

This pack has been prepared to aid discussion and provide further supplementary information only and has not been subject to an external review or audit

CUSTOMERS PER ENTITY
Life Policyholders

	December 2023	June 2023	December 2022	June 2022	December 2021	June 2021	December 2020	June 2020	December 2019	June 2019	December 2018
Individual	449,300	447,690	449,130	449,020	449,378	448,313	445,813	446,713	452,561	446,475	440,747
Invest											
Invest - DRO	137,718	137,189	135,819	134,721	133,741	132,817	131,244	129,606	127,831	124,135	120,253
Invest - Other	225,414	221,273	216,479	212,161	206,778	201,210	195,231	192,615	189,210	185,025	179,975
Group (lives)	707,756	711,161	680,754	584,081	562,769	576,450	562,440	578,035	551,219	544,443	539,552
Group schemes	2,647	2,663	2,666	2,793	2,844	2,827	2,825	2,797	2,740	2,771	2,635

Life NB APE

	6 months to December 2022	12 months to June 2023	6 months to December 2022	12 months to June 2022	6 months to December 2021	12 months to June 2021	6 months to December 2020	12 months to June 2020	6 months to December 2019	12 months to June 2019	6 months to December 2018
Individual	1,444	2,663	1,355	2,362	1,204	2,072	1,068	2,126	1,165	2,215	1,157
Group	75	175	130	181	64	193	94	160	75	97	55
Invest - Recurring	851	1,551	796	1,428	737	1,167	573	1,164	686	1,221	661
Invest - Single APE**	778	1,500	708	1,493	782	1,570	744	1,508	671	1,382	726
Total Life APE**	3,148	5,889	2,990	5,464	2,786	5,001	2,478	4,958	2,597	4,915	2,599

** APE shown at 10% of Single premium

Health Members

	December 2023	June 2023	December 2022	June 2022	December 2021	June 2021	December 2020	June 2020	December 2019	June 2019	December 2018
DHMS - Keycare	226,848	225,517	232,988	232,055	234,421	235,841	230,960	232,714	243,046	240,140	251,951
DHMS - Non-Keycare	1,147,016	1,149,861	1,142,556	1,135,853	1,118,591	1,111,545	1,099,553	1,111,079	1,108,674	1,110,401	1,098,903
In-House Schemes	321,333	319,813	321,838	318,246	316,973	321,613	321,767	319,974	317,408	316,410	315,875
Total	1,695,197	1,695,191	1,697,382	1,686,154	1,669,985	1,668,999	1,652,280	1,663,767	1,669,128	1,666,951	1,666,729

Health Lives

	December 2023	June 2023	December 2022	June 2022	December 2021	June 2021	December 2020	June 2020	December 2019	June 2019	December 2018
DHMS - Keycare	385,906	384,759	398,397	397,595	401,307	404,984	400,108	403,392	420,869	415,436	436,543
DHMS - Non-Keycare	2,402,336	2,413,851	2,412,595	2,406,528	2,383,486	2,375,082	2,358,232	2,381,735	2,387,237	2,394,336	2,382,596
In-House Schemes	710,485	707,406	710,427	704,472	699,342	707,293	704,749	698,534	689,688	686,114	677,530
Total	3,498,727	3,506,016	3,521,419	3,508,595	3,484,135	3,487,359	3,463,089	3,483,661	3,497,794	3,495,886	3,496,669

Vitality SA

	December 2023	June 2023	December 2022*	June 2022	December 2021	June 2021	December 2020	June 2020	December 2019	June 2019	December 2018
Total Vitality Health, Vitality Drive and Vitality Money programme lives	2,822,972	2,652,877	2,498,048	2,348,834	2,242,401	2,163,411	2,122,453	2,065,868	2,060,011	1,987,237	2,001,919

*restated to include for LA wellness figures

VitalityHealth Members

	December 2023	June 2023	December 2022	June 2022	December 2021	June 2021	December 2020	June 2020	December 2019	June 2019	December 2018
Individual	138,278	135,117	129,568	124,395	117,007	113,189	108,955	105,915	104,997	101,702	96,277
SME	327,876	310,624	285,865	263,216	238,540	222,961	211,949	212,305	209,509	201,960	190,835
Corporate	112,941	108,191	102,823	99,578	89,881	86,149	80,514	81,124	78,050	70,583	61,970
Trust and Cost Plus	16,448	16,339	14,511	8,698	3,944	2,731	2,639	-	-	-	-
Total	595,543	570,271	532,767	495,887	449,372	425,030	404,057	399,344	392,556	374,245	349,082

