



OUTsurance Group Limited

**Unaudited interim
results and cash
dividend declaration**

for the six months ended 31 December 2024

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Further information can be found in this report.

Further information can be found on our website.



Investor call

Marthinus Visser, (Chief Executive Officer) invites you to join him in conversation about the performance for the six months ended 31 December 2024. The investor call will take place virtually on **Friday 14 March 2025 at 10:00.**

CLICK BELOW TO JOIN:

[Webcast](#)

[Conference call](#)

Alternatively, you can obtain the link by sending an email to investorrelations@out.co.za

Our purpose and values

Introduction

The consolidated financial results of OUTsurance Group Limited (OGL or OGL Group) are prepared in accordance with:

- International Financial Reporting Standards (IFRS® Accounting Standards), as a minimum in accordance with IAS 34: Interim Financial Reporting.
- The requirements of the Companies Act, 71 of 2008, as amended.
- The SAICA Financial Reporting Guide as issued by the Accounting Practices Committee.
- The Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.
- The Listings Requirements of the JSE.
- The IFRIC Interpretation committee (IFRIC® Interpretations).

Jan Hofmeyr CA(SA) supervised the preparation of the consolidated financial results. The Board of Directors takes full responsibility for the preparation of this announcement and for correctly extracting the financial information for inclusion in the announcement.

The summary consolidated financial statements for the six months ended 31 December 2024 contained in this circular have not been audited.

The forward-looking information has not been commented or reported on by the OGL Group's external auditor.

The primary results and accompanying commentary are presented on a normalised basis which most appropriately reflects the economic performance of the OGL Group and its operating units.

Our purpose is to ensure our stakeholders always get something out.

OUT
VALUES

AWESOME SERVICE

HUMAN

PASSIONATE

HONEST

DYNAMIC

RECOGNITION

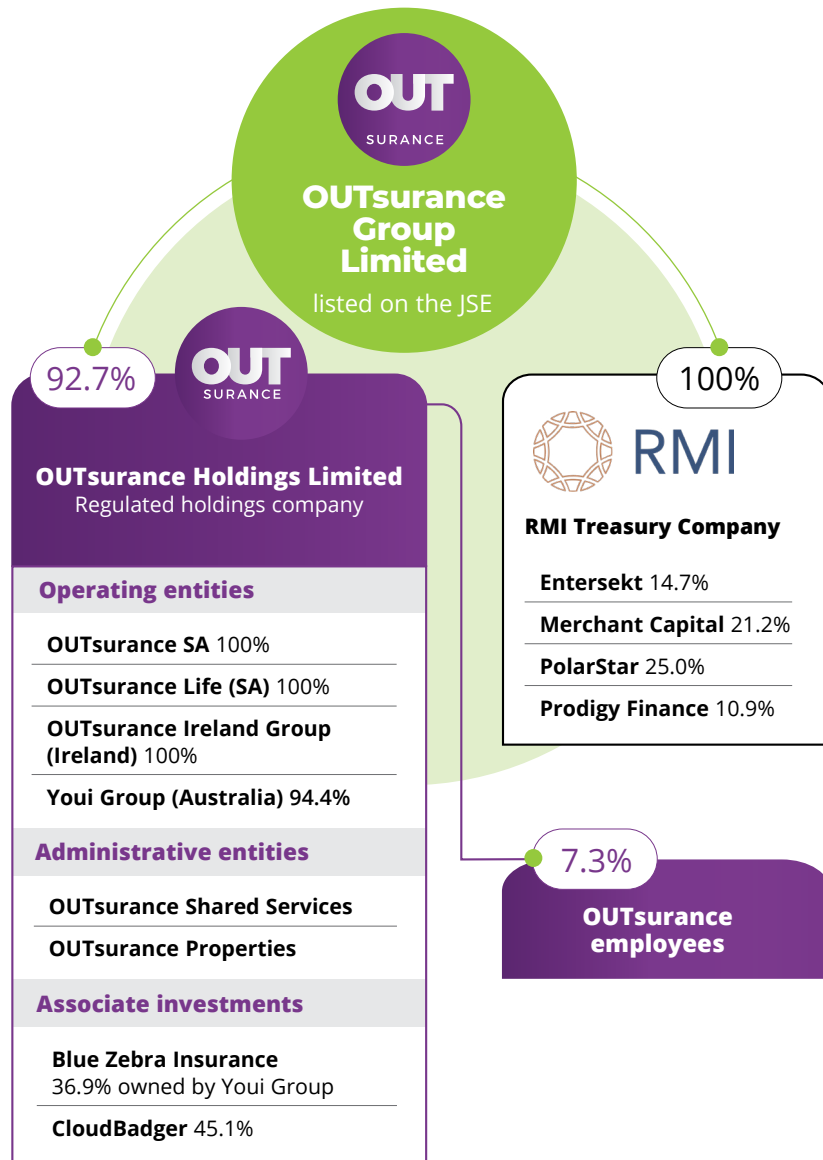
The heart of our purpose is to provide our customers with simple, high quality insurance products backed by trust and market-leading service outcomes.

We maintain a leading employee value proposition and a business culture that attracts and rewards a diverse talent pool.

We work with our large network of service providers to create sustainable relationships and growth opportunities which reward alignment with our value of awesome customer service.

We create sustainable and predictable financial value for our shareholders, through pricing discipline, operational efficiency and conservative risk taking through organic growth initiatives.

Our Group structure



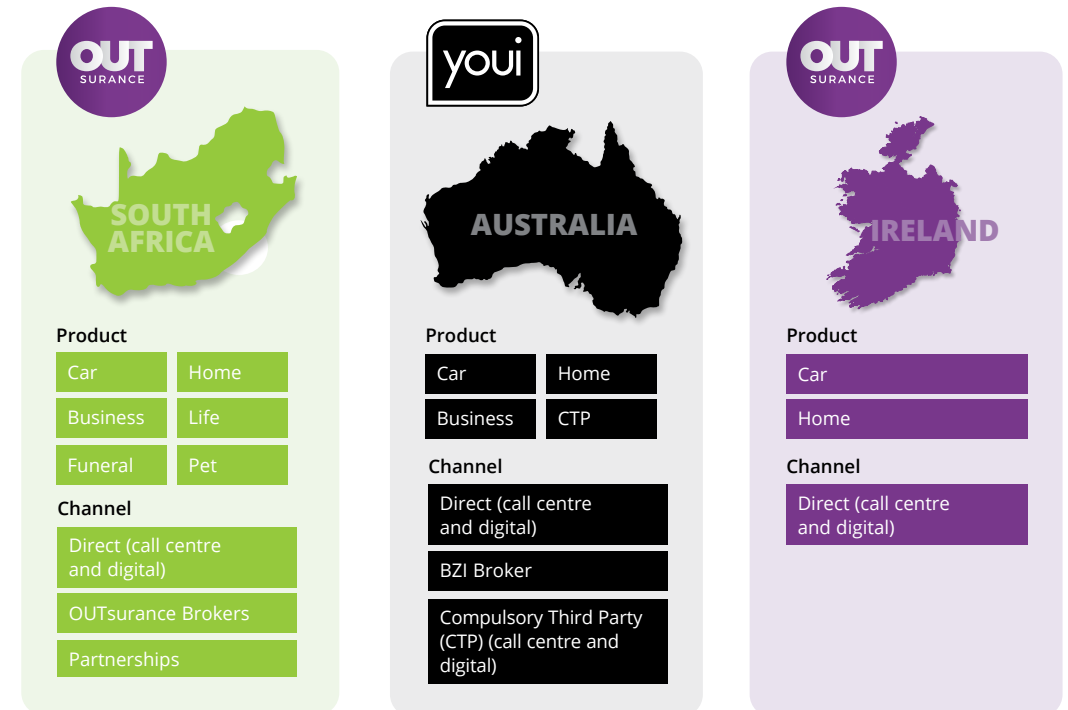
Who we are

The OUTsurance Group is a multinational insurance group that specialises in Property and Casualty insurance.

OUTsurance was founded in 1998 by three entrepreneurs and backed by the RMB Holdings Group. The Group's activities are focused on the South African and Australian insurance markets with the recent expansion into the Republic of Ireland.

The Group's primary source of revenue is insurance premiums for risk underwritten in personal lines, commercial lines and life insurance products. Our customer proposition is focused on offering value for money insurance products and leading customer service outcomes that builds customer trust.

We generate financial capital through disciplined pricing and risk selection, a strong focus on cost management and efficient balance sheet management.



Financial performance highlights

OUTsurance Group Limited

NORMALISED EARNINGS

R2 158 million

^ 52.9%

NORMALISED RETURN ON EQUITY

30.8%

DILUTED NORMALISED EARNINGS PER SHARE

138.6 cents per share

^ 53.0%

ORDINARY DIVIDEND PER SHARE

88.6 cents per share

^ 44.8%

OUTsurance Holdings Limited

NORMALISED EARNINGS

R2 219 million

^ 43.5%

P&C¹ GROSS WRITTEN PREMIUM

R18 916 million

^ 17.4%

OPERATING PROFIT

R2 839 million

^ 58.8%

P&C¹ INSURANCE REVENUE (IFRS 17)

R17 393 million

^ 16.8%

P&C¹ ANNUALISED NEW BUSINESS

R5 675 million

^ 17.9%

P&C¹ NET EARNED PREMIUM

R16 442 million

^ 19.5%

NORMALISED RETURN ON EQUITY

34.9%

¹ P&C refers to the performance of the Group's short-term or property and casualty operations and excludes the performance of OUTsurance Life and other non-operating activities.

Financial results review

The primary results and accompanying commentary are presented on a normalised earnings basis which most appropriately reflects the economic performance of the Group and underlying operating units.

OUTsurance Group Limited (OGL or OGL Group) refers to the listed entity and OUTsurance Holdings Limited (OHL or OHL Group) is the grouping of the underlying insurance activities.

OGL has adopted the historic reporting approach of the OHL Group to reflect the primary continuing operations after the listing transition. The reporting structure is presented in line with the following segmental structure of the Group.

The acronym P&C refers to Property and Casualty insurance operations which we also traditionally refer to as short-term insurance.

	Ownership	Overview of activities	Product/channel segments
OUTsurance Group Limited (OGL)	Listed	Listed holding company of the Group with RMI Treasury Company where portfolio investments are held	RMI Treasury Company ¹
OUTsurance Holdings Limited (OHL)	92.7% held by OGL	Regulated Insurance Group Holding Company	
OUTsurance SA	100% held by OHL	South African P&C insurance operation which comprises OUTsurance Personal and OUTsurance Business as operating segments	OUTsurance Personal OUTsurance Business – Direct and Brokers
OUTsurance Ireland	100% held by OHL	Personal lines P&C insurance start-up in the Republic of Ireland	Reported in aggregate
OUTsurance Life	100% held by OHL	South African Life insurance operation that includes Underwritten and Funeral product segments	Life Direct Funeral Partnerships
Central and administration services	100% held by OHL	Results of non-operating entities, shared services and external call centre services	
Youi Group	94.4% held by OHL (2023: 94.6%)	Australian P&C insurance operation which comprises Youi Personal, Youi Business, through the direct and broker channels, and Youi CTP as operating segments. The operating company in Australia is referred to as Youi.	Youi Personal – direct and broker Youi Business – direct and broker Youi CTP

¹ RMI Treasury Company holds a portfolio of investments, including three technology entities, PolarStar and financial assets.

For P&C reporting, our management reporting is aligned, as far as possible, to the traditional volume measures for our P&C operations whilst adopting the principles introduced by IFRS 17. The volume measures such as gross written premium, net earned premium are not separately identifiable lines in the IFRS 17 statement of profit or loss. Similarly, our prominent management ratios being the claims ratio, cost-to-income ratio and combined ratio cannot be simply replicated by referring to the financial statements. We have therefore provided a reconciliation on page 36 of this interim report that illustrates the reconciliation between the IFRS 17 line items and traditional volume measures we disclose here together with an explanation of how the ratios are calculated. All our profit metrics reflect the IFRS 17 basis of accounting.

The results presented for IFRS 17 move away from traditional volume measures and focus on accounting operating profit and headline earnings, new business margins, the movement in the contractual service margin and the embedded value. As described further in the OUTsurance Life section below and the Embedded Value report, we have taken steps to align the embedded value calculation basis as far as possible with the conventions of IFRS 17.

When presenting our Group numbers to you in an intuitive format, we split the results and performance ratios of the P&C and Life Insurance operations to better capture performance trends not distorted by the differential business models and different accounting measurement models.

OUTsurance Group Limited results review

The table below sets out the normalised earnings result of OGL which represent the 92.7% interest in OHL coupled with the Central / RMI Treasury Company activities of OGL.

R million	Six months ended 31 December			Year ended 30 June 2024
	2024	2023	% change	
Normalised earnings	2 158	1 411	52.9%	3 536
Normalised ROE	30.8%	21.6%		26.2%
Normalised earnings per share (cents)	140.0	92.1	52.0%	230.6
Diluted normalised earnings per share (cents)	138.6	90.6	53.0%	226.4
Dividend per share (cents)	88.6	61.2	44.8%	174.4
Special dividend per share (cents)	-	-	-	40.0

The table below sets out the sources of normalised earnings as attributed to the OHL and ultimately OGL Groups:

R million	Six months ended 31 December			Year ended 30 June 2024
	2024	2023	% change	
OUTsurance SA	1 172	923	27.0%	2 212
Youi Group	1 198	556	>100%	1 574
OUTsurance Life	142	70	>100%	210
OUTsurance Ireland	(218)	(59)	(>100%)	(180)
Administration services	10	20	(50.0%)	12
Central and consolidation adjustments ¹	(85)	36	(>100%)	2
OUTsurance Holdings Limited	2 219	1 546	43.5%	3 830
Non-controlling interest ²	(185)	(139)	(33.1%)	(353)
Central/Treasury Company ³	124	4	>100%	59
OUTsurance Group Limited	2 158	1 411	52.9%	3 536

1 The large differential movement in the current versus comparative period is primarily associated with increased funding costs incurred on the debt facility and the reduction of investment income. The debt facility was utilised for the initial OUTsurance Ireland Capital injection and subsequently repaid with short-term cash investments. The investment return on the OGL treasury shares is also now earned in the operating entities.

2 The non-controlling interest % decreased from 8.5% to 7.3% due to OGL's shareholding in OHL that increased following the wind-up of the OUTsurance Holdings Share Trust in October 2024.

3 The profit in Central/RMI Treasury Company is due to a significant increase in associate earnings earned in the period.

OUTsurance Holdings Limited results review

This section outlines the operating performance of the OHL Group and its insurance operations. The table on the following page segments the business into three components.

- Consolidated results of the OHL Group.
- Property and Casualty Insurance activities – which groups the short-term insurance activities being OUTsurance SA, OUTsurance Ireland and the Youi Group.
- Life insurance activities – represents the results of OUTsurance Life.

The OHL Group's normalised earnings were 43.5% higher at R2 219 million. The pleasing increase in earnings was driven by significantly less natural peril claims incurred by Youi and OUTsurance SA, coupled with strong organic premium growth and higher investment income.

The South African Group's share-based payments expense linked to the Employee Share Option Scheme (ESOP) remained a volatile and significant expense for the Group in the first half of the year. The final tranche of the ESOP vests in September 2025 after which all the vintages of long-term incentives will be transitioned to the new Conditional Share Plan (CSP). The CSP is significantly less geared compared to the ESOP scheme, which will result in a more stable expense base going forward.

The ESOP scheme is a cash-settled scheme where option values are marked-to-market at each reporting interval. This creates volatility in the share-based payment expense and a resulting volatile impact on cost-to-income ratios recorded within the OHL Group. The share-based payments expense linked to the final tranche of the ESOP was R776 million for the six months under review. This is R342 million higher than the comparative six months, when there were two remaining tranches. This rapid increase in the expense was driven by the 43.3% increase in the OGL share price for the last six months. Hypothetically, if this final ESOP tranche was also converted to the CSP scheme, the indicative expense for this tranche would have been R164 million for the six months compared to the R776 million actually incurred.

OUTsurance Ireland incurred R218 million in normalised start-up losses during the six month under review. OUTsurance Ireland officially launched in May 2024 and is performing in line with expectations. The higher loss is attributed to an increased operational cost base post launch, and the onerous losses recognised for new insurance contracts issued. The accounting considerations related to the onerous losses are explained in the OUTsurance Ireland section.

