other receivables	208 180	204 421
Current taxation	-	2 612
Cash and cash equivalents	439 128	384 400
TOTAL ASSETS	11 093 766	10 377 604
EQUITY		
Share capital	682 095	682 095
Treasury shares	(18 206)	(45 615)
Employee benefits reserve	183 987	203 651
Black Economic Empowerment reserve	14 300	14 300
Retained earnings	4 250 128	3 813 346
Capital and reserves attributable to owners of Assupol Holdings	5 112 304	4 667 777
Non-controlling interest	-	(399)
TOTAL EQUITY	5 112 304	4 667 378
LIABILITY		
Policyholder liabilities: Investment contracts		
At fair value through profit or loss	2 524 658	1 995 293
At amortised cost	1 596 889	1 925 292
Other liabilities	446 328	412 046
Employee benefits	73 982	76 404
Deferred revenue liability	486	478
Deferred taxation liability	702 519	798 961
Insurance and other payables	614 246	501 752
Current taxation	22 354	-
TOTAL LIABILITIES	5 981 462	5 710 226
TOTAL EQUITY AND LIABILITIES	11 093 766	10 377 604

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2022

R'000	Share capital	Treasury shares	Employee benefits reserve	BEE reserve	Retained income	Non-controlling interest	Total capital
Balance at 30 June 2020	640 484	(39 498)	210 047	14 300	3 689 366	(47)	4 514 652
Cost of incentive shares	-	-	536	-	-	-	536
B2' shares issued	39 791	(39 791)	-	-	-	-	-
Treasury shares acquired	-	(1 676)	-	-	-	-	(1 676)
Deferred bonus recognition	-	-	28 418	-	-	-	28 418
Dividend paid	-	-	-	-	(230 468)	-	(230 468)
Vesting of deferred bonus shares	-	35 350	(35 350)	-	-	-	-
Adjustment of redemption on preference	1 820	-	-	-	1 768	-	3 588
Profit for the year	-	-	-	-	352 680	(352)	352 328
Balance at 30 June 2021	682 095	(45 615)	203 651	14 300	3 813 346	(399)	4 667 378
Cost of incentive shares	-	-	211	-	-	-	211
Treasury shares acquired	-	(8 928)	-	-	-	-	(8 928)
Deferred bonus recognition	-	-	16 462	-	-	-	16 462
Dividend paid	-	-	-	-	(177 434)	-	(177 434)
Vesting of deferred bonus shares	-	36 337	(36 337)	-	-	-	-
Acquisition of non-controlling interest in subsidiary	-	-	-	-	(584)	584	-
Profit for the year	-	-	-	-	614 800	(185)	614 615
Balance at 30 June 2022	682 095	(18 206)	183 986	14 300	4 250 128	-	5 112 303

CONDENSED STATEMENT OF CASH FLOWS

for the year ended 30 June 2022

R'000	2022	2021
Cash flows from operating activities		
Cash generated from operations	941 872	820 411
Net acquisition of financial instruments		
at fair value through profit or loss	(1 061 532)	(446 889)
at amortised cost	466 544	(101 233)
Interest received	228 787	202 916
Dividends received	52 978	34 929
Dividends paid	(177 434)	(230 468)
Finance charges	(38 746)	(38 312)
Taxation paid	(228 843)	(194 388)
Net cash flows from operating activities	183 626	46 966
Cash flows from investing activities		
Acquisition of property and equipment	(25 551)	(18 619)
Acquisition of intangible assets	(71 041)	(44 000)
Proceeds on disposal of equipment	3 978	3 417
Net cash flows from investing activities	(92 614)	(59 202)
Cash flows from financing activities		
Increase in treasury shares	(8 928)	(1 676)
Payment of principal lease payments	(27 356)	(26 238)
Net cash flows from financing activities	(36 284)	(27 914)
Net increase / (decrease) in cash and cash equivalents	54 728	(40 150)
Cash and cash equivalents at beginning of the year	384 400	424 550
Cash and cash equivalents at end of the year	439 128	384 400

SEGMENT REPORT

for the year ended 30 June 2022

The Group's operating segments are based on the legal entities within the Group with Assupol Life being analysed further between its individual business, group business and other operations. The Group Executive Committee makes decisions about resource allocation on the performance of these operations and financial information is provided on that basis.