VitalityHealth Lives

	December 2023	June 2023	December 2022	June 2022	December 2021	June 2021	December 2020	June 2020	December 2019	June 2019	December 2018
Individual	256,527	250,551	238,629	227,684	212,896	204,890	195,996	188,976	186,559	179,811	168,609
SME	522,753	496,299	460,442	429,110	395,777	374,179	357,768	356,907	353,763	342,431	327,594
Corporate	178,163	171,364	163,120	158,890	148,654	143,905	135,218	135,440	131,991	120,157	107,570
Trust and Cost Plus	27,349	26,854	22,673	15,903	6,509	4,066	3,956	-	-	-	-
Total	984,792	945,068	884,864	831,587	763,836	727,040	692,938	681,323	672,313	642,399	603,773

VitalityLife Policies

	December 2023	June 2023	December 2022	June 2022	December 2021	June 2021	December 2020	June 2020	December 2019	June 2019	December 2018
Policies	646,564	622,451	593,322	565,778	535,281	517,913	493,970	474,890	458,675	434,678	408,914

VitalityLife Lives

	December 2023	June 2023	December 2022	June 2022	December 2021	June 2021	December 2020	June 2020	December 2019	June 2019	December 2018
Lives*	782,296	764,699	735,137	702,105	669,139	647,020	617,051	594,799	577,965	549,526	516,020

*restated to include unique lives only

Discovery Insure Policies

	December 2023	June 2023	December 2022	June 2022	December 2021	June 2021	December 2020	June 2020	December 2019	June 2019	December 2018
Policies	215,297	211,223	214,315	213,453	212,570	202,335	191,936	178,517	169,920	159,171	152,947

Discovery Bank

	December 2023	June 2023	December 2022	June 2022	December 2021	June 2021	December 2020	June 2020	December 2019	June 2019	December 2018
Primary Clients	825,069	702,131	581,457	470,220	385,177	331,088	287,183	206,810	61,731	1,476	-
Total Accounts	1,933,839	1,625,912	1,312,970	1,023,790	793,215	648,546	521,081	357,416	141,660	3,740	-

VALUE OF NEW BUSINESS AT POINT OF SALE VS VALUATION DATE

December 2023

VNB at Point of Sale

R million	Health and Vitality	Life and Invest	VitalityHealth	VitalityLife	Total
Acquisition Costs and Initial strain	(253)	(1,452)	(754)	(610)	(3,069)
Value of In Force	659	1,739	999	510	3,907
Cost of Capital	(21)	(45)	(53)	(35)	(154)
	385	242	192	(135)	684

New business contribution to value of in force at valuation date

R million	Health and Vitality	Life and Invest	VitalityHealth	VitalityLife	Total
Value of In Force	660	1,256	960	513	3,389
Cost of Capital	(21)	(45)	(52)	(28)	(146)
	639	1,211	908	485	3,243

June 2023

VNB at Point of Sale

R million	Health and Vitality	Life and Invest	VitalityHealth	VitalityLife	Total
Acquisition Costs and Initial strain	(485)	(2,757)	(1,885)	(1,701)	(6,828)
Value of In Force	1,439	3,273	2,154	1,704	8,570
Cost of Capital	(39)	(87)	(87)	(89)	(302)
	915	429	182	(86)	1,440

New business contribution to value of in force at valuation date

R million	Health and Vitality	Life and Invest	VitalityHealth	VitalityLife	Total
Value of In Force	1,434	2,575	1,745	1,907	7,661
Cost of Capital	(38)	(87)	(95)	(95)	(315)
	1,396	2,488	1,650	1,812	7,346

December 2022

VNB at Point of Sale

R million	Health and Vitality	Life and Invest	VitalityHealth	VitalityLife	Total
Acquisition Costs and Initial strain	(231)	(1,377)	(815)	(815)	(3,238)
Value of In Force	762	1,754	895	919	4,330
Cost of Capital	(20)	(48)	(38)	(46)	(152)
	511	329	42	58	940