The salient features of the P&C business are as follows:

- Gross written premium grew by a pleasing 17.4%. Notwithstanding premium inflation which has remained sticky over the last six months, the growth is supported by satisfactory organic growth across the operating segments. Premium inflation continued to be impacted by elevated claims cost inflation and the earn-through of the pricing actions taken in the prior year. In Rand terms, Youi's translated premium growth rate was negatively impacted by the strengthening of the Rand against the Australian dollar.
- Annualised new business increased by 17.9%, from a higher base achieved in the prior period.
- The claims ratio which decreased from 59.1% to 53.0% is attributed to the materially lower natural perils claims, improvement in working claims experience and higher prior year reserve releases.
- Through disciplined cost control, both OUTsurance SA and Youi delivered structural improvements in the cost base of all the operating segments. The cost-to-income ratio is distorted by the share-based payments expense. The share-based payments expense of the remaining ESOP tranche, contributed 3.2% to the cost-to-income ratio of the P&C Group for the period. This compares to a contribution of 2.2% in the comparative period. During December 2024, the OHL Group implemented a Total Return Swap to hedge 30% of the exposure of the final ESOP tranche.

OUTsurance Life delivered a strong operating and earnings outcome for the period. Performance highlights include satisfactory new business generation and cost efficiency. IFRS 17 is proving to provide more earnings stability, notwithstanding the inherent yield sensitivity associated with the business.

OHL Group key financial ratios

R million	Six months ended 31 December		% change	Year ended 30 June 2024
	2024	2023		
Consolidated operating performance - OHL				
Normalised earnings	2 219	1 546	43.5%	3 830
Operating profit	2 839	1 788	58.8%	4 811
Normalised investment income ⁸	1 027	746	37.7%	1 536
Normalised ROE ¹	34.9%	26.1%		30.7%
Group cost-to-income ratio	32.8%	30.5%		29.5%
Group cost-to-income ratio (excl ESOP) ⁷	29.4%	28.1%		27.8%
P&C insurance activities²				
Gross written premium ⁵	18 916	16 110	17.4%	33 200
Insurance revenue ³	17 393	14 888	16.8%	30 967
Net earned premium ⁵	16 442	13 761	19.5%	28 841
Annualised new business premium written	5 675	4 814	17.9%	10 055
Normalised operating profit ⁴	2 643	1 643	60.9%	4 433
Normalised earnings	2 152	1 420	51.6%	3 606
Claims ratio ⁵	53.0%	59.1%		56.8%
Normalised insurance cost-to-income ratio	32.7%	30.4%		29.6%
Indicative Insurance cost-to-income ratio assuming ESOP conversion to CSP ⁷	28.8%	28.3%		28.1%
Normalised combined ratio ^{5,6} (%)	86.2%	90.0%		87.0%
Life insurance activities				
Operating profit	185	57	>100%	264
Normalised earnings	142	70	>100%	210
Value of new business written	68	37	83.8%	48
Contractual service margin	1 448	1 461	(0.1%)	1 326
Embedded value	1 969	1 843	6.8%	1 822

- 1 Attributable to ordinary shareholders.
- 2 Aggregate results of OUTsurance SA/Youi Group/OUTsurance Ireland.
- 3 IFRS 17 naming convention and equivalent to gross earned premium.
- 4 Operating profit for OUTsurance SA includes a normalised adjustment of R123 million (processed as an earnings reduction) related to a profit that arose from a restructuring of an intragroup property lease arrangement.
- 5 Management definitions related to key performance metrics for property and casualty insurance operations. These ratios are defined in the glossary and a segmental reconciliation of the calculation bases to IFRS 17 disclosures is provided on page 36.
- 6 After Homeowners profit distribution paid to FirstRand and insurance finance expense.
- 7 Indicates the cost-to-income ratio ignoring the impact of the excess share-based payments expense of the final ESOP tranche and including the indicative CSP expense.
- 8 Investment income was normalised to exclude the R135 million gain made on OGL shares which are held to hedge the conditional share scheme.

The table below sets out the sources of operating profit of the OHL Group entities:

R million	Operating profit			
	Six months ended 31 December	2023	% change	Year ended 30 June 2024
OUTsurance SA ^{1,2}	1 317	1 088	21.0%	2 678
Youi Group	1 572	619	>100%	1 973
OUTsurance Ireland	(246)	(64)	>(100%)	(218)
P&C insurance operations	2 643	1 643	60.9%	4 433
OUTsurance Life	185	57	>100%	264
Administration services ³	9	24	(62.5%)	18
Central and consolidation adjustments ⁴	2	64	>(100%)	96
OHL operating profit	2 839	1 788	58.8%	4 811

- 1 Includes OUTsurance Personal, OUTsurance Business, OUTsurance Central costs and is net of FirstRand Homeowners profit share.
- 2 Operating profit for OUTsurance SA includes a normalised adjustment of R123 million (as an earnings reduction) related to a profit that arose from a restructuring of an intragroup property lease arrangement.
- 3 Net of offshore call centre administration services offered to Hastings and Youi and the operating loss of OUTvest.
- 4 Includes the profits and losses of holding companies and other non-operational entities in the Group. The normalised adjustment explained in footnote 2 above is reversed in this segment given the intragroup nature of the transaction.

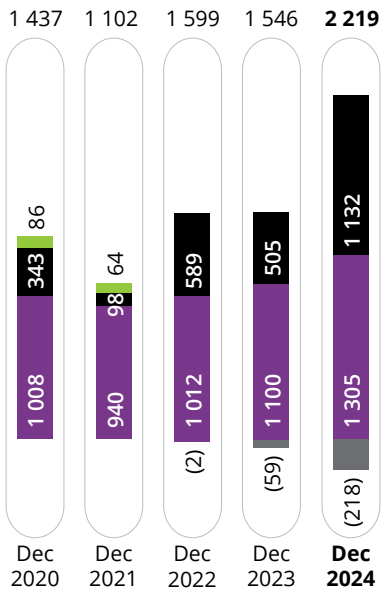
To measure the financial success of our strategy and long-term shareholder value creation, the Group is focussed on the following key financial metrics for its P&C operations:

- **Return on equity (ROE)** – which measures the efficiency of capital deployment for growth initiatives and underwriting discipline over time.
- **Claims ratio** – which is the key driver of profitability in the Group's short-term insurance operations. The claims ratio is influenced by our pricing sophistication, risk selection and underwriting discipline. The variability of the claims ratio in the short-term is impacted by weather patterns, particularly in Australia where the frequency and severity of natural weather results in a more volatile claims experience. The claims ratio is also impacted by the efficiency and retention of the reinsurance programmes.
- **Cost-to-income ratio** – the cost-to-income ratio is an important measure of efficiency in the business which is an enabler to delivering competitive pricing and target profit margins over time. The Group's cost efficiency is underpinned by a cost-conscious business culture, in-house developed systems and the efficiency of the direct distribution channel which represents the largest channel of business.
- **Annualised new business premium written** – This measure represents the annualised new business premium written in a particular financial year. This measure is an indicator of revenue growth and the competitiveness of the operating model over time. This indicator also measures the effectiveness of our strategy to expand our product and channel capabilities.

Normalised earnings history

The graphs below set out the normalised earnings history of the OHL Group split per the contributions from the South African, Australian and Irish operations as well as the historic effect of the Group's indirect investment in Hastings which was disposed of in December 2021.

Normalised earnings (R million)



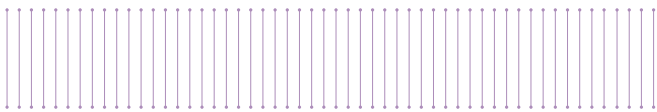
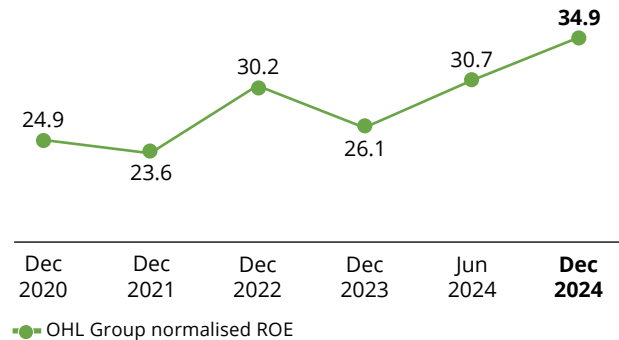
- OHSurance South Africa Group
- Youi (net of minorities)
- OHSurance Ireland
- Hastings

Normalised earnings prior to December 2022 are historic IFRS 4 results. Results from December 2022 are restated to the IFRS 17 basis.

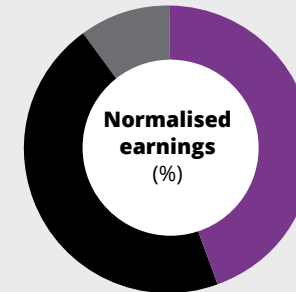
ROE (%)

The Normalised ROE is the overall ROE of the OHL Group and the OHL Group targets a Normalised ROE of 25% to 35%. The OHL Group sets minimum hurdle rates for new ventures depending on the relative riskiness of the product, channel or geographic expansion. Generally, a ROE of 20% is set as a minimum marginal investment hurdle.

Normalised ROE performance (%)

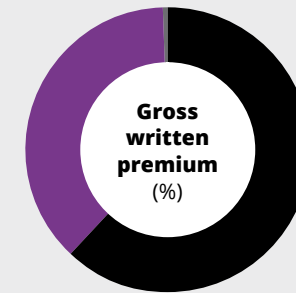


The graph below illustrates the diversification of the OHL Group's normalised earnings.



- OUTsurace SOUTH AFRICA**
58.8%
(December 2023: 71.1%)
- Youi AUSTRALIA (NET OF MINORITIES)**
51.0%
(December 2023: 32.7%)
- OUTsurace IRELAND**
(9.8%)
(December 2023: (3.8%))

The graph below illustrates the diversification of the OHL Group's gross written premium from P&C operations. Notwithstanding the stronger rand, Youi's contribution to the Group's premium income accelerated over the period.

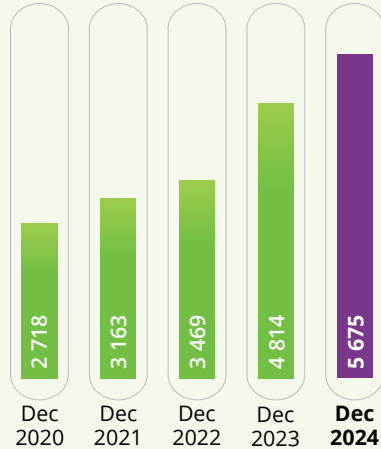


- Youi GROUP**
64.6%
(December 2023: 62.4%)
- OUTsurace SOUTH AFRICA**
35.0%
(December 2023: 37.6%)
- OUTsurace IRELAND**
0.4%
(December 2023: 0%)

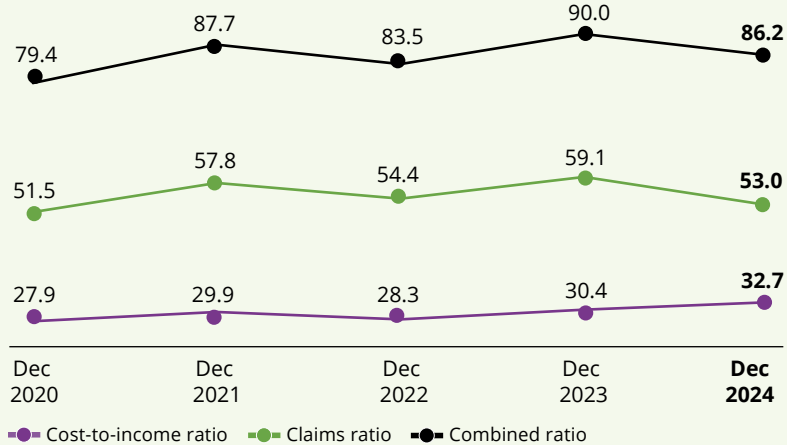
Annualised new business premium written

The P&C operations delivered 17.9% growth in new business written for the six months under review. New business growth is driven by good organic growth across the operating segments. The effect of continued high premium inflation observed in the period further contributed to the growth in the new business premium.

P&C annualised new business premium written (R million)



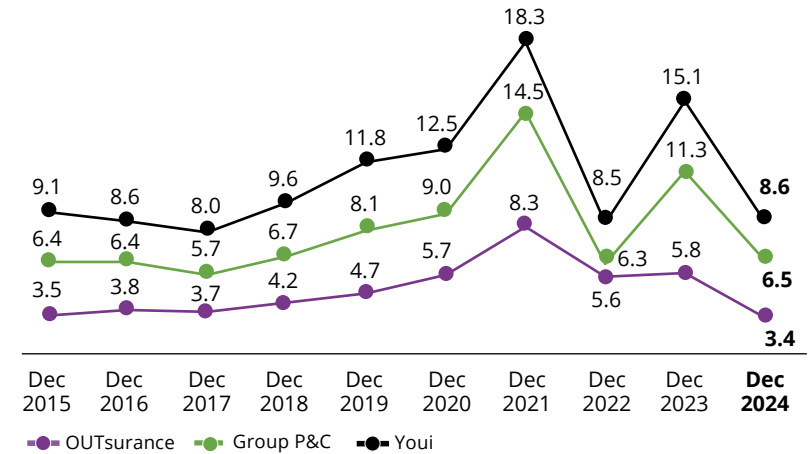
P&C key ratios (%)



Net retained natural perils claims as a % of net earned premium

The retained losses from natural perils events were significantly lower at both OUTsurance SA and Youi. The relatively benign experience observed is in contrast to the comparative six months when multiple catastrophe events occurred.

Net retained natural perils losses (%)

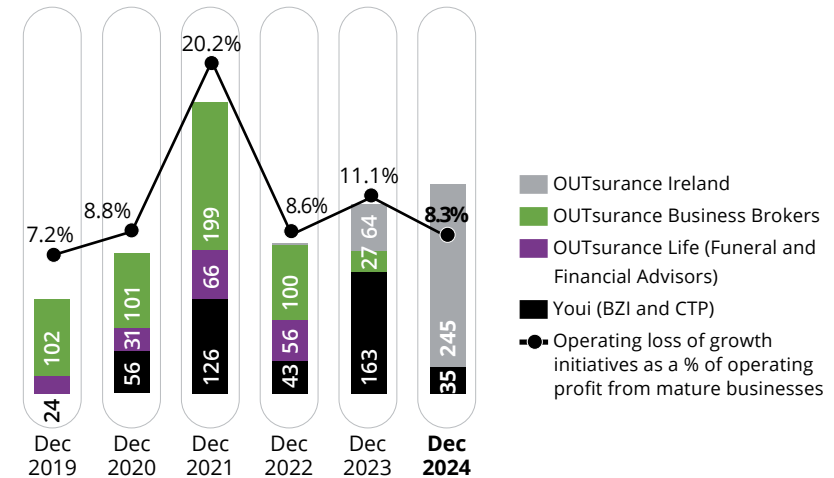


Investment in growth initiatives

The OHL Group has made substantial investments to open new product and distribution channel activities over the last six years. The graph alongside illustrates the impact of the investment in new ventures on the operating profit of the OHL Group. The operating loss for the six months increased to R280 million or 8.3% of the profits realised from profitable and mature segments. In line with expectation, the increase is linked to Ireland's operating loss of which R65 million relates to IFRS onerous losses recognised for new contracts issued, as explained in the OUTsurance Ireland section. The new initiative loss incurred by Youi is attributed to the CTP product as the BZI channel produced an operating profit for the period under review.

OUTsurance Business Brokers, a significant investment to date, has now achieved sustainable profitability with the prospect of improving margins as the segment achieves further scale. The OHL Group's appetite for new venture losses is set at 10% of operating profit. This outcome is managed over a full year earnings base.

Losses generated by growth initiatives as % of profit from mature business units



Business unit performance

OUTsurace SA

OUTsurace SA is the Group's South African P&C insurance operation and consists of two main operational segments, OUTsurace Personal and OUTsurace Business.

OUTsurace SA delivered a strong operational performance coupled with the financial benefit of benign weather conditions.

Overall OUTsurace SA delivered 9.5% growth in both gross written and net earned premiums. Sticky premium inflation, driven by higher repair costs, has remained a large contributor to overall premium growth.