- Individual business: This operating segment pertains to Assupol Life's distribution channels for individual business. It also includes single premium products as well as the Cornerstone distribution channel.
- Group business: This segment includes Assupol Life's group schemes.
- Other operations: This segment includes those transactions of Assupol Life that are not allocated to individual and group business (shareholders funds) as well as all Assupol Holdings, Assupol Investment Holdings, and the other smaller and dormant entities in the Assupol Group.
- Intersegmental: It includes those accounting reclassifications and entries that are required to produce IFRS compliant consolidated results.

R'000	2022	2021
Revenue		
Segment revenue	5 157 064	5 304 337
Individual business	4 148 127	4 241 564
Group business	725 633	697 663
Other operations	283 304	365 110
Inter-segmental	(184 628)	(263 417)
Group revenue for the year	4 972 436	5 040 920
Profit after taxation		
Segment profit after taxation	797 973	585 657
Individual business	621 004	454 940
Group business	(16 940)	(99 959)
Other operations	193 909	230 676
Inter-segmental	(183 358)	(233 328)
Group profit for the year	614 615	352 328
Group comprehensive income for the year	614 615	352 328
Assets and liabilities		
Segment profit after taxation	11 903 776	11 142 093
Individual business	9 232 077	8 821 575
Group business	(23 003)	(78 918)
Other operations	2 694 702	2 399 436
Inter-segmental	(810 010)	(764 489)
Group assets	11 093 766	10 377 604
Segment profit after taxation	5 988 408	5 706 118
Individual business	5 964 887	5 691 611
Group business	-	-
Other operations	23 521	14 507
Inter-segmental	(6 946)	4 108
Group liabilities	5 981 462	5 710 226

NOTES TO THE FINANCIAL RESULTS **for the year ended 30 June 2022**

1. GENERAL INFORMATION

Assupol Holdings Limited and its subsidiaries operate in the financial services industry and all products and services are offered only in the Republic of South Africa.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Group has applied the provisions of the Companies Act, no 71 of 2008 as amended, which allows for summarised financial results as disclosed in this report.

This condensed financial report for the year ended 30 June 2022 has been prepared in accordance with the International Financial Reporting Standard IAS 34 and the reporting requirements of CTSE.

The condensed financial results have not been audited.

The condensed financial report does not include all the notes normally included in the annual financial statements. Accordingly, this report should be read in conjunction with the annual financial statements for the year ended 30 June 2022. The accounting policies adopted are consistent with those used in the annual financial statements for the year ended 30 June 2021.

The Group elected to defer the implementation of IFRS 9 - Financial Instruments to coincide with the implementation of IFRS 17 - Insurance Contracts as a result of an assessment performed by management in line with the deferral provisions in IFRS 4 - Insurance Contracts. Based on this assessment it was concluded that the Group meets these provisions due to the fact that the Group's insurance liabilities exceed 80% of total liabilities. There has been no change in the Group's activities that warrants a reassessment of applying the temporary exemption from IFRS 9. The Group has not previously applied IFRS 9 and qualified for the exemption from the period preceding 1 April 2016.

The condensed financial results have been compiled by R Boonzaaier CA(SA), Senior Executive Manager: Group Finance under supervision of D de Klerk CA(SA), Group Chief Financial Officer.

3. SUMMARY OF CRITICAL ACCOUNTING ESTIMATES

The Group makes estimates and assumptions concerning the future. The resulting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

3.1 Policyholder liabilities / assets under long-term insurance contracts

The determination of the liabilities / assets under long-term insurance contracts is dependent on assumptions and estimates made by the Group. The full details of these assumptions and estimates are in note 4 to the Group's annual financial statements for the year ended 30 June 2022.