New business contribution to value of in force at valuation date

R million	Health and Vitality	Life and Invest	VitalityHealth	VitalityLife	Total
Value of In Force	760	1,514	703	922	3,899
Cost of Capital	(19)	(48)	(37)	(55)	(159)
	741	1,466	666	867	3,740

June 2022

VNB at Point of Sale

R million	Health and Vitality	Life and Invest	VitalityHealth	VitalityLife	Total
Acquisition Costs and Initial strain	(425)	(2,590)	(1,502)	(1,378)	(5,895)
Value of In Force	1,383	3,385	1,900	1,597	8,265
Cost of Capital	(30)	(90)	(81)	(108)	(309)
	928	705	317	111	2,061

New business contribution to value of in force at valuation date

R million	Health and Vitality	Life and Invest	VitalityHealth	VitalityLife	Total
Value of In Force	1,368	2,934	1,482	1,577	7,361
Cost of Capital	(30)	(90)	(81)	(121)	(322)
	1,338	2,844	1,401	1,456	7,039

December 2021

VNB at Point of Sale

R million	Health and Vitality	Life and Invest	VitalityHealth	VitalityLife	Total
Acquisition Costs and Initial strain	(205)	(1,300)	(677)	(739)	(2,921)
Value of In Force	596	1,765	783	839	3,983
Cost of Capital	(13)	(40)	(32)	(41)	(126)
	378	425	74	59	936

EV RECONCILIATION TO INCOME STATEMENT

for the half year ended 31 December 2023

R million	Embedded Value Earnings	Value of In-Force	Cost of required Capital	Impact on Income Statement	Adjustment to Shareholders Funds	Statement of Changes in Equity
Total profit from new business	684	3,350	(154)	(2,512)		
- Health and Vitality	385	640	(21)	(234)	-	-
- Life	242	1,289	(45)	(1,002)	-	-
- VitalityHealth	192	941	(53)	(696)	-	-
- VitalityLife	(135)	480	(35)	(580)	-	-
Profit from existing business						
* Expected return	5,025	1,369	(39)	3,695		
- Health and Vitality	1,911	399	1	1,511		
<i>Expected transfer from VIF to net worth</i>	-	(1,511)	-	1,511		
<i>Unwinding of the risk discount rate</i>	1,911	1,910	1	-		
- Life	2,259	1,419	(1)	841		
<i>Expected transfer from VIF to net worth</i>	-	(841)	-	841		
<i>Unwinding of the risk discount rate</i>	2,259	2,260	(1)	-		
- VitalityHealth	415	(470)	(22)	907		
<i>Expected transfer from VIF to net worth</i>	-	(907)	-	907		
<i>Unwinding of the risk discount rate</i>	415	437	(22)	-		
- VitalityLife	440	21	(17)	436		
<i>Expected transfer from VIF to net worth</i>	-	(436)	-	436		
<i>Unwinding of the risk discount rate</i>	440	457	(17)	-		
* Change in methodology and assumptions	666	(925)	626	965		
- Health and Vitality	(756)	(773)	17	-		
- Life	(139)	(1,126)	(62)	1,049		
- VitalityHealth	643	680	(37)	-		
- VitalityLife	918	294	708	(84)		
* Experience variances	879	616	55	208		
- Health and Vitality	299	18	(2)	283		
- Life	(50)	160	9	(219)		
- VitalityHealth	414	236	47	131		
- VitalityLife	216	202	1	13		
Increase in goodwill and intangibles	(110)	-	-	-	(110)	-
Other initiatives	89	11	-	78	-	-
Non-recurring expenses	(159)	-	-	(159)	-	-
Acquisition costs	(19)	(2)	-	(17)	-	-
Finance costs	(1,662)	-	-	(1,662)	-	-
Other	(6)	-	-	-	(6)	-
Foreign Exchange Rate Movements	(478)	(406)	24	155	80	(331)
Intangibles	69	-	-	-	69	-
DAC	11	-	-	-	11	-
Puttable NCI Liability	-	-	-	-	-	-
Other	(558)	(406)	24	155	-	(331)
Return on shareholders' funds	893	-	-	896	-	(3)
Unrealised gain on investments and realised gain on investments transferred to income statement	618	-	-	621	-	(3)
Health and Vitality investment income	51	-	-	51	-	-
Life investment income	224	-	-	224	-	-
VitalityHealth investment income	-	-	-	-	-	-
VitalityLife investment income	-	-	-	-	-	-
Amortisation of Intangibles	(30)	-	-	(212)	182	-
Amortisation of intangibles from business combinations	(30)	-	-	(45)	15	-
Amortisation of systems intangibles	-	-	-	(167)	167	-
VitalityHealth and VitalityLife DAC and unemployment reserve	-	-	-	145	(145)	-
Reversal of 1 Discovery Place IFRS 16 financial lease accounting	-	-	-	(73)	73	-
Life assets under insurance contracts	-	-	-	1,256	(1,256)	-
VitalityLife net assets under insurance contracts	-	-	-	511	(511)	-
Equity settled share based payment mark-to-market adjustment	-	-	-	70	(70)	-
Embedded value earnings	5,772	4,013	512	3,344	(1,763)	(334)
Adjustment to Shareholders' Funds:						
Change in: *						
DAC	840					
Intangibles & Goodwill	126					
Life negative reserve	8,266					
VitalityLife negative reserve	3,312					
1 DP IFRS 16 financial lease accounting	73					
Equity settled share based payment mark-to-market adjustment	(70)					