The claims ratio improved from 52.0% to 46.3% with both the Personal and Business segments delivering improved outcomes. Measured as percentage of net earned premiums, natural perils claims decreased from 5.8% to 3.4%.

The normalised cost-to-income ratio increased from 29.9% to 33.6%. At an operating segment level, both OUTsurace Personal and OUTsurace Business delivered lower cost-to-income ratios on account of cost discipline and improved scale in OUTsurace Business Brokers. OUTsurace SA's overall increase in the cost-to-income ratio is attributed to the excess share-base payments expenses incurred in the Central segment and primarily linked to the mark-to-market of the final tranche of ESOP instruments. OUTsurace SA incurred R658 million linked to the final ESOP tranche in the six months under review, compared to R378 million in the comparative period. The outcomes represent 8.1% and 5.0% on the respective cost-to-income ratios for the respective reporting periods.

Normalised investment income increased by 18.0% due to the better equity market performance and the elevated yield environment which persisted for most of the financial period.

Despite the impact of the share-based payments expense, OUTsurace SA's normalised operating profit increased to R1 317 million which is a 21.0% increase over the comparative period.

OUTsurace SA key financial ratios

The key financial outcomes of OUTsurace SA, aggregated for the OUTsurace Personal and OUTsurace Business product segments, are presented below:

R million	Six months ended 31 December		%	Year ended 30 June 2024
	2024	2023		
Gross written premium	6 624	6 051	9.5%	12 174
Insurance revenue	6 550	5 999	9.2%	12 166
Net earned premium	6 454	5 896	9.5%	11 963
Normalised operating profit	1 317	1 088	21.0%	2 678
OUTsurace Personal	1 757	1 304	34.7%	2 822
OUTsurace Business	306	175	74.9%	445
Central ^{1,2}	(746)	(391)	(90.8%)	(589)
Normalised investment income ³	361	306	18.0%	628
Normalised earnings	1 172	923	27.0%	2 212
Claims ratio (%)	46.3%	52.0%		49.8%
Accident year claims ratio	47.3%	54.5%		52.3%
Prior year development	(1.0%)	(2.5%)		(2.5%)
Normalised cost-to-income ratio (%)	33.6%	29.9%		27.9%
Indicative insurance cost-to-income ratio assuming ESOP conversion to CSP ⁴	25.5%	24.9%		24.3%
Normalised combined ratio ⁵ (%)	81.2%	83.0%		79.3%

1 Includes excess share-based payment to the extent that budgeted costs are exceeded at the OUTsurace Personal and OUTsurace Business segment level.

2 Operating profit for OUTsurace SA includes a normalised adjustment of R123 million related to a profit that arose from a restructuring of an intragroup property lease arrangement.

3 Investment income on insurance liabilities (gross of insurance finance expense) and net investment on shareholder capital, which was normalised to exclude the R69 million gain made on OGL shares which are held to hedge the conditional share scheme.

4 Indicates the cost-to-income ratio ignoring the impact of the excess share-based payments expense of the final ESOP tranche and including the indicative CSP expense.

5 After profit share distributions paid to FirstRand Limited.

OUTsurance Personal

OUTsurance Personal is the largest segmental contributor to OHL Group profitability and displays a low earnings volatility profile.

The following salient features were the primary drivers of the OUTsurance Personal results for the six months under review:

The trajectory of real growth in the OUTsurance Personal book improved over the reporting period, assisted by the new business contribution from the OUTsurance Broker channel. Gross written premium grew by 9.2%. Excluding the FirstRand Homeowners book, in run-off, gross written premium increased by 10.3%.

The claims ratio improved from 50.9% to 45.4% on account of favourable weather and improved working claims performance resulting from pricing discipline and management of claims cost inflation.

The cost-to-income ratio reduced from 20.6% in comparative period to 19.2%. This improvement is marked by a focus on cost efficiency across the South African operation.

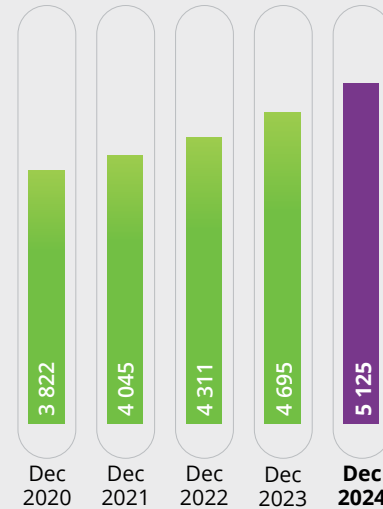
OUTsurance Personal delivered a 34.7% increase in operating profit driven by the improved claims and cost-to-income ratios.

The table below sets out the key financial outcomes for OUTsurance Personal:

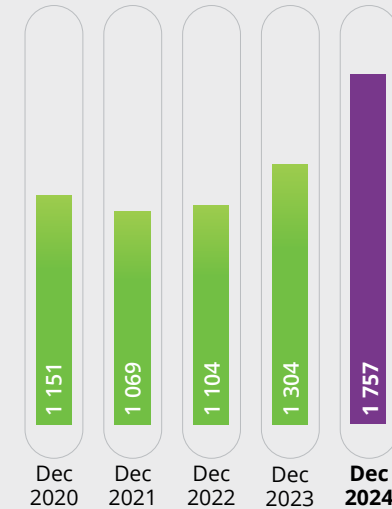
R million	Six months ended 31 December		%	Year ended 30 June 2024
	2024	2023		
Gross written premium	5 125	4 695	9.2%	9 451
Insurance revenue	5 082	4 653	9.2%	9 439
Net earned premium	5 004	4 581	9.2%	9 296
Operating profit	1 757	1 304	34.7%	2 822
Claims ratio (%)	45.4%	50.9%		49.0%
Cost-to-income ratio (%)	19.2%	20.6%		20.4%
Combined ratio ¹ (%)	66.3%	73.0%		71.4%

1 After profit share distributions paid to FirstRand Limited.

OUTsurance Personal – gross written premium (R million)

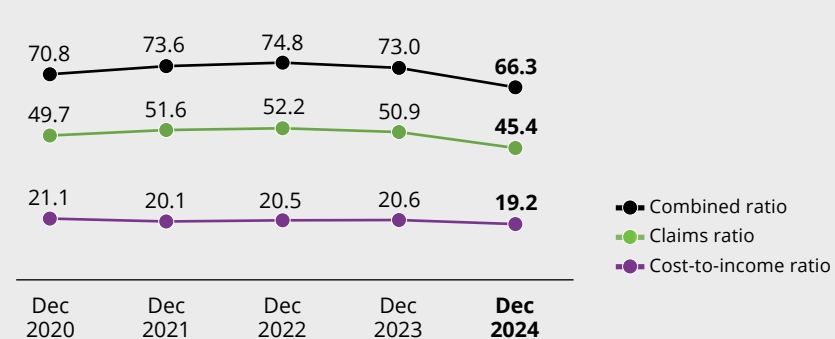


OUTsurance Personal – operating profit (R million)



Operating results prior to December 2022 are historic IFRS 4 results. Results from December 2022 are restated to the IFRS 17 basis.

OUTsurance Personal – key ratios (%)



Ratios prior to December 2022 are historic IFRS 4 performance ratios. Ratios from December 2022 are restated to the IFRS 17 basis.

OUTsurance Business

OUTsurance Business is segmented into a Direct and OUTsurance Broker channel (tied-agency). OUTsurance Brokers is focussed on expansion of our commercial market share through face-to-face distribution. This channel also distributes personal lines products on behalf of the OUTsurance Personal segment.

The following salient features were the primary drivers of the OUTsurance Business results for the six months under review:

OUTsurance Business grew gross written premium by 10.5% with OUTsurance Brokers delivering gross written premiums of R866 million, which is 17.5% higher than the prior year.

The improvement in the claims ratio from 55.7% to 49.5% is attributed to favourable weather and improved loss experience of the maturing OUTsurance Broker book.

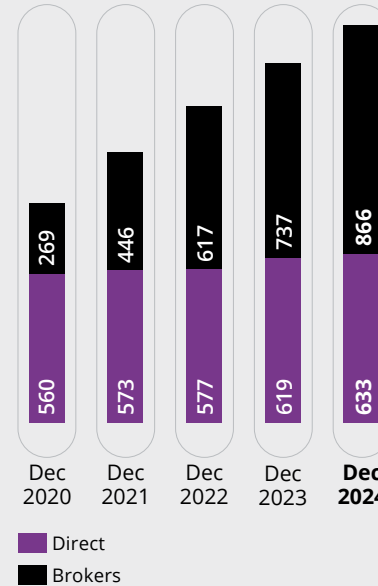
The cost-to-income ratio decreased marginally to 31.7% credited to economies of scale in the OUTsurance Broker channel. The OUTsurance Broker channel operates at an inherently higher cost-to-income ratio and as this channel grows relative to the Direct channel, the aggregate cost-to-income ratio of OUTsurance Business is impacted.

OUTsurance Business delivered a strong 74.9% increase in operating profit. OUTsurance Brokers delivered a profit of R10 million for the period compared to a R27 million loss in the comparative period. The 46.5% improvement in the Direct channel's operating profit is attributed to the favourable claims backdrop, cost efficiency and premium inflation supporting top line growth.

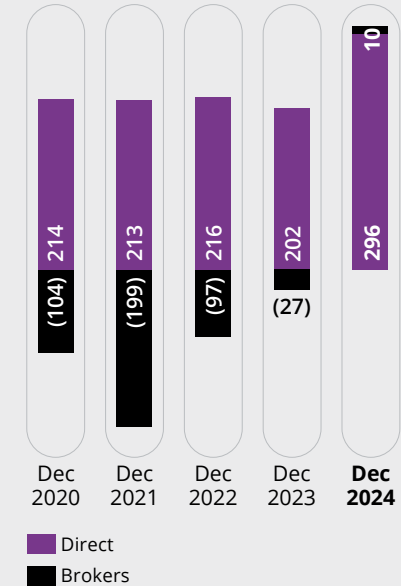
The table below sets out the key financial outcomes for OUTsurance Business:

R million	Six months ended 31 December		%	Year ended 30 June 2024
	2024	2023		
Gross written premium	1 499	1 356	10.5%	2 723
Insurance revenue	1 468	1 346	9.1%	2 727
Net earned premium	1 450	1 315	10.3%	2 667
Operating profit	306	175	74.9%	445
Direct	296	202	46.5%	451
OUTsurance Business Brokers	10	(27)	>100%	(6)
Claims ratio (%)	49.5%	55.7%		52.9%
Cost-to-income ratio (%)	31.7%	32.4%		32.1%
Combined ratio (%)	81.2%	88.1%		85.0%

OUTsurance Business - gross written premium (R million)

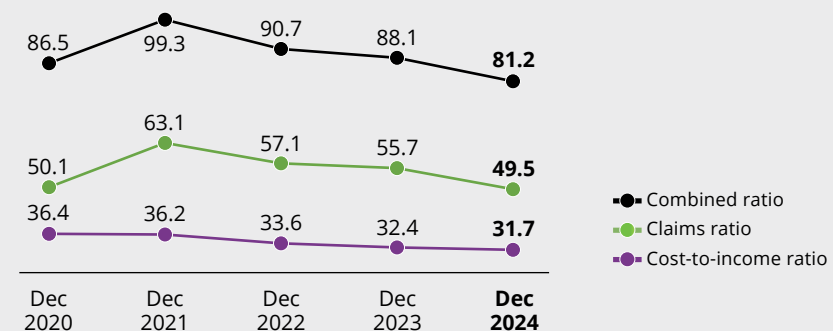


OUTsurance Business - operating profit (R million)



Operating results prior to December 2022 are historic IFRS 4 results. Results from December 2022 are restated to the IFRS 17 basis.

OUTsurance Business - key ratios (%)



Ratios prior to December 2022 are historic IFRS 4 performance ratios. Ratios from December 2022 are restated to the IFRS 17 basis.

Youi Group

The Youi Group delivered a satisfactory operational and financial performance for the six months under review.

Notwithstanding the continued impact of premium inflation on revenue for the period, the Direct channel continued to deliver good organic growth. Premium inflation is expected to follow a downward trajectory over the period in line with slowing inflationary trends observed in the macro economy.

The operating profit result was bolstered by the contrasting weather experience between the current and comparative six months. Retained natural perils claims for the period represented 8.6% of net earned premium compared to 15.1% in the comparative period which was marked by large storm events.

Youi's reporting segments are aggregated as follows:

- Youi Personal which represents all personal insurance products sold via the Direct and BZI broker channels.
- Youi Business which represents business products sold via the Direct and BZI Broker channels.
- Youi CTP which represents the New South Wales and South Australia CTP markets.

Youi has commenced a strategic review of its participation in the broker distribution channel where it currently underwrites car, home and commercial insurance products in partnership with its associate Blue Zebra Insurance. The strategic review was prompted by Youi's desire to focus more attention and capital on its core business which is its own direct channel that offers much needed competition in Australia's personal lines insurance market. Youi entered the broker market through a Managing General Agent arrangement with BZI in 2020 and owns a minority interest in the company. The Youi Group generated A\$3.3 million income from its investment in BZI for the period under review.

The following salient features were the primary drivers of Youi's aggregate results for the six months under review:

The Youi Group delivered 21.4% and 25.2% growth in gross written premium in Rand and Australian Dollar terms, respectively. The strong growth result is illustrative of the combined effect of the earn through of elevated premium inflation and improved operational performance in the Direct channel. In-force premium written in the BZI Broker channel decreased as pricing actions to deliver target margins weighed on new business and the in-force book's persistency.

The claims ratio decreased from 64.4% to 56.5% owing to the favourable weather and higher prior financial year reserve releases.

The cost-to-income ratio increased from 30.0% to 30.5%. In the current period, a reclassification of fulfillment expenses accounted for the comparative increase in the cost-to-income ratio. If this same reclassification is assumed for the prior period, the ratio for the prior period would have been 30.8% and an improvement would have been observed.

Youi's investment income increased from R317 million to R363 million. This growth is attributed to sustained high interest rates and the increased average balance of insurance liabilities linked to the growth of the in-force book.

The Rand, measured as a reporting period average, was 3.0% stronger against the Australian Dollar.

The table below sets out the key financial outcomes for the Youi Group:

	Six months ended 31 December			Six months ended 31 December			Year ended 30 June 2024 R million
	2024 R million	2023 R million	% change	2024 A\$ million	2023 A\$ million	% change	
Gross written premium	12 212	10 059	21.4%	1 032	824	25.2%	21 018
Insurance revenue	10 825	8 889	21.8%	916	729	25.7%	18 801
Net earned premium	9 983	7 865	26.9%	845	645	31.0%	16 884
Operating profit	1 572	619	>100%	133	51	>100%	1 973
Personal	1 583	610	>100%	134	50	>100%	1 988
Business	25	11	>100%	2	1	>100%	(44)
CTP	(36)	(2)	>(100%)	(3)	-	>(100%)	29
Equity accounted earnings	39	50	(22%)	3	4	(25%)	92
Investment income	363	317	14.5%	31	25	>24%	654
Headline earnings ¹	1 198	556	>100%	101	46	>100%	1 574
Ratios							
Claims ratio (%)	56.5%	64.4%		56.5%	64.4%		61.6%
Accident year claims ratio	60.5%	65.4%	-	60.5%	65.4%		61.5%
Prior year development	(4.0%)	(1.0%)		(4.0%)	(1.0%)		0.1%
Cost-to-income ratio (%)	30.5%	30.0%		30.5%	30.0%		29.6%
Combined ratio (%)	87.0%	94.4%		87.0%	94.4%		91.2%
AUD/ZAR exchange rate							
Closing	11.68	12.46	(6.7%)				12.13
Average	11.82	12.19	(3.0%)				12.25

¹ The headline earnings are equal to the normalised earnings as there are no normalised adjustments.