The following methodology was used to determine the Covid-19 reserves:

- A scenario was established to quantify the best estimate of the most likely financial outcome based on all relevant and reliable external data sources, whilst recognising that the range of outcomes is large.
- Consideration was given to the Group's own actual experience compared to the long term assumptions and the experience published by the South African Medical Research Council.
- The percentage of South African population that was vaccinated as well as the fact that a large portion of the Group's policyholders are first line workers, were considered.
- R62.5 million of the reserve that was included in policyholder liabilities at the end of the 2021 financial year was released during the financial year as no further claims pertaining to past or the current waves were expected.
- A new reserve was established for excess deaths for Assupol's individual business and group business channels. The balance of this reserve at the end of the financial year was R175.5 million (R126.4 million after tax).

The assets under long-term insurance contracts decreased by R63.5 million resulting in a net year-end asset balance of R2 633.4 million (net of reinsurance).

3.2 Other assumptions and estimates

Other assumptions and estimates for the year ended 30 June 2022 addressed the following items:

- Impairment tests are performed on all cash generating units to which goodwill is allocated;
- The calculation of current and deferred taxation; and
- Measurement and accounting of lease assets, liabilities and finance charges in terms of IFRS16.

4. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk, cash flow and interest rate risk), credit risk and liquidity risk. These risks can affect the values of the Group's financial assets and liabilities, as well as the Group's insurance contract assets and liabilities.

4.2 Liquidity risks arising out of the subordinated debt agreement

The table below analyses the settlement value for the subordinated debt agreement differentiating between relevant maturity groupings, based on the remaining period at the end of the reporting period to the contractual maturity date.

R'000	2022	2021
Contractual undiscounted cash flows		
Within 1 year	150 315	25 401
1 to 2 years	128 509	25 401
3 to 5 years	-	253 417
Total	278 824	304 219

4.3 Fair value estimation

The tables below analyses each class of financial instrument and insurance contracts, per category.

June 2022 (R'000)	Financial assets and liabilities at FVTPL on initial recognition	Financial assets at amortised cost	Financial liabilities at amortised cost	Total carrying amount	Fair value
Financial assets - Investments	5 796 701	1 557 610	-	7 354 311	7 326 985
Insurance and other receivables	-	208 180	-	208 180	208 180
Cash and cash equivalents	-	439 128	-	439 128	439 128
Investment contract liabilities	2 524 658	-	1 596 889	4 121 547	4 094 221
Other liabilities	-	-	446 328	446 328	452 085
Accounts payable	-	-	61 788	61 788	61 788
June 2021 (R'000)					
Financial assets - Investment	4 838 632	1 869 308	-	6 707 940	6 792 302
Insurance and other receivables	-	204 421	-	204 421	204 421
Cash and cash equivalents	-	384 400	-	384 400	384 400
Investment contract liabilities	1 995 293	-	1 925 292	3 920 585	3 836 222
Other liabilities	-	-	412 046	412 046	429 127
Accounts payable	-	-	69 180	69 180	69 180

4.4 Fair value hierarchy

The measurement at fair value, grouped into levels 1 to 3, is based on the degree to which the fair value is observable:

- Level 1: Valued with reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs for the asset or liability that are not based on observable market data thus unobservable inputs.

The valuation techniques and assumptions applied for purposes of measuring fair value of financial assets and liabilities are determined as follows:

For level 1:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.

For level 2:

- The fair value of other financial assets and financial liabilities (excluding derivatives) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.
- Observable inputs generally used to measure the fair value of securities classified as level 2 include benchmark yields, reported secondary trades, broker-dealer quotes, issuer spreads, benchmark securities, bids, offers and reference data. The specific inputs used are:
 - > Risk free rate: 4.75% to 6.90%
- The fair value of derivatives is calculated using quoted prices. Where such prices are not available, discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. The specific inputs used are:
 - > Dividend yield: 1.23% to 2.92%;
 - > Risk free rate: 5.05% to 6.90%;
 - > Equity index level strike: 58 050 to 75 550 (index level 60 109 at year-end);
 - > Equity volatility: 19.15% to 24.48%;
- The fair value of financial guarantee contracts is determined using option pricing models where the main assumptions are the probability of default by the specified counterparty extrapolated from the market-based credit information and the amount of loss, given the default.