* The change in the adjustments to shareholder's funds is a on a consistent IFRS 17 basis between 31 December 2023 and 30 June 2023. The reported change in adjustment to shareholder's funds for 30 June 2023 and prior (in the Group EV Statement) is on an IFRS 4 basis.

EV BUILD-UP PER ENTITY

for the half year ended 31 December 2023

R million	Health and Vitality	Life and Invest	VitalityHealth	VitalityLife	Other	Total
Value of in-force business at 30 June 2023	25,473	31,636	12,099	10,682	-	79,890
Expected return (in-force business)	1,893	2,230	404	436	-	4,963
Release of profits (in-force business)	(1,511)	(841)	(907)	(436)	-	(3,695)
Value of new business	638	1,694	946	475	-	3,753
Expected return (new business)	18	29	11	4	-	62
Release of profits (new business)	(19)	(450)	(58)	(30)	-	(557)
Experience variances	16	169	283	203	-	671
Methodology changes	(756)	(1,188)	643	1,002	-	(299)
Other	-	9	(207)	(175)	-	(373)
Value of in-force business at 31 December 2023	25,752	33,288	13,214	12,161	-	84,415
Shareholders' funds per Balance Sheet	4,426	26,800	9,480	4,517	6,983	52,206
Adjustment to shareholders' funds	-	(17,225)	(4,162)	(8,751)	(3,003)	(33,141)
Embedded value at 31 December 2023	30,178	42,863	18,532	7,927	3,980	103,480

COMPONENTS OF ASSETS UNDER INSURANCE CONTRACTS AND ADJUSTMENT SHAREHOLDERS' FUNDS ON PUBLISHED BASIS

R million December 2023

1. Assets under insurance contracts	
Discovery Life positive liabilities not netted off with negative liabilities*	674
Discovery Life long term reserves in respect of policies with net negative liabilities:	(27,780)
Working capital	175
Discovery Life liability for incurred claims (LIC)	7,029
Total Assets under insurance contracts:	(19,901)

* The Discovery Retirement Optimiser pre-retirement matching strategy has been revised to consider portfolio cash flows available in the negative reserve to match policies with positive reserves where appropriate by nature and duration. Whilst this does not change the overall IFRS liability it results in a transfer of value from value of in-force to net worth on the embedded value basis.

2. Negative liabilities not included under assets under insurance contracts	
Negative reserve in respect of Invest business	(6,730)
DAC and DRL in respect of Invest business	(745)
	(7,475)

3. Components to be zeroised based on the Method of Distributable Cashflows:	
Discovery Life long term reserves in respect of policies with net negative liabilities:	(27,780)
Liabilities under reinsurance contracts**	444
Negative reserve in respect of Invest business	(6,730)
DAC and DRL in respect of Invest business	(745)
Adjust for reduction on Deferred Tax Liability as a result of reduction in earnings	5,307
Liabilities off set against Negative reserve before zeroisation	12,278
	(17,225)

** This amount is the liability under reinsurance contracts, net of CSM, in respect of the portion of the gross assets under insurance contracts zeroised based on the method of distributable cashflows.