Youi Personal

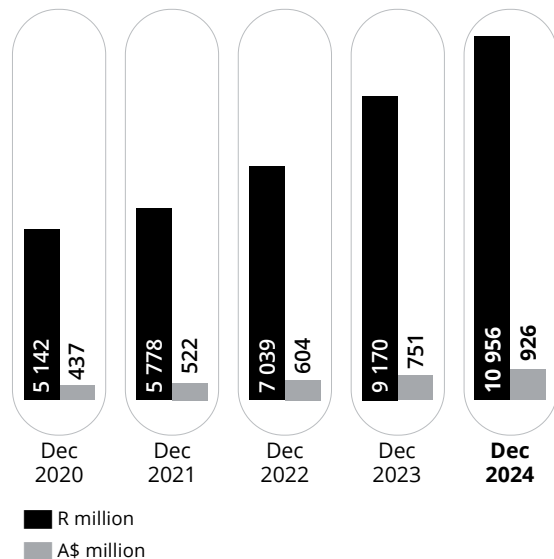
In Australian Dollar terms Youi Personal delivered 23.3% and 26.3% growth in gross written and net earned premium respectively. Net earned premium grew marginally quicker on account of contained reinsurance premium inflation. Gross written premium in the BZI Broker channel decreased by 6.6% on account of pricing actions aimed at delivering target margins. For the period under review, BZI contributed 12% of Youi Personal's gross written premium compared to 16% for the comparative period.

Given the favourable weather experience and good organic growth, operating profit more than doubled with the core Direct channel increasing profits by 93.4%. The BZI Broker channel delivered a profit of R138 million compared to a R137 million loss in the prior period.

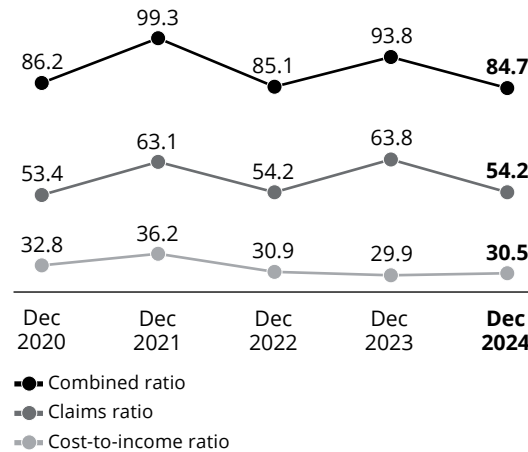
The table below sets out the key financial outcomes for Youi Personal:

R million	Six months ended 31 December			Six months ended 31 December			Year ended 30 June 2024 R million
	2024 R million	2023 R million	% change	2024 A\$ million	2023 A\$ million	% change	
Gross written premium	10 956	9 170	19.5%	926	751	23.3%	18 966
Insurance revenue	9 706	8 095	19.9%	821	664	23.6%	17 076
Net earned premium	8 964	7 320	22.5%	758	600	26.3%	15 673
Operating profit	1 583	610	>100%	134	50	>100%	1 988
Ratios							
Claims ratio (%)	54.2%	63.8%		54.2%	63.8%		60.6%
Cost-to-income ratio (%)	30.5%	29.9%		30.5%	29.9%		29.3%
Combined ratio (%)	84.7%	93.8%		84.7%	93.8%		89.9%

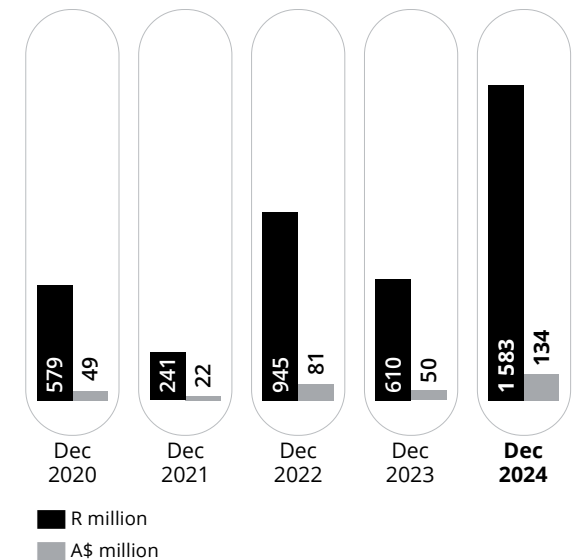
Youi Personal - gross written premium



Youi Personal - key ratios (%)



Youi Personal - operating profit



Youi Personal

The table provides a split of Youi Personal's performance by channel:

	Six months ended 31 December			Six months ended 31 December			Year ended 30 June
	2024 R million	2023 R million	% change	2024 A\$ million	2023 A\$ million	% change	2024 R million
Gross written premium	10 956	9 170	19.5%	926	751	23.3%	18 966
Direct	9 619	7 696	25.0%	813	630	29.0%	16 136
BZI Broker	1 337	1 474	(9.3%)	113	121	(6.6%)	2 830
Operating profit	1 583	610	>100%	134	50	>100%	1 988
Direct	1 445	747	93.4%	122	61	100.0%	2 136
BZI Broker	138	(137)	>100%	12	(11)	>100.0%	(148)
Ratios							
Combined ratio – Direct (%)	83.7%	90.1%		83.7%	90.1%		86.5%
Combined ratio – Broker (%)	91.7%	114.4%		91.7%	114.4%		109.4%

Youi CTP

Youi delivered pleasing growth in gross written premium on the back of a recovery in new business volumes in New South Wales. Net earned premium was bolstered by the removal of the New South Wales quota share reinsurance treaty.

The claims performance is skewed by strengthening in claims liabilities to adjust for observed adverse trends in common law claims. Notwithstanding this reserving adjustment, the attritional claims are performing in line with expectations.

The reserving adjustment contributed significantly to the incurred operating loss for the period.

The cost-to-income ratio improved on the back of the rapid growth in the in-force book.

The table alongside sets out the key financial outcomes for the CTP product:

	Six months ended 31 December			Six months ended 31 December			Year ended 30 June
	2024 R million	2023 R million	% change	2024 A\$ million	2023 A\$ million	% change	2024 R million
Gross written premium	664	358	85.5%	56	29	93.1%	914
Insurance revenue	535	415	28.9%	45	34	32.4%	831
Net earned premium	478	188	>100%	40	15	>100%	863
Operating (loss)/profit	(36)	(2)	>(100%)	(3)	–	>(100%)	28
Ratios							
Claims ratio (%)	95.2%	84.0%		95.2%	84.0%		75.8%
Cost-to-income ratio (%)	19.0%	27.7%		19.0%	27.7%		30.0%
Combined ratio (%)	114.2%	111.7%		114.2%	111.7%		105.8%

Youi Business

Youi Business underwrites small commercial insurance products through the Direct and BZI Broker channels.

Gross written premium increased by 13.6% in Australian Dollars. Gross written premiums grew slower than net earned premium due to a slowdown in new business volumes following corrective pricing actions in the BZI Broker channel. The net earned premium growth reflects the earn through of buoyant new business inceptions in the 2024 financial year when the Business product was launched in the BZI Broker channel.

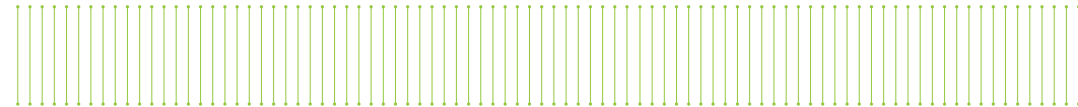
The claims ratio benefitted from benign claims and the pricing actions aimed at achieving target margins in the BZI Broker channel.

The Direct channel delivered an operating profit improvement of 15.6% whilst the loss in the BZI Broker channel reduced by 42.9%.

	Six months ended 31 December			Six months ended 31 December			Year ended 30 June 2024 R million
	2024 R million	2023 R million	% change	2024 A\$ million	2023 A\$ million	% change	
Gross written premium	592	531	11.5%	50	44	13.6%	1 138
Insurance revenue	584	379	54.1%	49	31	58.1%	894
Net earned premium	541	357	51.5%	46	29	58.6%	848
Operating profit/(loss)	25	11	>100%	2	1	100%	(44)
Ratios							
Claims ratio (%)	59.5%	65.3%		59.5%	65.3%		73.3%
Cost-to-income ratio (%)	39.7%	33.6%		39.7%	33.6%		34.8%
Combined ratio (%)	99.3%	98.9%		99.3%	98.9%		108.1%

The table below provides a split of Youi Business performance by channel:

	Six months ended 31 December			Six months ended 31 December			Year ended 30 June 2024 R million
	2024 R million	2023 R million	% change	2024 A\$ million	2023 A\$ million	% change	
Gross written premium	592	531	11.5%	50	44	13.6%	1 138
Direct	137	105	30.5%	12	9	33.3%	228
BZI Broker	455	426	6.8%	38	35	8.6%	910
Operating profit/(loss)	25	11	>100%	2	1	100%	(44)
Direct	37	32	15.6%	3	3	0.0%	47
BZI Broker	(12)	(21)	42.9%	(1)	(2)	50.0%	(91)
Combined ratio – Direct (%)	68.7%	65.2%		68.7%	65.2%		77.0%
Combined ratio – Broker (%)	107.1%	110.0%		107.1%	110.0%		116.8%



OUTsurance Ireland

OUTsurance Ireland officially launched in May 2024 and is expected to achieve monthly break-even in the next five years. The company is performing in line with expectations and follows an incremental path to market entry.

The operating loss, excluding onerous losses, increased from R64 million to R181 million driven by increased operational costs incurred related to marketing and operational infrastructure.

The onerous loss allowance, per IFRS 17, is calculated by accruing a liability for the expected loss to be incurred by servicing in-force policies over the remaining contractual policy term. The liability, representing future losses, is required for as long as OUTsurance Ireland operates at a combined ratio above 100%. As the business scales, the onerous loss allowance will be proportionately reduced. The liability was R65 million at the reporting date.

	Six months ended 31 December			Six months ended 31 December	
	2024 R million	2023 R million	% change	2024 € million	2023 € million
Gross written premium	80	-	100%	4	-
Insurance revenue	18	-	100%	1	-
Net earned premium ¹	5	-	100%	-	-
Operating loss	(246)	(64)	>(100%)	(13)	(3)
Operating loss (before onerous claims allowance)	(181)	(64)		(10)	(3)
Onerous loss allowance	(65)	n/a		(3)	n/a
Investment income ²	30	6	>100%	2	-
Headline earnings ³	(218)	(59)	>(100%)	(11)	(6)
EUR/ZAR exchange rate					
Closing	19.51	20.19	(3.4%)		
Average	19.40	20.10	(3.5%)		

1 The net earned premium of €291 223 for December 2024 rounds to zero.

2 Investment income of €294 556 for December 2023 rounds to zero.

3 The headline earnings is equal to the normalised earnings as there are no normalised adjustments.

OUTsurance Life

OUTsurance Life delivered a satisfactory financial performance, underpinned by good operational progress and the favourable impact of yield movements. The operational highlights include strong new business generation, improvements in new business profitability and cost reduction.

Operating profit more than doubled to R185 million, despite the significant increase in the share-based payments expense which is accounted for in the Central segment as presented in the table alongside. On the final ESOP tranche, OUTsurance Life incurred a share-based payments expense of R83 million compared to R37 million in the comparative period.

The value of new business written increased by 83.8% to R68 million with an improvement in the VNB margin to 11.7%. The mix towards an increasing proportion of funeral business and pricing actions in the Direct segment underpinned the VNB margin improvement.

The CSM, as an IFRS 17 accounting measure, represents the present value of the expected future profit to be generated by the in-force book of business. Since June 2024, OUTsurance Life's CSM increased by 9.2% to R1 488 million. The increase in the CSM benefitted from the strong growth in the Funeral segment and the benefit of pricing actions to improve new business margins.

The Embedded Value increased by 6.8% to R1 969 million which is reflective of the growth in the in-force book's profitability. A reconciliation between the CSM and the Embedded Value is provided on page 23.

The table below sets out the key financial outcomes for OUTsurance Life:

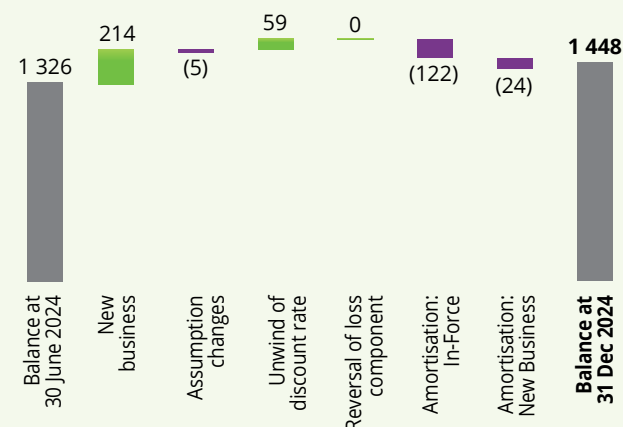
R million	Six months ended 31 December		%	Year ended 30 June 2024
	2024	2023		
Operating profit	185	57	>100%	264
Direct	235	91	>100%	271
Funeral partnership	49	19	>100%	64
Central	(99)	(47)	>100%	(71)
Normalised earnings	142	70	>100%	210
Contractual service margin ¹	1 448	1 461	(0.9%)	1 326
CSM replacement ratio	1.87	2.05		2.09
Embedded value	1 969	1 843	6.8%	1 822
Return on embedded value (%)	23.9%	21.8%		16.6%
VNB margin (%) ²	11.7%	8.9%		6.2
Value of new business written	68	37	83.8%	48

- The Contractual Service Margin (CSM) is introduced by IFRS 17 and represents the expected future profit (on a pre-tax basis) to be realised from the in-force book at the reporting date.
- The VNB margin is the outcome before allowing for the any trailing new business effects of the discontinued Life face-to-face channel.

CSM movement analysis (R million)

The graph alongside illustrates the movement in the CSM for the period 1 July 2024 to 31 December 2024 and illustrates the new business added and the in-force business amortised.

The CSM replacement ratio represents the ratio by which the value of new business (including the unwind of the discount rate on in-force business), has replaced the profit amortisation of in-force and new business.



Capital position

The table below shows the solvency position of the OHL Group and its licensed operations at 31 December 2024 and recent reporting periods.

Solvency coverage ratio	Six months ended 31 December		Target	Year ended 30 June 2024
	2024	2023		
OHL Group	2.4	2.2	1.5	2.3
Property and casualty insurance				
OUTsurace SA	1.8	1.5	1.3	1.7
Youi Group	2.4	2.2	1.9	2.3
OUTsurace Ireland Group	17.9	23.6	1.5	21.6
Long-term insurance				
OUTsurace Life	2.9	3.0	1.5	3.0

During the six-month period, the Group deployed a further EUR10 million to OUTsurace Ireland and managed to reduce the Revolving Credit Facility (RCF) from R774 million at 30 June 2024 to R309 million at 31 December 2024. The repayment was as a result of various internal capital restructuring projects including the unwind of the OHL share trust and reorganisation of the ownership of the head office building to optimise OUTsurace SA's capital diversification. It is expected that the RCF will be settled within the next twelve months with surplus capital and proceeds from a non-core asset disposal.

Interim dividends

The principles that influence our dividend strategy are as follows:

- The dividend profile is linked to earnings as there is a high correlation between earnings and cash generation.
- Free cash generation is impacted by the rate of premium growth in the business. During a period of high growth, such as the current, a larger proportion of earnings is retained to support the growth in the capital requirement.
- The OHL Group funds organic growth from retained earnings.
- Debt is not considered to be part of the long-term funding mix of the business due to the high rate of cash generation and strong ROE profile. Temporary debt is being utilised to fund the OUTsurace Ireland initiative. This debt is in the form of a Revolving Credit Facility which provides repayment flexibility. It is expected that the outstanding balance will be settled over the next twelve months. Prospective capital contributions in support of OUTsurace Ireland will be funded through earnings retention. The Group is expected to inject EUR10 million per year to support the pre-breakeven period of the business.

Other than allowing for marginal head office costs we expect that ordinary dividends paid by OHL to OGL to flow to OGL shareholders. Capital surpluses arising from the activities of RMI Treasury Company, such as disposals of investee companies, will be considered as OGL special dividends and expected to be declared at final dividend stage each financial year. This approach to segment dividends allows for a clear view of the flow of operational dividends from the OHL Group to OGL shareholders.

OGL declared an interim dividend of 88.6 cents per OGL ordinary share which is 44.8% higher than the comparative interim dividend. The pay-out ratio for the period is 63.5%.