For level 3:

- When classifying fair value measures within level 3 of the valuation hierarchy the determining factors are generally based on the significance of the unobservable factors when compared to the overall fair value measurement. The Group applies various due diligence procedures, as considered appropriate, to validate the underlying information used in the valuations.
- The table on the next page analyses financial instruments carried at fair value by valuation method. There were no transfers between the various levels during the current and previous financial years.

June 2022 (R'000)	Level 1	Level 2	Level 3	TOTAL
Local listed shares	1 000 065	-	-	1 000 065
Derivatives: Equity options	-	681 683	-	681 683
Unit trusts	349 752	-	-	349 752
Debt securities	567 377	1 823 566	-	2 390 943
Deposits and money market securities*	1 191 587	1 712 955	-	2 904 542
Total financial assets	3 108 781	4 218 204	-	7 326 985
Net investment contract liabilities*	-	4 094 221	-	4 094 221
Other liabilities - Subordinated debt	255 827	-	-	255 827
Total financial liabilities	255 827	4 094 221	-	4 350 048
June 2021 (R'000)	Level 1	Level 2	Level 3	TOTAL
Local listed shares	995 210	-	-	995 210
Derivatives: Equity options	-	199 549	-	199 549
Unit trusts	369 895	-	-	369 895
Debt securities	489 776	1 732 334	-	2 222 110
Deposits and money market securities*	922 583	2 082 955	-	3 005 538
Total financial assets	2 777 464	4 014 838	-	6 792 302
Net investment contract liabilities*	-	3 836 222	-	3 836 222
Other liabilities - Subordinated debt	267 151	-	-	267 151
Total financial liabilities	267 151	3 836 222	-	4 103 373

* Includes financial instruments designated as 'at amortised cost' as the fair values have been estimated in accordance with note 4.3.

5. RELATED PARTY TRANSACTIONS

R'000	2022	2021
Loans to key management		
Balance at end of year	-	5 984

Assupol Life granted a loan to an executive director for the purchase of shares in Assupol Holdings. This was approved as required by the Companies Act, 71 of 2008, and the Long Term Insurance Act, 52 of 1998. The loan was fully repaid during the financial year.

R'000	2022	2021
Remuneration and restricted incentives - Executive directors and prescribed officers		
Salary, pension fund contributions and other benefits	31 945	27 214
Cash bonus	2 771	1 034
Restricted incentives	7 852	13 876
Non-executive directors' fees ⁽¹⁾		
Board fees	8 598	6 990
Committee fees	4 437	4 703
(1) The fees include deemed VAT applicable to non-resident non-executive directors.		
Units ('000)	2022	2021
Securities held by directors and prescribed officers		
Direct beneficial	20 326	21 548
Indirect beneficial	967	905

5. EVENTS AFTER REPORTING PERIOD

Dividend declaration

On 30 September 2022 the Board of Directors declared an ordinary dividend of 64 cents and special dividend of 42 cents per qualifying ordinary share for the year ended 30 June 2022.

Subordinated debt

Subsequent to the year-end Assupol Life has received approval from the Prudential Authority to raise debt to an amount of R350 million through a debt medium term note programme. The Board approved this subordinated debt prior to the year end. It is expected that the process will be completed by the end of September 2022.



CORPORATE INFORMATION

Company Secretary - Wilna van Zyl

Summit Place Office Park,
Building 6,
221 Garstfontein road,
Menlyn,
Pretoria, 0181

P O Box 35900
Menlo Park
Pretoria
0102