4. Other adjustments to published Shareholders' funds	
VitalityLife net assets under insurance contracts***	(8,739)
VitalityHealth and VitalityHealth Insurance Limited deferred acquisition costs (net of deferred tax)****	(4,162)
VitalityLife receivable relating to the Unemployment Cover benefit (net of deferred tax)	(12)
Goodwill	(2,916)
Intangible assets (net of deferred tax) relating to the acquisition of Standard Life Healthcare and the Prudential Assurance Company joint venture	(820)
Net preference share capital	(779)
Reversal of 1 Discovery Place IFRS 16 financial lease accounting	1,406
Equity settled share based payment mark-to-market adjustment	106
Adjustment to Shareholders' funds from published basis	(33,141)

***For periods prior to June 2022, the "Vitality Life Limited net assets under insurance contracts" included an adjustment for the Discovery funded VitalityLife business on the Prudential Assurance Company licence net assets under insurance contracts. From 30 June 2022, the Discovery funded VitalityLife business on the Prudential licence net assets under insurance contracts are no longer eliminated in the embedded value because the Discovery funding was settled as part of the agreement to delay the Part VII transfer in the period, aligning the financial operation of all VitalityLife business on the Prudential Assurance Company licence.

BREAKDOWN OF INVEST ASSETS UNDER ADMINISTRATION

R million	Total
December 2021	127,632
June 2022	121,737
December 2022	130,830
June 2023	140,378
December 2023	144,810

VIF, APE AND VNB SPLIT BETWEEN LIFE AND INVEST

R million	December 2023	June 2023	December 2022	June 2022	December 2021
VIF**					
Life	22,859	22,244	23,133	22,059	20,467
Invest	10,429	9,393	9,521	8,505	9,524
APE***					
Life	426	823	463	837	407
Invest	1,150	2,142	1,033	2,158	1,130
VNB**					
Life	136	162	169	364	227
Invest	106	267	160	341	198

*Discovery Retirement Optimiser (DRO) product moved from Life to Invest in line with disclosures for December 2016 and later periods.

** These VIF and VNB numbers are after allowing for the Cost of required Capital.

***APE is the Annual Premium Income (or Annual Premium Equivalent in the case of Single Premium Investment business) in relation to New Business only, and excludes any addition to Existing Business premiums arising from servicing increases and ACIs.

RECONCILIATION TO THE REQUIRED CAPITAL

for the half year ended 31 December 2023

R million	Health and Vitality	Life and Invest	VitalityHealth	VitalityLife	Total
Opening - 30 June 2023	1,108	26,011	4,238	10,630	41,987
- Methodology and Basis Changes	-	421	-	272	693
- Expected release on in-force at start of period	(15)	(224)	(108)	(231)	(578)
- Impact of new business written	55	537	284	606	1,482
- Other changes*	11	971	(28)	(1,070)	(116)
- Exchange rate movements	-	-	(74)	(197)	(271)
Change in Required Capital	51	1,705	74	(620)	1,210
	-	-	-	-	-
Closing - 31 December 2023	1,159	27,716	4,312	10,010	43,197

*This line includes, amongst other things, the impact of rebasing the yield curve as part of the opening to closing reconciliation of required capital. This component of the expected yield curve unwind is shown separately from the expected release for information purposes only.

For VitalityLife, this line includes the release of the 1.5 times the UK Solvency I long-term insurance capital requirement associated with the VitalityLife business on the PAC license.