OUTsurace Group Limited	Six months ended 31 December		%	Year ended 30 June 2024
	2024	2023		
Ordinary dividend (cents per share)	88.6	61.2	44.8%	174.4
Special dividend (cents per share)	-	-		40.0

The total dividend paid by OGL of R1 370 million represents the full distribution received from OHL.

RMI Treasury Company

The director's valuation of the assets of RMI Treasury Company is R1.4bn to R1.9bn and is represented by the investment portfolio and financial assets.

Looking ahead

Over the last two financial years, the Group's premium revenue was significantly impacted by average premium inflation emanating from the post-pandemic wave of global inflation, industry specific supply shortages and constrained reinsurance markets. We expect that premium inflation will normalise in line with the trend of general inflation over the next twelve months. In the long run, we do however expect premium inflation to be higher than CPI as a result of the effects of climate change, penetration of electric vehicles and increased technology penetration in new vehicle models.

In response to the lower inflationary environment, interest rates and our investment income generation will be adversely impacted. These macro economic trends will however support a more favourable real growth outlook for the South African and Australian operations.

Our focus on our simplified product and distribution strategy is yielding favourable results as demonstrated by the pleasing organic growth achieved coupled with the associated optimisation of our cost base. Recent initiatives to grow revenue is increasingly translating to profit growth. Cost discipline, a critical ingredient to competitive pricing, will remain a core focus over the next year.

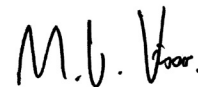
OUTsurance Ireland has delivered a satisfactory performance thus far and we look forward to steering the business to break-even through incremental and disciplined expansion.

We expect to see favourable terms offered in the upcoming reinsurance renewal based on available capacity and favourable natural perils experience to date.

Events after reporting period

- During January 2025, an agreement was reached to dispose of Merchant Capital by way of a company share buy-back. This disposal is tranching over a period of 15 months. The disposal proceeds are not material to the profitability of the Group.
- Cyclone Alfred made landfall on the South-East Queensland coast on 7th of March 2025 and the main peril from this event is flooding. Youi's reinsurance attachment point for its first two catastrophe events is A\$40 million. Estimating the loss from this event is currently highly uncertain and it is expected that a substantial portion of the loss will be covered by the Australian Reinsurance Pool Corporation (ARPC). Should the net loss after the recovery from the ARPC breach A\$40 million, Youi's loss will be limited to A\$40 million, plus reinstatement premiums to the extent that reinsurance is utilised.

The directors are not aware of any other material events as defined in IAS 10, occurring between 31 December 2024 and the date of the authorisation of the financial results.



Marthinus Visser
Chief Executive Officer
14 March 2025



Herman Bosman
Chairman
14 March 2025

Cash dividend declaration

Notice is hereby given that an ordinary gross interim cash dividend of 88.6 cents per OUTsurance Group Limited ordinary share, payable out of income reserves, was declared on 14 March 2025 in respect of the six months ended 31 December 2024.

This dividend will be subject to Dividend Withholding Tax at a rate of 20%, which will result in a net dividend of 70.88 cents per ordinary share for those shareholders who are not exempt.

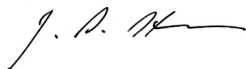
The company's tax reference number is 9469/826/16/9. Its issued share capital at the declaration date comprises 1 546 402 028 ordinary shares.

Shareholders' attention is drawn to the following important dates:

Last day to trade in order to participate in the ordinary dividend	Tuesday 1 April 2025
Shares commence trading ex-dividend on	Wednesday 2 April 2025
The record date for the payment of the dividend will be	Friday 4 April 2025
Dividend payment date	Monday 7 April 2025

No dematerialisation or rematerialisation may be done between Wednesday 2 April 2025 and Friday 4 April 2025 (both days inclusive).

By order of the OUTsurance Group Limited board.



Schalk Human
Company Secretary
Centurion

14 March 2025

Earnings and capital reconciliation

OUTsurance Group Limited earnings reconciliation

R million	Six months ended 31 December		% change	Year ended
	2024	2023		30 June 2024
Earnings attributable to ordinary shareholders	2 039	1 891	7.8%	4 061
Profit on dilution of investments in associates	-	(471)		(511)
Profit on disposal of investments in associates	-	(78)		(40)
Realised foreign exchange gain on disposal of investment in associate	-	(5)		(5)
Loss on disposal of property and equipment	-	1		-
Profit on disposal of assets held for sale	-	-		(52)
Impairments of investments in associates	-	-		9
Tax effect of headline earnings adjustments	-	63		63
Headline earnings attributable to ordinary shareholders	2 039	1 401	45.5%	3 525
Taxation on capital gain in respect of the share trust wind-up ¹	92	-		-
Adjustment for group treasury shares ²	28	(2)		(2)
Fair value adjustments to derivative financial instruments ³	(3)	10		9
Amortisation of intangible assets relating to business combinations	2	2		4
NORMALISED EARNINGS ATTRIBUTABLE TO ORDINARY SHAREHOLDERS	2 158	1 411	52.9%	3 536

¹ Capital gains tax on the long-term cumulative build up of gain on treasury shares in the OHL share trust. Due to the non-operating nature of the wind-up of the share trust, this tax is excluded from normalised earnings.

² Dividend income and tax effect on fair value gains on treasury shares held and the difference between actual and effective shareholding in OHL.

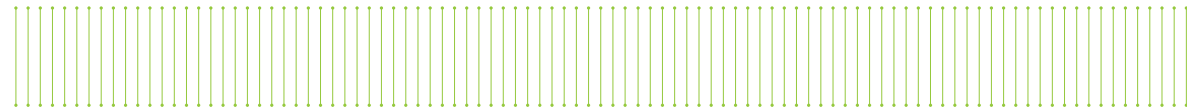
³ Fair value movements on hedging instruments held for capital transactions.

Capital reconciliation

The table below provides a reconciliation and aggregation of the regulatory own funds and solvency capital requirement of the Group at 31 December 2024 and the end of the 2024 financial year. The Own Funds is reported gross of the interim dividends declared subsequent to 31 December 2024.

R million	OUTsurance	OUTsurance Life	Youi Group	Ireland Group	Central ¹	Group
31 December 2024						
Own funds						
Net asset value – IFRS ¹	3 854	1 143	6 240	1 738	427	13 402
Own funds adjustments per prudential standards	443	949	1 384	(20)	(618)	2 138
Regulatory own funds	4 297	2 092	7 624	1 718	(191)	15 540
Solvency capital requirement						
SCR per standard formula	2 451	719	3 180	96	55	6 501
Additional capital for target and operational buffer	735	359	2 862	48	200	4 204
At target	735	359	1 908	48	200	3 250
Operational buffer	-	-	954	-	-	954
Surplus capital above target and operational buffer	1 111	1 014	1 582	1 574	(446)	4 835
SCR ratio	1.75	2.91	2.40	17.89		2.39
Target SCR ratio	1.3	1.5	1.9	1.5	1.0	1.50
Target	1.3	1.5	1.6	1.5	1.0	1.50
Operational buffer	-	-	0.3	-	-	-
31 December 2023						
Regulatory own funds	3 531	2 005	6 434	1 902	(474)	13 399
SCR per standard formula	2 341	674	2 939	81	191	6 225
SCR ratio	1.51	2.98	2.19	23.55	(2.48)	2.15
Target SCR ratio	1.3	1.5	2.0	-	1.0	1.50

¹ Includes OUTsurance Holdings, non-regulated entities and associates and is net of consolidation entries.



OUTsurance Life - Embedded value results

Definition

Actuarial Practice Note (“APN”) 107 provides guidance in the way in which embedded values of life insurance companies are reported. In particular, the principles surrounding the calculation of a market consistent embedded value were followed.

The Embedded Value (“EV”) of covered business is the present value of earnings from covered business attributable to shareholders, excluding any value that may be attributed to future new business. It is calculated on an after-tax basis taking into account current legislation and known future changes.

The embedded value of covered business consists of:

- Adjusted net worth (ANW); plus
- The value of in-force covered business (PVIF); less
- The cost of non-hedgeable risk (CNHR); less
- The cost of capital (CoC).

The ANW of covered business is calculated on the IFRS accounting basis and is defined as the value of all assets attributed to the covered business that are not required to back the liabilities of the covered business. For OUTsurance Life all business is covered business, and therefore the ANW is set equal to the net asset value as per the IFRS 17 balance sheet.

The PVIF is the present value of future shareholder value of the in-force covered business. The main component of the PVIF consists of the Contractual Service Margin (CSM), which contains the profits expected to emerge from covered business, gross of the Risk Adjustment (RA). The PVIF is then adjusted down by the discounted value of the non-attributable expenses, since only the attributable expenses were allowed for in calculating the CSM, as well as for tax.

The EV is adjusted down for the cost of the shareholders accepting non-hedgeable (i.e. underwriting/insurance) risks, with the RA (appropriately netted down for tax) being seen as an appropriate allowance for the cost of such non-hedgeable risk.

The Cost of Capital comprises the discounted value of the lifetime capital required to support covered business. The capital requirement accounts for all prescribed margins as well as short term liquidity constraints. All values are discounted at a risk-free rate, net of management fees and tax.

The value of new business (“VNB”) is calculated as the discounted value, at point of sale, of the projected stream of after-tax profits for new covered business issued during the past 6 months. The projected stream of after-tax profits is calculated in line with the PVIF on covered business outlined above, including the adjustment for non-attributable expenses. The value of new business is also reduced by the cost of capital for new covered business, as well as the cost of non-hedgeable risk. The value of new business has been calculated on closing assumptions. Profitability of new covered business (the VNB margin) is measured by the ratio of the net discounted profits arising from new business (after allowing for the cost of capital) to the present value of new business premiums (gross of reinsurance).

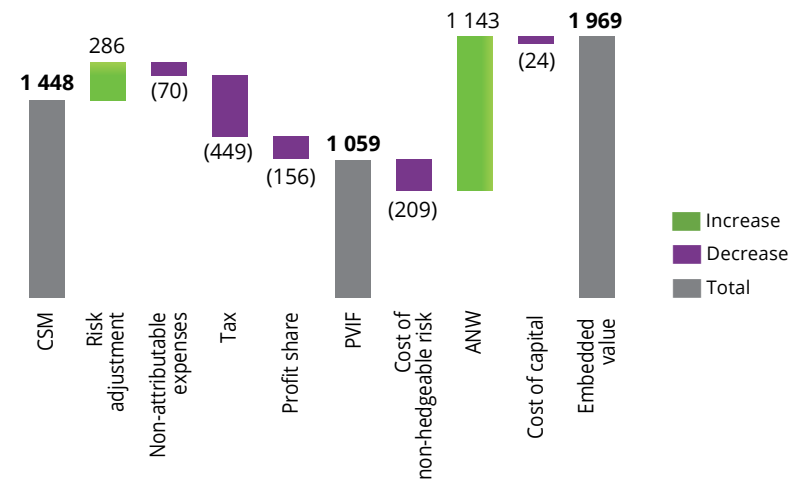
Embedded value

The tables below provide a breakdown of the EV for OUTsurance Life from June 2024 to December 2024:

	31 December 2024 R'000	31 December 2023 R'000	30 June 2024 R'000
Embedded value of covered business			
Covered business Adjusted Net Worth	1 142 811	1 061 896	1 079 641
Free surplus	1 093 572	1 016 379	1 033 060
Required capital	49 239	45 517	46 581
Present value of in-force business	1 058 879	966 327	967 586
Cost of non-hedgeable risk	(208 968)	(138 171)	(181 854)
Cost of Capital	(23 763)	(46 777)	(43 661)
Embedded value of covered business	1 968 959	1 843 275	1 821 712
Present value of gross premiums (in-force book)	7 761 663	5 682 995	6 858 667
Annualised return on embedded value	23.9%	21.8%	16.6%

The below chart represents how the EV is built up from its various subcomponents, most notably how the future profits contained in the CSM is adjusted to arrive at the PVIF.

CSM to Embedded Value reconciliation (R million)



Embedded value earnings

From June 2024 to December 2024, the EV of OUTsurance Life increased by R147.2 million. This includes a dividend payment of R70.0 million. Earnings before the dividend are equal to R217.2 million. A breakdown of the change in embedded value can be found in the analysis of embedded value earnings section below.

Embedded value earnings for the reporting period at December 2024 (6 months)	ANW R'000	PVIF R'000	Cost of capital R'000	Embedded value R'000
Embedded value at end of the period	1 142 811	849 911	(23 763)	1 968 959
Dividends paid	70 000	-	-	70 000
Embedded value at beginning of the period	1 079 641	785 732	(43 661)	1 821 712
Embedded value earnings for the period	133 170	64 179	19 898	217 247
Annualised return on embedded value				23.9%

Embedded value earnings for the reporting period at December 2023 (6 months)	ANW R'000	PVIF R'000	Cost of capital R'000	Embedded value R'000
Embedded value at end of the period	1 061 896	828 156	(46 777)	1 843 275
Dividends paid	240 000	-	-	240 000
Embedded value at beginning of the period	1 233 042	761 981	(116 811)	1 878 212
Embedded value earnings for the period	68 854	66 175	70 034	205 063
Annualised return on embedded value				21.8%

Analysis of embedded value earnings

Components of embedded value earnings at December 2024 (6 months)	ANW R'000	PVIF R'000	Cost of capital R'000	Embedded value R'000
Embedded value operating return	113 189	64 179	28 434	205 802
Value of new business at point of sale	19 930	113 428	6 805	140 163
Expected return on covered business (unwind)	-	45 039	6 469	51 508
Expected profit transfer	90 453	(90 453)	(2 890)	(2 890)
Operating experience variances	3 537	(4 157)	(2 079)	(2 699)
Operating model changes	-	-	20 121	20 121
Operating assumption changes	(647)	163	5	(479)
Assessment of onerosity after changes in estimates period end	(84)	159	3	78
Embedded value non-operating return	98 351	-	(8 536)	89 815
Investment return variances	83 043	-	-	83 043
Investment income on policyholder liability	38 917	-	-	38 917
Fair value gains and losses	35 437	-	-	35 437
Investment income on capital	8 689	-	-	8 689
Effect of economic assumption changes	15 308	-	(8 536)	6 772
Other revenue items	(78 370)	-	-	(78 370)
Expenses (Non-attributable)	(67 065)	-	-	(67 065)
OUTLife Endowment	8 315	-	-	8 315
Profit share (preference dividends)	(19 620)	-	-	(19 620)
Embedded value earnings	133 170	64 179	19 898	217 247

From June 2024 to December 2024, the annualised return on EV was 23.9%. This is attributable to positive contributions to the EV from the ANW, CoC and the PV of PVIF.

The ANW increased by R133.2 million over the period and was driven by profit transfers from existing business and markets movements resulting in a shift in the yield curves used in the economic assumptions. The PVIF increased by R64.2 million over the period which was driven primarily by the expected profits generated from new business written over the period as well as the expected return on covered business.

Additional detail on key items in the analysis of embedded value can be found below.

Experience variance

	31 December 2024		
	ANW* R'000	PVIF R'000	EV R'000
Persistence	(7 621)	1 538	(6 083)
Decrement risk (mortality and morbidity)	18 543	(2 920)	15 623
Expenses	4 791	-	4 791
Other	(14 255)	(2 776)	(17 031)
Experience variance	1 458	(4 158)	(2 700)

* Net of CoC.

	31 December 2023		
	ANW* R'000	PVIF R'000	EV R'000
Persistence	157	11 599	11 756
Decrement risk (mortality and morbidity)	(3 200)	(2 758)	(5 958)
Expenses	(20 889)	-	(20 889)
Other	(8 332)	-	(8 332)
Experience variance	(32 264)	8 841	(23 423)

* Net of CoC.

Assumption and model changes

	31 December 2024			31 December 2023		
	ANW* R'000	PVIF R'000	EV R'000	ANW* R'000	PVIF R'000	EV R'000
Decrement risk (mortality and morbidity)	-	-	-	(5 106)	(14 535)	(19 641)
Expenses	(647)	163	(484)	(3 191)	(4 305)	(7 496)
Model and other changes	20 126	-	20 126	16 412	20 140	36 552
Assumption and model changes	19 479	163	19 642	8 115	1 300	9 415

* Net of CoC.

Economic assumption changes

	31 December 2024			31 December 2023		
	ANW* R'000	PVIF R'000	EV R'000	ANW* R'000	PVIF R'000	EV R'000
Economic assumptions impact on liabilities	6 772	-	6 772	84 187	-	84 187
Other Investment variance	83 043	-	83 043	40 539	-	40 539
Economic variance	89 815	-	89 815	124 726	-	124 726

* Net of CoC.