R million	SA HEALTH	SA LIFE	SA INVEST	SA INSURE	SA BANK	UK HEALTH	UK LIFE	ALL OTHER SEGMENTS	SEGMENT TOTAL	IFRS REPORTING ADJUSTMENTS	IFRS TOTAL
Income statement											
Insurance premium revenue	193	8 595	1 866	2 792	-	7 960	4 368	343	26 117	-	26 117
- Contracts measured under GMM/ VFA	-	6 859	1 866	-	-	-	4 368	-	13 093	-	13 093
- Contracts measured under PAA	193	1 736	-	2 792	-	7 960	-	343	13 024	-	13 024
Insurance service expenses	-139	-7,489	-1,174	-2,810	-	-7,197	-3,768	-376	-22,953	-	-22,953
- Claims and benefits	-77	-5,700	-202	-1,838	-	-4,297	-2,281	-236	-14,631	-	-14,631
- Insurance service expense and other	-62	-819	-525	-452	-	-2,051	-209	-140	-4,258	-	-4,258
- Insurance acquisition cash flows	-	-970	-447	-520	-	-849	-1,278	-	-4,064	-	-4,064
Insurance service result (pre-reinsurance)	54	1,106	692	-18	-	763	600	-33	3,164	-	3,164
Net expense/income from reinsurance contracts	-	-410	-	-19	-	-5	-214	1	-609	-	-609
Reinsurance expense	-	-1,800	-	-249	-	-5	-2,675	-135	-4,864	-	-4,864
- Insurance claims recovered from reinsurers	-	1,390	-	268	-	-	2,461	136	4,255	-	4,255
Insurance service result	54	696	692	1	-	758	386	-32	2,555	-	2,555
Net financial result from insurance finance income and expense	-	1,318	-3,939	-	-	-	76	-	-2,545	-347	-2,892
- Net finance income/ (expense) from insurance contracts	-	1,414	-3,939	-	-	-	142	-	-2,383	-347	-2,730
- Net finance expense from reinsurance contracts	-	-96	-	-	-	-	-66	-	-162	-	-162
Investment income on assets backing policyholder liabilities	-	10	26	103	-	83	41	10	273	139	412
Net fair value (losses)/ gains on financial instruments at fair value through profit or loss	-4	520	3,911	4	-	56	-	424	4,911	1,759	6,670
Fair value adjustments to liabilities under investment contracts	-	-1	-260	-	-	-	-	-430	-691	-	-691
Third party interest fair value adjustments to liabilities under investment contracts	-	-	-	-	-	-	-	-	-	-1,149	-1,149
Inter-segment funding ¹	-	-121	121	-	-	-	-	-	-	-	-
Other gains on financial instruments	-	-	-	-	5	-	-	-	5	-	5
Net Insurance and Investment results	50	2,422	551	108	5	897	503	-28	4,508	402	4,910
Fee income from administration businesses	4 452	-	812	4	-	25	-	1 610	6 903	-	6 903
Vitality income	-	-	-	-	-	301	131	1,703	2,135	-	2,135
Net banking fee and commission income	-	-	-	-	567	-	-	14	581	-	581
- Banking fee and commission income ¹	-	-	-	-	845	-	-	-	845	-	845
- Banking fee and commission expense	-	-	-	-	(278)	-	-	14	(264)	-	(264)
Net bank interest and similar income	-	-	-	-	366	-	-	-	366	-	366
- Bank interest and similar income using the effective interest rate	-	-	-	-	869	-	-	-	869	-	869
- Bank interest and similar expense using the effective interest rate	-	-	-	-	-503	-	-	-	-503	-	-503
Other income	689	1	-	11	-	12	-	66	779	-	779
Non-insurance revenue and income	5,141	1	812	15	933	338	131	3,393	10,764	-	10,764
Net income	5 191	2 423	1 363	123	938	1 235	634	3 365	15 272	402	15 674
Acquisition costs	-	-	-402	-	-	-	-	-54	-456	-	-456
Expected credit losses	-	-	-	-	-93	-	-	-	-93	-	-93
Marketing and administration expenses	-79	-	-7	-35	-175	-228	-23	-409	-956	-84	-1,040
- depreciation and amortisation	-	-	-	-3	-	-1	-	-4	-8	-	-8
- derecognition of intangible assets and property and equipment	-	-	-	-	-	-	-	-	-	-	-
- impairment of intangible assets and property and equipment	-	-	-	-	-	-	-	-	-	-	-
- other expenses	-3,238	-156	-334	-84	-1,009	-480	-221	-2,917	-8,439	-86	-8,525
Share of net profits from equity-accounted investments	-	-	-	19	-	1	-	282	302	-24	278
Normalised profit/(loss) from operations	1 874	2 267	620	20	(339)	527	390	263	5 622	208	5 830
Investment income earned on shareholder investments and cash	54	13	6	-	-	-	-	66	139	(139)	-
intercompany investment income	-	-	-	-	-	-	-	823	823	(823)	-
Net fair value gains/(losses) on financial assets at fair value through profit or loss	-	29	27	-	-	-	-	-	56	(56)	-
Amortisation of intangibles from business combinations	-	-	-	(24)	-	-	-	(28)	(52)	52	-
Market rentals related to Head Office building adjusted for finance costs and depreciation	-	-	-	-	-	-	-	-59	-59	59	-
Restructuring costs	-	-	-	-	-	-	-	-20	-20	20	-
Finance costs	-11	-1	-	-	-	-8	-112	-749	-881	-144	-1,025
Intercompany finance costs	-201	-	-	-	-	-	-	-227	-395	823	-
Foreign exchange gains	1	-4	-12	-	-	-	-	-25	-40	-	-40
Profit/(loss) before tax	1 717	2 304	641	(4)	(339)	519	51	(124)	4 765	-	4 765
Income tax expense	-470	-612	-228	-1	108	-152	-26	-41	-1,422	-	-1,422
Profit/(loss) for the period	1 247	1 692	413	(5)	(231)	367	25	(165)	3 343	-	3 343

Group Shareholder Free Cash Movement

R millions	HY2024	FY2023	HY2023
Cash Generated from In-Force Before Financing and Tax*	8,988	16,692	7,949
Tax Paid	(792)	(1,839)	(1,042)
Finance Cost Paid	(802)	(1,501)	(786)
Dividends Paid	(783)	(69)	(31)
New Business	(5,294)	(9,515)	(4,502)
New Initiatives	(776)	(1,671)	(800)
Investment in Ping An Health	-	-	-
Business Development & Other ^	(864)	(1,274)	(435)
Share Issue (Net of Share Issue Costs)	-	-	-
Transactions with Reinsurers	13	171	198
Transactions with Borrowers (Excl. Finance Costs)*	(80)	(597)	(463)
Movement in Shareholder Free Cash	(390)	397	89
Remove ordinary shareholder dividend paid in shareholder cash flow period	739	-	-
Add ordinary shareholder dividend paid in respect of shareholder cash flow period	(440)	(739)	-
Movement in Shareholder Free Cash – Dividend Accrual Basis**	(91)	(342)	89

Group Shareholder Free Cash Movement - Reconciliation to Profit for the Period

R millions	HY2024	FY2023	H1 FY2023
Profit for the period	3,343	5,320	2,943
Reverse non-cash profit items:			
Share of net profits/(losses) from equity accounted investments	(302)	(561)	(76)
Gains from dilution of equity accounted investments	-	5	-
Depreciation and amortisation	1,040	1,972	957
Impairment of intangible assets	4	61	4
Deferred acquisition costs (Excl. Invest DAC and exchange rate movements)	-	(42)	(14)
Movement in contract assets	(252)	52	31
Deferred Revenue (Excl. exchange rate movements)	-	-	-
Amortisation of intangibles from business combinations	-	56	27
Non-cash impact of Vitality Health DAC	(206)	(753)	(292)
Non-cash fair value gains on financial assets	(56)	(214)	(43)
UK Life IFRS reporting adjustments - Tax Accrued	-	-	-
Non-cash forex gains / losses	-	9	(1)
Other non-cash adjustments to profit *	(64)	(178)	(44)
Adjustments from IFRS to EV ANW:			
Tangible Asset Release on Transition to SAM	-	-	-
Gain from Asset-Liability optimisation	-	-	-
Increase in Negative Reserves and Invest DAC (Net of tax)	(1,767)	(4,141)	(1,735)
Exchange rate movements on Vitality Life Negative Reserves	(137)	1,900	195
Other adjustments to arrive at EV ANW	137	196	104
Incurred to Cash basis:			
- Rent Paid	(286)	(328)	(158)
- Finance Costs Paid	(802)	(1,501)	(932)
- Finance Costs Accrued	1,025	1,941	930
- Taxation paid	(792)	(1,839)	(1,042)
- Taxation Accrued	810	1,495	741
Investing Activities:			
Purchase of property and equipment	(246)	(551)	(210)
Proceeds from disposal of property and equipment	-	2	2
Purchase of intangible assets	(800)	(1,760)	(751)
Proceeds from disposal of intangible assets	-	-	-
Increase in investment in associate	(176)	(75)	(53)
Investment in Ping An Health	-	-	-
Card and Bank Buy-out Payment	-	-	-
Cash proceeds from CMT transaction	-	-	-
Acquisition of business net of cash required	-	(3)	-
Financing Activities:			
Increase in borrowings	500	7,441	3,855
Elimination of borrowings not allocated to shareholder cash	-	-	-
Repayment of borrowings*	(580)	(8,038)	(4,318)
Share Issue (Net of Share Issue Costs)	-	-	-
Dividends paid to ordinary shareholders	(739)	-	-
Dividends paid to preference shareholders	(44)	(69)	(31)
Movement in Shareholder Free Cash	(390)	397	89