Value of new business

The total VNB margin for OUTsurance Life increased over the last six months. VNB margins increased due to the change in business mix, as more profitable policies were sold due to reprices. Favourable yield movements also lead to increases in the VNB margins, due to less discounting applied to future profits.

	31 December 2024 R'000	31 December 2023 R'000	30 June 2024 R'000
Value of new business (6 months)			
Gross value of new business	91 213	48 030	70 090
Cost of capital	(23 590)	(11 098)	(21 701)
Value of new business	67 623	36 932	48 389
Present value of gross premiums (new business)	578 879	414 348	838 847
New business margin	11.7%	8.9%	5.8%

Embedded value sensitivities

The following table sets out the results of the sensitivity analysis that was performed on the value of the in-force book of business as well as new business.

Value of in-force sensitivity analysis at December 2024	Gross value of in-force* R'000	Cost of capital R'000	Net value of in-force R'000	% change R'000
Base	849 911	(23 763)	826 148	
1% decrease in the interest rate environment	827 508	(47 929)	779 579	(5.6%)
10% decrease in maintenance expenses	890 282	(21 730)	868 552	5.1%
10% decrease in lapse rates	893 005	(34 194)	858 811	4.0%
5% decrease in morbidity and mortality rates	929 732	(15 945)	913 787	10.6%

* Includes Cost-of non-hedgeable risk.

Value of new business sensitivity analysis at December 2024	Gross value of in-force* R'000	Cost of capital R'000	Net value of in-force R'000	% change R'000
Base	91 213	(23 590)	67 623	
1% decrease in the interest rate environment	109 575	(22 069)	87 506	29.4%
10% decrease in maintenance expenses	93 496	(23 388)	70 108	3.7%
10% decrease in new business acquisition expenses	104 250	(23 590)	80 660	19.3%
10% decrease in lapse rates	122 942	(58 343)	64 599	(4.5%)
5% decrease in morbidity and mortality rates	95 218	(24 639)	70 579	4.4%

* Includes Cost-of non-hedgeable risk.

Value of in-force sensitivity analysis at December 2023	Gross value of in-force* R'000	Cost of capital R'000	Net value of in-force R'000	% change R'000
Base	828 156	(46 777)	781 380	
1% decrease in the interest rate environment	819 731	(88 509)	731 222	(6.4%)
10% decrease in maintenance expenses	864 145	(42 040)	822 104	5.2%
10% decrease in new business acquisition expenses	828 156	(46 777)	781 380	
10% decrease in lapse rates	859 037	(54 015)	805 022	3.0%
5% decrease in morbidity and mortality rates	939 026	(37 309)	901 717	15.4%

* Includes Cost-of non-hedgeable risk.

Value of new business sensitivity analysis at December 2023	Gross value of in-force* R'000	Cost of capital R'000	Net value of in-force R'000	% change R'000
Base	48 030	(11 098)	36 931	
1% decrease in the interest rate environment	56 271	(15 330)	40 941	10.9%
10% decrease in maintenance expenses	50 545	(10 831)	39 714	7.5%
10% decrease in new business acquisition expenses	61 456	(11 098)	50 357	36.4%
10% decrease in lapse rates	64 756	(21 890)	42 866	16.1%
5% decrease in morbidity and mortality rates	50 513	(10 883)	39 630	7.3%

* Includes Cost-of non-hedgeable risk.



OUTsurance Group Limited interim financial statements for the six months ended 31 December 2024

The reports and statements set out alongside
comprise the consolidated interim financial
statements presented to the shareholders:

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Consolidated statement of profit or loss

R million	Notes	Six months ended 31 December		% change	Year ended 30 June 2024
		2024	2023		
Insurance revenue	7	17 922	15 328	16.9%	31 913
Insurance service expenses	7	(13 531)	(12 388)	9.2%	(24 977)
Net expenses from reinsurance contracts held	7	(728)	(605)	20.3%	(1 347)
Insurance service result		3 663	2 335	56.9%	5 589
Administration and other income	6	213	244	(12.7%)	502
Net investment income		955	805	18.6%	1 628
Investment income		119	110	8.2%	290
Interest income on financial assets using the effective interest method		686	659	4.1%	1 284
Net gain from fair value adjustments on financial assets		128	29	>100%	51
Expected credit losses on financial assets		22	7	>100%	3
Net insurance finance expenses	7	(107)	(139)	(23.0%)	(241)
Finance expenses from insurance contracts issued		(156)	(205)	(23.9%)	(343)
Finance income from reinsurance contracts held		49	66	(25.8%)	102
Fair value adjustment to financial liabilities		(113)	(74)	52.7%	(200)
Net insurance and investment result		4 611	3 171	45.4%	7 278
Marketing and administration expenses		(1 266)	(928)	36.4%	(1 646)
Finance costs		(49)	(17)	>100%	(73)
Equity accounted earnings		138	33	>100%	127
Profit on sale of assets held for sale		-	-	-	55
Profit on change of shareholding in investment in associates		-	471	(100%)	509
Profit on sale of associates		-	82	(100%)	44
Impairment of investment in associates		-	-	-	(9)
Profit before taxation		3 434	2 812	22.1%	6 285
Taxation		(1 170)	(738)	58.5%	(1 794)
PROFIT FOR THE PERIOD		2 264	2 074	9.2%	4 491
Profit attributable to:					
Ordinary shareholders		2 039	1 891	7.8%	4 061
Non-controlling interests		225	183	23.0%	430
PROFIT FOR THE PERIOD		2 264	2 074	9.2%	4 491
Earnings per share (cents)		132.9	123.6	7.5%	265.5
Diluted earnings per share (cents)		131.5	122.0	7.8%	261.0

Computation of headline earnings

R million	Six months ended 31 December		% change	Year ended 30 June 2024
	2024	2023		
Earnings attributable to ordinary shareholders	2 039	1 891	7.8%	4 061
Profit on dilution of investments in associates	-	(471)		(511)
Profit on disposal of investments in associates	-	(78)		(40)
Realised foreign exchange gain on disposal of investment in associate	-	(5)		(5)
Loss on disposal of property and equipment	-	1		-
Profit on disposal of assets held for sale	-	-		(52)
Impairments of investments in associates	-	-		9
Tax effect of headline earnings adjustments	-	63		63
HEADLINE EARNINGS ATTRIBUTABLE TO ORDINARY SHAREHOLDERS	2 039	1 401	45.5%	3 525

Computation of normalised earnings

R million	Six months ended 31 December		% change	Year ended 30 June 2024
	2024	2023		
Headline earnings attributable to ordinary shareholders	2 039	1 401	45.5%	3 525
Taxation on capital gain in respect of the share trust wind-up ¹	92	-		-
Adjustment for group treasury shares ²	28	(2)		(2)
Fair value adjustments to derivative financial instruments ³	(3)	10		9
Amortisation of intangible assets relating to business combinations	2	2		4
NORMALISED EARNINGS ATTRIBUTABLE TO ORDINARY SHAREHOLDERS	2 158	1 411	52.9%	3 536

1 The capital gains tax arising on the wind-up of the OHL share trust.

2 Dividend income and tax effect on fair value gains on treasury shares held and the difference between actual and effective shareholding in OHL.

3 Fair value movement on hedging instruments held for capital transactions.

Computation of earnings and dividend per share

R million	Six months ended 31 December		%	Year ended 30 June 2024
	2024	2023		
Earnings attributable to ordinary shareholders	2 039	1 891	7.8%	4 061
Headline earnings attributable to ordinary shareholders	2 039	1 401	45.5%	3 525
Number of shares in issue	1 546 402 028	1 533 388 983	0.8%	1 537 535 862
Weighted average number of shares in issue	1 534 727 100	1 530 477 170	0.3%	1 529 845 582
Dilutory impact on earnings	(21)	(24)	(12.5%)	(68)
Dilutory impact on headline earnings	(21)	(23)	(8.7%)	(67)
Earnings per share (cents)	132.9	123.6	7.5%	265.5
Diluted earnings per share (cents)	131.5	122.0	7.8%	261.0
Headline earnings per share (cents)	132.9	91.6	45.1%	230.4
Diluted headline earnings per share (cents)	131.5	90.0	46.1%	226.0
Dividend per share				
Interim dividend (cents)	88.6	61.2	44.8%	61.2
Final dividend (cents)	-	-	-	113.2
Special dividend (cents)	-	-	-	40.0
TOTAL DIVIDEND PER SHARE (CENTS)	88.6	61.2	44.8%	214.4

Computation of normalised earnings per share

R million	Six months ended 31 December		%	Year ended 30 June 2024
	2024	2023		
Normalised earnings attributable to ordinary shareholders	2 158	1 411	52.9%	3 536
Number of shares in issue	1 546 402 028	1 533 388 983	0.8%	1 537 535 862
Weighted average number of shares in issue	1 541 955 589	1 532 659 155	0.6%	1 533 078 726
Dilutory impact on normalised earnings	(21)	(23)	(8.7%)	(66)
Normalised earnings per share (cents)	140.0	92.1	52.0%	230.6
Diluted normalised earnings per share (cents)	138.6	90.6	53.0%	226.4

Consolidated statement of comprehensive income

R million	Six months ended 31 December		% change	Year ended 30 June 2024
	2024	2023		
Profit for the period	2 264	2 074	9.2%	4 491
Other comprehensive loss for the period				
Items that may subsequently be reclassified to profit or loss				
Exchange differences on translation of foreign operations	(234)	(95)	>(100%)	(320)
Fair value (losses)/gains on other comprehensive income financial instruments	(54)	(30)	(80.0%)	5
Deferred tax on fair value losses and gains on other comprehensive income financial instruments	(3)	1	>(100%)	(5)
Reclassification of accumulated comprehensive income of associate diluted to a fair value asset	-	(26)	100%	(26)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD	(291)	(150)	(94.0%)	(346)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1 973	1 924	2.5%	4 145
Total comprehensive income attributable to:				
Ordinary shareholders	1 780	1 759	1.2%	3 759
Non-controlling interests	193	165	17.0%	386
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1 973	1 924	2.5%	4 145

Consolidated statement of financial position

R million	Notes	31 December 2024	31 December 2023	30 June 2024
Assets				
Property and equipment		1 181	1 173	1 205
Intangible assets		230	249	253
Right-of-use assets		253	154	277
Investments in associates		704	714	806
Deferred income tax		361	448	307
Reinsurance assets	7	2 141	1 761	1 587
Insurance assets	7	315	229	251
Financial assets				
Fair value through profit or loss		5 370	5 374	5 632
Fair value through other comprehensive income		7 620	7 485	8 203
Measured at amortised cost		12 321	11 307	12 634
Derivative financial instrument		74	15	87
Other receivables		1 217	1 203	1 221
Taxation		22	49	102
Assets held for sale		188	390	-
Cash and cash equivalents		2 223	1 860	1 692
TOTAL ASSETS		34 220	32 411	34 257
Equity				
Share capital and premium		15 860	15 311	15 486
Other reserves		(5 333)	(4 176)	(4 690)
Retained earnings		2 928	2 065	3 289
Total shareholders' equity		13 455	13 200	14 085
Non-controlling interests		1 265	1 351	1 302
TOTAL EQUITY		14 720	14 551	15 387
Liabilities				
Reinsurance liabilities	7	29	5	28
Insurance liabilities	7	13 924	12 252	12 906
Derivative financial instrument		142	143	88
Investment contract liability		1 813	1 701	1 738
Lease liabilities		275	170	294
Share-based payment liability		892	644	811
Employee benefits		460	438	626
Deferred income tax		184	202	183
Financial liabilities at fair value through profit or loss		113	74	113
Taxation		88	36	137
Financial liabilities at amortised cost		309	1 063	774
Other payables		1 271	1 062	1 172
Liabilities directly associated with assets held for sale		-	70	-
TOTAL LIABILITIES		19 500	17 860	18 870
TOTAL EQUITY AND LIABILITIES		34 220	32 411	34 257

Consolidated statement of changes in equity

R million	Share capital and premium	Equity accounted reserves	Share-based payments reserve	Other reserves	Transactions with non-controlling interests	Foreign currency translation reserve	Retained earnings	Non-controlling interests	Total equity
Balance as at 30 June 2023	15 452	34	12	(99)	(4 653)	1 045	1 567	1 568	14 926
Profit for the year	-	-	-	-	-	-	4 061	430	4 491
Other comprehensive loss for the year	-	(26)	-	-	-	(276)	-	(44)	(346)
Additional shares issued	215	-	-	-	-	-	-	-	215
Treasury shares acquired	(181)	-	-	-	-	-	-	-	(181)
Transactions with non-controlling interest	-	-	-	-	(760)	-	9	(285)	(1 036)
Share-based payment reserve	-	(7)	57	-	-	-	(85)	(6)	(41)
Reserve adjustment of associates	-	-	-	-	-	-	(4)	-	(4)
Sale of assets held for sale	-	-	-	-	(17)	-	-	(71)	(88)
Dividends paid	-	-	-	-	-	-	(2 259)	(290)	(2 549)
BALANCE AS AT 30 JUNE 2024	15 486	1	69	(99)	(5 430)	769	3 289	1 302	15 387
Profit for the period	-	-	-	-	-	-	2 039	225	2 264
Other comprehensive loss for the period	-	-	-	(58)	-	(201)	-	(32)	(291)
Additional shares issued	374	-	-	-	-	-	-	-	374
Transactions with non-controlling interest	-	-	-	-	(434)	-	3	66	(365)
Share-based payment reserve	-	1	49	-	-	-	(49)	(3)	(2)
Derecognition of retained earnings on deregistration of subsidiary	-	-	-	-	-	-	(3)	-	(3)
Dividends paid	-	-	-	-	-	-	(2 351)	(293)	(2 644)
BALANCE AS AT 31 DECEMBER 2024	15 860	2	118	(157)	(5 864)	568	2 928	1 265	14 720
Balance as at 30 June 2023	15 452	34	12	(99)	(4 653)	1 045	1 567	1 568	14 926
Profit for the period	-	-	-	-	-	-	1 891	183	2 074
Other comprehensive loss for the period	-	(26)	-	(29)	-	(77)	-	(18)	(150)
Additional shares issued	40	-	-	-	-	-	-	-	40
Treasury shares acquired	(181)	-	-	-	-	-	-	-	(181)
Transactions with non-controlling interest	-	-	-	-	(383)	-	8	(193)	(568)
Share-based payment reserve	-	(7)	7	-	-	-	(79)	(9)	(88)
Dividends paid	-	-	-	-	-	-	(1 322)	(180)	(1 502)
BALANCE AS AT 31 DECEMBER 2023	15 311	1	19	(128)	(5 036)	968	2 065	1 351	14 551

Consolidated statement of cash flows

R million	Six months ended 31 December	
	2024	2023
Cash flows from operating activities		
Cash generated from operations	3 126	2 099
Interest income	230	293
Dividends received	31	81
Cashflows on assets backing policyholder liabilities	(6)	(30)
Purchase of financial assets	(3 751)	(9 037)
Proceeds on disposal of financial assets	4 596	8 734
Income tax paid	(1 153)	(924)
NET CASH GENERATED FROM OPERATING ACTIVITIES	3 073	1 216
Cash flows from investing activities		
Purchase of property and equipment	(121)	(61)
Disposal of property and equipment	35	21
Purchase of financial assets	(194)	(185)
Proceeds on disposal of financial assets	915	288
Acquisition of associates	-	(104)
Dividends received from associates	22	-
Proceeds on disposal of associate	-	172
NET CASH INFLOW FROM INVESTING ACTIVITIES	657	131
Cash flows from financing activities		
Purchase of shares from non-controlling interest	(24)	(512)
Treasury shares acquired	-	(181)
Borrowing raised	-	1 175
Borrowings repaid	(465)	(112)
Repayment of lease liability	(36)	(23)
Cost of funding	(48)	-
Dividends paid by subsidiaries to non-controlling interests	(249)	(180)
Cash dividends paid to shareholders	(2 351)	(1 323)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES	(3 173)	(1 156)
Net increase in cash and cash equivalents for the period	557	191
Unrealised foreign currency translation adjustment on cash and cash equivalents	(26)	(6)
Cash and cash equivalents at the beginning of the period	1 692	1 675
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	2 223	1 860