Notes

(1) "Movement in Shareholder Free Cash" is an estimate of shareholder free cashflow. Life and Invest and VitalityLife are included based on the change in the Adjusted Net Worth in the Embedded Value. Changes in working capital are not allowed for in the estimate.

(2) * HY2023 and FY2023: Reallocation of rental paid on finance leases from "Transactions with Borrowers" to "Cash Generated from In-Force". This value was immaterial in all other periods.

(3) ** This view of the movement in shareholder free cash flow aligns the dividend paid to the period against which the cash flow was generated to fund it. For 31 December 2023, the declared dividend of R440m, per the interim financial results, is used as the dividend accrued in respect of the six month period.

(4) ^ In previous disclosures, this line was net off against Cash Generated from In-Force Before Financing and Tax

Reconciliation of operating profit to normalised operating profit

for the half year ended 31 December 2023

R million	Group half year ended December 2023	Group half year ended December 2022	% change
	Unaudited	Unaudited	
Operating profit before integral equity-accounted investments per income statement	5,552	5,464	2%
Share of net profits from equity accounted investments	278	55	
Impairment of goodwill			
Normalised profit from operations per segmental (IFRS total)	5,830	5,519	6%
Normalised profit adjustments	(208)	(546)	
Investment income earned on shareholder investments and cash	(139)	(102)	
Difference between market related rental and depreciation and finance costs (Head office)	(85)	(73)	
Net fair value gains on financial assets at fair value through profit or loss	(56)	(30)	
VitalityLife interest rate derivative		(391)	
Amortisation of intangibles from business combinations	52	50	
Restructuring costs	20		
Other			
Normalised profit from operations	5,622	4,973	13%

NAV PER ENTITY

for the half year ended 31 December 2023

Covered businesses

December 2023

NAV before adjustment to shareholder funds	
Health and Vitality	4,426
Life and Invest	26,800
VitalityHealth	9,480
VitalityLife	4,517

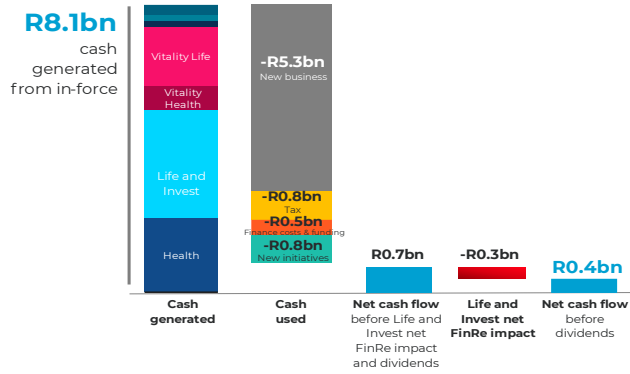
Non-covered business

Bank, including DCS intangible asset and goodwill	7,641
Insure	1,935
PAHI	6,173
CMT	1,369
Limited	(9,590)
Other	(545)
Total NAV	52,206

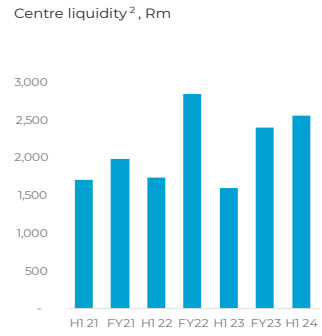
Cash used to repay FinRe and pay dividends



Shareholder cash generated for the period used to pay dividends



Sufficient centre liquidity



Dividends are practically funded out of centre liquidity, which is a subset of net shareholder cash

¹ Accrual basis aligns in period shareholder cash flow to the expected dividend payable, declared in respect of that period
² Centre cash + undrawn committed facilities