Segment information

R million	Property and casualty insurance								Long-term insurance		Admini- stration services	Central and consoli- dation entries	OHL Group Total	Treasury Company and consoli- dation entries	OGL Group Total	
	OUTsurace				Youi Group				P&C Total	OUTsurace Life						
	Personal ¹	Business	Central	Total	Personal	Business	CTP	Total								OUTsurace Ireland
Segment income statement information																
Six months ended 31 December 2024																
Insurance revenue	5 082	1 468	-	6 550	9 706	584	535	10 825	18	17 393	529	-	-	17 922	-	17 922
Insurance service expenses	(3 103)	(1 129)	-	(4 232)	(7 572)	(546)	(602)	(8 720)	(198)	(13 150)	(381)	-	-	(13 531)	-	(13 531)
Net income/(expenses) from reinsurance contracts held	(77)	(20)	-	(97)	(628)	(27)	20	(635)	(13)	(745)	17	-	-	(728)	-	(728)
Insurance service result	1 902	319	-	2 221	1 506	11	(47)	1 470	(193)	3 498	165	-	-	3 663	-	3 663
Administration and other income	6	15	-	21	-	-	-	-	-	21	12	293	(113)	213	-	213
Fair value adjustment to financial liabilities	(85)	-	-	(85)	-	-	-	-	-	(85)	(28)	-	-	(113)	-	(113)
Marketing and administration expenses	(81)	(29)	(623)	(733)	(104)	(4)	(8)	(116)	(54)	(903)	(95)	(284)	(9)	(1 291)	25	(1 266)
Underwriting result	1 742	305	(623)	1 424	1 402	7	(55)	1 354	(247)	2 531	54	9	(122)	2 472	25	2 497
Investment income on insurance contract assets and liabilities	65	18	-	83	214	21	32	267	1	351	122	-	1	474	-	474
Finance expenses from insurance contracts issued	(50)	(17)	-	(67)	(36)	(3)	(36)	(75)	-	(142)	(14)	-	-	(156)	-	(156)
Finance income from reinsurance contracts held	-	-	-	-	3	-	23	26	-	26	23	-	-	49	-	49
Operating profit/(loss)	1 757	306	(623)	1 440	1 583	25	(36)	1 572	(246)	2 766	185	9	(121)	2 839	25	2 864
Equity accounted earnings	-	-	-	-	-	-	-	39	-	39	-	-	(3)	36	102	138
Operating profit/(loss) including associate earnings	1 757	306	(623)	1 440	1 583	25	(36)	1 611	(246)	2 805	185	9	(124)	2 875	127	3 002
Net investment income on shareholder Investment capital	-	-	-	347	-	-	-	96	29	472	11	3	202	688	(207)	481
Finance costs	-	-	-	(17)	-	-	-	(6)	(1)	(24)	-	-	(25)	(49)	-	(49)
Profit/(loss) before tax				1 770				1 701	(218)	3 253	196	12	53	3 514	(80)	3 434
Taxation				(458)				(503)	-	(961)	(58)	(4)	(140)	(1 163)	(7)	(1 170)
Profit/(loss) for the period				1 312				1 198	(218)	2 292	138	8	(87)	2 351	(87)	2 264
Non-controlling interest				-				-	-	-	-	-	(66)	(66)	(159)	(225)
Profit/(loss) for the period attributable to ordinary shareholders				1 312				1 198	(218)	2 292	138	8	(153)	2 285	(246)	2 039
Headline and normalised earnings adjustments ²				(140)				-	-	(140)	4	2	68	(66)	185	119
Normalised earnings				1 172				1 198	(218)	2 152	142	10	(85)	2 219	(61)	2 158

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

2 In addition to the normalised adjustments made to the headline earnings and explained in the 30 June 2024 annual financial statements, the following additional normalised adjustments were made to the individual entities at an OHL level to better reflect the economic performance of the individual entities.

The cash settled expense for the CSP share scheme incurred in the licensed entities in OHL, is converted to reflect the ultimate equity settled expense in line with how its accounted for at an OGL Group level and the fair value movements on the OGL shares held to economically hedge the CSP scheme are also reversed at an entity level, as these are not realised gains for the Group. The dividend income earned on the OGL shares is not adjusted for on the basis that the participants are not entitled to the dividends earned prior to vesting.

Segment information continued

Segmental ratio calculation and reconciliation

Segmental ratio calculation Six months ended 31 December 2024 R million	Property and casualty insurance										
	OUTsurance				Youi Group					OUTsurance Ireland	P&C Total
	Personal	Business	Central	Total	Personal	Business	CTP	Total			
Gross written premium	5 125	1 499	-	6 624	10 956	592	664	12 212	80	18 916	
Movements in unearned premium	(43)	(31)	-	(74)	(1 250)	(8)	(129)	(1 387)	(62)	(1 523)	
Gross earned premium = insurance revenue	5 082	1 468	-	6 550	9 706	584	535	10 825	18	17 393	
Reinsurance premium expense	(78)	(18)	-	(96)	(742)	(43)	(57)	(842)	(13)	(951)	
1. Net earned premium	5 004	1 450	-	6 454	8 964	541	478	9 983	5	16 442	
Change in loss component	-	5	-	5	-	-	5	5	(65)	(55)	
Gross claims expense	(2 223)	(704)	-	(2 927)	(4 942)	(335)	(524)	(5 801)	(14)	(8 742)	
Gross claims expenses (including OUTbonus)	(2 223)	(699)	-	(2 922)	(4 942)	(335)	(519)	(5 796)	(79)	(8 797)	
Finance expenses from insurance contracts issued	(50)	(17)	-	(67)	(36)	(3)	(36)	(75)	-	(142)	
Gross claims expenses including IFE¹	(2 273)	(716)	-	(2 989)	(4 978)	(338)	(555)	(5 871)	(79)	(8 939)	
Reinsurance recoveries	1	(2)	-	(1)	114	16	77	207	-	206	
Finance income from reinsurance contracts held	-	-	-	-	3	-	23	26	-	26	
2. Net claims expense including IFE	(2 272)	(718)	-	(2 990)	(4 861)	(322)	(455)	(5 638)	(79)	(8 707)	
3. Operating expenses	(961)	(459)	(623)	(2 043)	(2 734)	(215)	(91)	(3 040)	(173)	(5 256)	
Attributable expenses (included in Insurance Service Expense)	(880)	(430)	-	(1 310)	(2 630)	(211)	(83)	(2 924)	(119)	(4 353)	
Non-attributable expenses (included in Marketing and Administration expenses)	(81)	(29)	(623)	(733)	(104)	(4)	(8)	(116)	(54)	(903)	
4. Administration and other income	6	15	-	21	-	-	-	-	-	21	
5. Fair value to financial liabilities	(85)	-	-	(85)	-	-	-	-	-	(85)	
6. Underwriting result	1 692	288	(623)	1 357	1 369	4	(68)	1 305	(247)	2 415	
Investment income on insurance contract assets and liabilities	65	18	-	83	214	21	32	267	1	351	
Operating profit/(loss)	1 757	306	(623)	1 440	1 583	25	(36)	1 572	(246)	2 766	
Ratio calculations (as disclosed in management commentary)											
Net claims ratio (2/1)	45.4%	49.5%		46.3%	54.2%	59.5%	95.2%	56.5%	>100%	53.0%	
Cost-to-income ratio (3/1)	19.2%	31.7%		31.7%	30.5%	39.7%	19.0%	30.5%	>100%	32.0%	
Normalised Cost-to-income ratio (3/1) ²				33.6%						32.7%	
Group cost-to-income ratio (3/(2+4))											
Underwriting margin (6/1)	33.8%	19.9%		21.0%	15.3%	0.7%	(14.2%)	13.1%	>(100%)	14.7%	
Combined ratio ((2+3+5)/1)	66.3%	81.2%		79.3%	84.7%	99.3%	114.2%	87.0%	>100%	85.4%	
Normalised Combined ratio ((2+3+5)/1) ²				81.2%						86.2%	
Reconciliation of insurance service expense											
Gross claims (including OUTbonus)	(2 223)	(704)	-	(2 927)	(4 942)	(335)	(524)	(5 801)	(14)	(8 742)	
Change in loss component	-	5	-	5	-	-	5	5	(65)	(55)	
	(2 223)	(699)	-	(2 922)	(4 942)	(335)	(519)	(5 796)	(79)	(8 797)	
Attributable expenses	(880)	(430)	-	(1 310)	(2 630)	(211)	(83)	(2 924)	(119)	(4 353)	
Insurance service expense as disclosed	(3 103)	(1 129)	-	(4 232)	(7 572)	(546)	(602)	(8 720)	(198)	(13 150)	

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

² Includes a normalised adjustment of R123 million to a profit that arose from an intragroup property lease arrangement.

Segment information continued

R million	Property and casualty insurance								Long-term insurance		Admini- stration services	Central and consolidation entries	OHL Group Total	Treasury Company and consolidation entries	OGL Group Total	
	OUTsurace			Youi Group					P&C Total	OUTsurace Life						
	Personal ¹	Business	Central	Total	Personal	Business	CTP	Total								OUTsurace Ireland
Segment income statement information																
Year ended 30 June 2024																
Insurance revenue	9 439	2 727	-	12 166	17 076	894	831	18 801	-	30 967	946	-	-	31 913	-	31 913
Insurance service expenses	(6 172)	(2 189)	-	(8 361)	(14 249)	(919)	(695)	(15 863)	(109)	(24 333)	(644)	-	-	(24 977)	-	(24 977)
Net income/(expenses) from reinsurance contracts held	(140)	(40)	-	(180)	(992)	(35)	(137)	(1 164)	(6)	(1 350)	3	-	-	(1 347)	-	(1 347)
Insurance service result	3 127	498	-	3 625	1 835	(60)	(1)	1 774	(115)	5 284	305	-	-	5 589	-	5 589
Administration and other income	29	9	-	38	28	-	-	28	-	66	23	591	(182)	498	4	502
Fair value adjustment to financial liabilities	(187)	-	-	(187)	-	-	-	-	-	(187)	(13)	-	-	(200)	-	(200)
Marketing and administration expenses	(174)	(62)	(589)	(825)	(228)	(7)	(11)	(246)	(103)	(1 174)	(98)	(573)	278	(1 567)	(79)	(1 646)
Underwriting result	2 795	445	(589)	2 651	1 635	(67)	(12)	1 556	(218)	3 989	217	18	96	4 320	(75)	4 245
Investment income on insurance contract assets and liabilities	132	36	-	168	379	25	50	454	-	622	110	-	-	732	-	732
Finance expenses from insurance contracts issued	(105)	(37)	-	(142)	(27)	(2)	(47)	(76)	-	(218)	(125)	-	-	(343)	-	(343)
Finance income from reinsurance contracts held	-	1	-	1	1	-	38	39	-	40	62	-	-	102	-	102
Operating profit	2 822	445	(589)	2 678	1 988	(44)	29	1 973	(218)	4 433	264	18	96	4 811	(75)	4 736
Equity accounted earnings	-	-	-	-	-	-	-	92	-	92	-	-	(1)	91	36	127
Profit on change in shareholding of investment in associates	-	-	-	-	-	-	-	-	-	-	-	-	(4)	(4)	513	509
Profit on sale of subsidiary/associate	-	-	-	-	-	-	-	-	-	-	-	-	66	66	33	99
Impairment of investments in associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(9)	(9)
Operating profit including associate earnings	-	-	-	2 678	-	-	-	2 065	(218)	4 525	264	18	157	4 964	498	5 462
Net investment income on shareholder Investment capital	-	-	-	460	-	-	-	200	40	700	39	-	65	804	92	896
Finance costs	-	-	-	(53)	-	-	-	(11)	(1)	(65)	-	(6)	(2)	(73)	-	(73)
Profit/(loss) before tax	-	-	-	3 085	-	-	-	2 254	(179)	5 160	303	12	220	5 695	590	6 285
Taxation	-	-	-	(874)	-	-	-	(663)	(1)	(1 538)	(74)	(3)	(87)	(1 702)	(92)	(1 794)
Profit/(loss) for the period	-	-	-	2 211	-	-	-	1 591	(180)	3 622	229	9	133	3 993	498	4 491
Preference dividend and other	-	-	-	-	-	-	-	(16)	-	(16)	(19)	3	32	-	-	-
Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	(105)	(105)	(325)	(430)
Profit/(loss) for the period attributable to ordinary shareholders	-	-	-	2 211	-	-	-	1 575	(180)	3 606	210	12	60	3 888	173	4 061
Headline and normalised earnings adjustments	-	-	-	1	-	-	-	(1)	-	-	-	-	(58)	(58)	(467)	(525)
Normalised earnings	-	-	-	2 212	-	-	-	1 574	(180)	3 606	210	12	2	3 830	(294)	3 536

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

Segment information continued

Segmental ratio calculation and reconciliation

Segmental ratio calculation
Year ended 30 June 2024

R million	Property and casualty insurance									
	OUTsurance				Youi Group				OUTsurance Ireland	P&C Total
	Personal	Business	Central	Total	Personal	Business	CTP	Total		
Gross written premium	9 451	2 723	–	12 174	18 966	1 138	914	21 018	8	33 200
Movements in unearned premium	(12)	4	–	(8)	(1 890)	(244)	(83)	(2 217)	(8)	(2 233)
Gross earned premium = insurance revenue	9 439	2 727	–	12 166	17 076	894	831	18 801	–	30 967
Reinsurance premium expense	(143)	(60)	–	(203)	(1 403)	(46)	(468)	(1 917)	(6)	(2 126)
1. Net earned premium	9 296	2 667	–	11 963	15 673	848	363	16 884	(6)	28 841
Change in loss component	1	(2)	–	(1)	–	–	(2)	(2)	(14)	(17)
Gross claims expense	(4 451)	(1 392)	–	(5 843)	(9 882)	(631)	(595)	(11 108)	–	(16 951)
Gross claims expenses (including OUTbonus)	(4 450)	(1 394)	–	(5 844)	(9 882)	(631)	(597)	(11 110)	(14)	(16 968)
Finance expenses from insurance contracts issued	(105)	(37)	–	(142)	(27)	(2)	(47)	(76)	–	(218)
Gross claims expenses including IFE¹	(4 555)	(1 431)	–	(5 986)	(9 909)	(633)	(644)	(11 186)	(14)	(17 186)
Reinsurance recoveries	3	20	–	23	411	11	331	753	–	776
Finance income from reinsurance contracts held	–	1	–	1	1	–	38	39	–	40
2. Net claims expense including IFE	(4 552)	(1 410)	–	(5 962)	(9 497)	(622)	(275)	(10 394)	(14)	(16 370)
3. Operating expenses	(1 896)	(857)	(589)	(3 342)	(4 595)	(295)	(109)	(4 999)	(198)	(8 539)
Attributable expenses (included in Insurance Service Expense)	(1 722)	(795)	–	(2 517)	(4 367)	(288)	(98)	(4 753)	(95)	(7 365)
Non-attributable expenses (included in Marketing and Administration expenses)	(174)	(62)	(589)	(825)	(228)	(7)	(11)	(246)	(103)	(1 174)
4. Administration and other income	29	9	–	38	28	–	–	28	–	66
5. Fair value to financial liabilities	(187)	–	–	(187)	–	–	–	–	–	(187)
6. Underwriting result	2 690	409	(589)	2 510	1 609	(69)	(21)	1 519	(218)	3 811
Investment income on insurance contract assets and liabilities	132	36	–	168	379	25	50	454	–	622
Operating profit/(loss)	2 822	445	(589)	2 678	1 988	(44)	29	1 973	(218)	4 433
Ratio calculations (as disclosed in management commentary)										
Net claims ratio (2/1)	49.0%	52.9%	–	49.8%	60.6%	73.3%	75.8%	61.6%	–	56.8%
Cost-to-income ratio (3/1)	20.4%	32.1%	–	27.9%	29.3%	34.8%	30.0%	29.6%	–	29.6%
Group cost-to-income ratio (3/(2+4))	–	–	–	–	–	–	–	–	–	–
Underwriting margin (6/1)	28.9%	15.3%	–	21.0%	10.3%	(8.1%)	(5.8%)	9.0%	–	13.2%
Combined ratio ((2+3+5)/1)	71.4%	85.0%	–	79.3%	89.9%	108.1%	105.8%	91.2%	–	87.0%
Reconciliation of insurance service expense										
Gross claims (including OUTbonus)	(4 451)	(1 392)	–	(5 843)	(9 882)	(631)	(595)	(11 108)	–	(16 951)
Change in loss component	1	(2)	–	(1)	–	–	(2)	(2)	(14)	(17)
	(4 450)	(1 394)	–	(5 844)	(9 882)	(631)	(597)	(11 110)	(14)	(16 968)
Attributable expenses ²	(1 722)	(795)	–	(2 517)	(4 367)	(288)	(98)	(4 753)	(95)	(7 365)
Insurance service expense as disclosed ²	(6 172)	(2 189)	–	(8 361)	(14 249)	(919)	(695)	(15 863)	(109)	(24 333)

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

² In the prior financial year, an amount of R88 million of attributable expenses were reallocated from the OUTsurance Business segment to the OUTsurance Personal segment.

Segment information *continued*

R million	Property and casualty insurance								Long-term insurance		Admini- stration services	Central and consolidation entries	OHL Group Total	Treasury Company and consolidation entries	OGL Group Total	
	OUTsurace				Youi Group				OUTsurace Ireland	P&C Total						OUTsurace Life
	Personal ¹	Business	Central	Total	Personal	Business	CTP	Total								
Segment income statement information																
Six months ended 31 December 2023																
Insurance revenue	4 653	1 346	-	5 999	8 095	379	415	8 889	-	14 888	440	-	-	15 328	-	15 328
Insurance service expenses	(3 141)	(1 133)	-	(4 274)	(6 976)	(353)	(429)	(7 758)	-	(12 032)	(356)	-	-	(12 388)	-	(12 388)
Net income/(expenses) from reinsurance contracts held	(70)	(11)	-	(81)	(522)	(18)	5	(535)	-	(616)	11	-	-	(605)	-	(605)
Insurance service result	1 442	202	-	1 644	597	8	(9)	596	-	2 240	95	-	-	2 335	-	2 335
Administration and other income	-	-	-	-	15	-	-	15	-	15	11	310	(95)	241	3	244
Fair value adjustment to financial liabilities	(67)	-	-	(67)	-	-	-	-	-	(67)	(7)	-	-	(74)	-	(74)
Marketing and administration expenses	(83)	(26)	(391)	(500)	(120)	(3)	(6)	(129)	(64)	(693)	(68)	(286)	159	(888)	(40)	(928)
Underwriting result	1 292	176	(391)	1 077	492	5	(15)	482	(64)	1 495	31	24	64	1 614	(37)	1 577
Investment income on insurance contract assets and liabilities	66	18	-	84	138	7	20	165	-	249	64	-	-	313	-	313
Finance expenses from insurance contracts issued	(54)	(20)	-	(74)	(22)	(1)	(34)	(57)	-	(131)	(74)	-	-	(205)	-	(205)
Finance income from reinsurance contracts held	-	1	-	1	2	-	27	29	-	30	36	-	-	66	-	66
Operating profit/(loss)	1 304	175	(391)	1 088	610	11	(2)	619	(64)	1 643	57	24	64	1 788	(37)	1 751
Equity accounted earnings	-	-	-	-	-	-	-	50	-	50	-	-	-	50	(17)	33
Profit on change in shareholding of investment in associates	-	-	-	-	-	-	-	-	-	-	-	-	(5)	(5)	476	471
Profit on sale of subsidiary/associates	-	-	-	-	-	-	-	-	-	-	-	-	44	44	38	82
Operating profit/(loss) including associate earnings	-	-	-	1 088	-	-	-	669	(64)	1 693	57	24	103	1 877	460	2 337
Net investment income on shareholder investment capital	-	-	-	222	-	-	-	152	6	380	23	2	28	433	59	492
Finance costs	-	-	-	(26)	-	-	-	(13)	(1)	(40)	-	(5)	28	(17)	-	(17)
Profit/(loss) before tax	-	-	-	1 284	-	-	-	808	(59)	2 033	80	21	159	2 293	519	2 812
Taxation	-	-	-	(362)	-	-	-	(240)	-	(602)	(10)	(1)	(51)	(664)	(74)	(738)
Profit/(loss) for the period	-	-	-	922	-	-	-	568	(59)	1 431	70	20	108	1 629	445	2 074
Preference dividend and other	-	-	-	-	-	-	-	(11)	-	(11)	-	-	11	-	-	-
Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	(51)	(51)	(132)	(183)
Profit/(loss) for the period attributable to ordinary shareholders	-	-	-	922	-	-	-	557	(59)	1 420	70	20	68	1 578	313	1 891
Headline and normalised earnings adjustments	-	-	-	1	-	-	-	(1)	-	-	-	-	(32)	(32)	(448)	(480)
Normalised earnings	-	-	-	923	-	-	-	556	(59)	1 420	70	20	36	1 546	(135)	1 411

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

Segment information continued

Segmental ratio calculation and reconciliation

Segmental ratio calculation

Six months ended 31 December 2023

R million	Property and casualty insurance									
	OUTsurace				Youi Group				OUTsurace Ireland	P&C Total
	Personal	Business	Central	Total	Personal	Business	CTP	Total		
Gross written premium	4 695	1 356	-	6 051	9 170	531	358	10 059		16 110
Movements in unearned premium	(42)	(10)	-	(52)	(1 075)	(152)	57	(1 170)		(1 222)
Gross earned premium = insurance revenue	4 653	1 346	-	5 999	8 095	379	415	8 889		14 888
Reinsurance premium expense	(72)	(31)	-	(103)	(775)	(22)	(227)	(1 024)		(1 127)
1. Net earned premium	4 581	1 315	-	5 896	7 320	357	188	7 865		13 761
Change in loss component	-	1	-	1	-	-	6	6		7
Gross claims expense	(2 280)	(734)	-	(3 014)	(4 906)	(236)	(389)	(5 531)		(8 545)
Gross claims expenses (including OUTbonus)	(2 280)	(733)	-	(3 013)	(4 906)	(236)	(383)	(5 525)		(8 538)
Finance expenses from insurance contracts issued	(54)	(20)	-	(74)	(22)	(1)	(34)	(57)		(131)
Gross claims expenses including IFE¹	(2 334)	(753)	-	(3 087)	(4 928)	(237)	(417)	(5 582)		(8 669)
Reinsurance recoveries	2	20	-	22	253	4	232	489		511
Finance income from reinsurance contracts held	-	1	-	1	2	-	27	29		30
2. Net claims expense including IFE	(2 332)	(732)	-	(3 064)	(4 673)	(233)	(158)	(5 064)		(8 128)
3. Operating expenses	(944)	(426)	(391)	(1 761)	(2 190)	(120)	(52)	(2 362)	(64)	(4 187)
Attributable expenses (included in Insurance Service Expense)	(861)	(400)	-	(1 261)	(2 070)	(117)	(46)	(2 233)		(3 494)
Non-attributable expenses (included in Marketing and Administration expenses)	(83)	(26)	(391)	(500)	(120)	(3)	(6)	(129)	(64)	(693)
4. Administration and other income	-	-	-	-	15	-	-	15		15
5. Fair value to financial liabilities	(67)	-	-	(67)	-	-	-	-		(67)
6. Underwriting result	1 238	157	(391)	1 004	472	4	(22)	454	(64)	1 394
Investment income on insurance contract assets and liabilities	66	18	-	84	138	7	20	165		249
Operating profit/(loss)	1 304	175	(391)	1 088	610	11	(2)	619	(64)	1 643
Ratio calculations (as disclosed in management commentary)										
Net claims ratio (2/1)	50.9%	55.7%		52.0%	63.8%	65.3%	84.0%	64.4%		59.1%
Cost-to-income ratio (3/1)	20.6%	32.4%		29.9%	29.9%	33.6%	27.7%	30.0%		30.4%
Group cost-to-income ratio (3/(2+4))										
Underwriting margin (6/1)	27.0%	11.9%		17.0%	6.4%	1.1%	(11.7%)	5.8%		10.1%
Combined ratio ((2+3+5)/1)	73.0%	88.1%		83.0%	93.8%	98.9%	111.7%	94.4%		90.0%
Reconciliation of insurance service expense										
Gross claims (including OUTbonus)	(2 280)	(734)	-	(3 014)	(4 906)	(236)	(389)	(5 531)	-	(8 545)
Change in loss component	-	1	-	1	-	-	6	6	-	7
	(2 280)	(733)	-	(3 013)	(4 906)	(236)	(383)	(5 525)	-	(8 538)
Attributable expenses	(861)	(400)	-	(1 261)	(2 070)	(117)	(46)	(2 233)	-	(3 494)
Insurance service expense as disclosed	(3 141)	(1 133)	-	(4 274)	(6 976)	(353)	(429)	(7 758)	-	(12 032)

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

Geographical segments

R million	South Africa and OHL Group consolidation				Australia	Ireland	OHL Group	South Africa	OGL Group
	OUTsurance	OUTsurance Life	Administration services	Central and consolidation adjustments	Youi Group	OUTsurance Ireland	Total	Treasury Company and consolidation adjustments	Total
Segment statement of financial position information									
As at 31 December 2024									
Segment assets									
Property and equipment	326	-	16	-	816	23	1 181	-	1 181
Investments in associates	-	-	-	4	319	-	323	381	704
Reinsurance assets	74	103	-	-	1 943	21	2 141	-	2 141
Insurance assets	-	315	-	-	-	-	315	-	315
Financial assets	6 348	3 474	-	319	12 812	1 814	24 767	544	25 311
Other assets	366	88	149	42	1 543	97	2 285	60	2 345
Cash and cash equivalents	307	233	48	78	1 255	16	1 937	286	2 223
TOTAL SEGMENT ASSETS	7 421	4 213	213	443	18 688	1 971	32 949	1 271	34 220
Segment Equity									
Share capital and premium	25	435	180	(846)	1 682	2 229	3 705	12 155	15 860
Retained earnings	3 784	707	(45)	1 818	3 993	(454)	9 803	(6 875)	2 928
Other equity reserve	45	1	-	(993)	565	(37)	(419)	(4 914)	(5 333)
Non-controlling interests	-	-	-	314	-	-	314	951	1 265
TOTAL SEGMENT EQUITY	3 854	1 143	135	293	6 240	1 738	13 403	1 317	14 720
Segment liabilities									
Reinsurance liabilities	27	2	-	-	-	-	29	-	29
Insurance liabilities	2 077	738	-	-	10 968	141	13 924	-	13 924
Other liabilities	1 463	2 330	78	150	1 480	92	5 593	(46)	5 547
TOTAL SEGMENT LIABILITIES	3 567	3 070	78	150	12 448	233	19 546	(46)	19 500
TOTAL SEGMENT EQUITY AND LIABILITIES	7 421	4 213	213	443	18 688	1 971	32 949	1 271	34 220

Geographical segments *continued*

R million	South Africa and OHL Group consolidation				Australia	Ireland	OHL Group	South Africa	OGL Group
	OUTsurance	OUTsurance Life	Administration services	Central and consolidation adjustments	Youi Group	OUTsurance Ireland	Total	Treasury Company and consolidation adjustments	Total
Segment statement of financial position information									
As at 30 June 2024									
Segment assets									
Property and equipment	143	-	12	192	833	25	1 205	-	1 205
Investments in associates	-	-	-	138	330	-	468	338	806
Reinsurance assets	27	112	-	-	1 430	18	1 587	-	1 587
Insurance assets	-	251	-	-	-	-	251	-	251
Financial assets	6 609	3 326	-	330	12 825	1 696	24 786	1 683	26 469
Other assets	725	119	165	(463)	1 586	104	2 236	11	2 247
Cash and cash equivalents	299	118	155	42	843	9	1 466	226	1 692
TOTAL SEGMENT ASSETS	7 803	3 926	332	239	17 847	1 852	31 999	2 258	34 257
Segment Equity									
Share capital and premium	25	445	180	(1 991)	1 519	2 038	2 216	13 270	15 486
Retained earnings	3 868	629	47	2 965	3 592	(236)	10 865	(7 576)	3 289
Other equity reserves	69	6	2	(1 200)	973	(56)	(206)	(4 484)	(4 690)
Non-controlling interests	-	-	-	295	-	-	295	1 007	1 302
TOTAL SEGMENT EQUITY	3 962	1 080	229	69	6 084	1 746	13 170	2 217	15 387
Segment liabilities									
Reinsurance liabilities	25	3	-	-	-	-	28	-	28
Insurance liabilities	1 945	646	-	-	10 295	20	12 906	-	12 906
Other liabilities	1 871	2 197	103	170	1 468	86	5 895	41	5 936
TOTAL SEGMENT LIABILITIES	3 841	2 846	103	170	11 763	106	18 829	41	18 870
TOTAL SEGMENT EQUITY AND LIABILITIES	7 803	3 926	332	239	17 847	1 852	31 999	2 258	34 257

Notes to the consolidated interim financial statements

1. Basis of preparation

The Group's interim results are prepared in accordance with IFRS® Accounting Standards, as a minimum the requirements of IAS 34 Interim financial reporting, IFRIC® Interpretations, the requirements of the Companies Act of South Africa, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council and the JSE listing requirements. The interim results should be read in conjunction with the annual financial statements for the year ended 30 June 2024.

The accounting policies and methods of computation used in the interim results are the same as those used in the OUTsurance Group's annual financial statements.

2. New standards effective for the period under review

Number	Effective date	Executive summary
Amendment to IAS 1 – Non-current liabilities with covenants	Annual periods beginning on or after 1 January 2024	<p>The amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.</p> <p><i>The Group currently doesn't have any current liabilities with debt covenants. However, this will be considered once effective and applicable to the Group.</i></p>

3. New standards not yet effective

There were no new or amended IFRS standards that became effective for the six months ended 31 December 2024 that are material to the Group.

Notes to the consolidated interim financial statements continued

4. Corporate transactions

4.1 Wind-up OHL share trust

During the six months under review management took action to wind-up the OHL share trust.

The purpose of the trust was to hold treasury shares to back the OUTsurance Holdings Share Option Scheme (ESOP). Furthermore, the Trust has played the market making role for OHL employee shareholders wishing to dispose of their OHL shares. With the introduction of the OUTsurance Conditional Share Plan (OGL CSP), the Trust served no further purpose due to the CSP instruments issued being listed OGL shares with no requirement for internal market making.

This resulted in OGL acquiring 69 996 930 OHL ordinary shares from the Trust.

OGL funded this transaction through a combination of cash amounting to R900 million and the issuing of 12 079 169 new OGL ordinary shares.

For OHL the proceeds of the sale of the OHL shares were utilised to repay the revolving credit facility and to pay the capital gains tax of R102 million resulting from this transaction.

4.2 Investment in CloudBadger classified as held-for-sale

A memorandum of understanding was signed in December 2024 for the sale of the Group's investment in the banking platform services company.

Accordingly, the investment in CloudBadger has been classified as held for sale with an effective date of 1 December 2024. The sale is expected to be finalised once final regulatory approval has been obtained.

At 1 December 2024, the investment in associate is valued at its carrying value which is the lower of carrying value and fair value less costs to sell.

This sale of CloudBadger aligns with the Group's strategy to focus on the expansion of its insurance operations.

The carrying amount of the associate held for sale is as follows:

R million	1 December 2024
Investment in associate held for sale	132
Reconciliation of associate held for sale	
Balance as at 1 July 2024	135
Share of loss of associate	(3)
BALANCE AS AT 1 DECEMBER 2024	132

4.3 Increase in investment in subsidiary

With the Group's expansion into Ireland, OHL committed capital to fund the growth in OUTsurance DAC, the Group's 100%-owned subsidiary in Ireland, by subscribing for additional shares in OUTsurance Irish Holdings to the value of €10 million per year for six years until 1 November 2029.

OHL made the additional share capital investment per the capital commitment deed of €10 million in OUTsurance Irish Holdings to fund the minimum capital requirements of OUTsurance DAC on 1 November 2024 at a spot rate of R19.05 with a total foreign exchange gain of R767 000.

Notes to the consolidated interim financial statements continued

5. Financial instruments measured at fair value

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

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

The following tables presents the Group's financial assets and liabilities that are measured at fair value as at 31 December 2024 and as at 30 June 2024:

R million	Level 1	Level 2	Level 3	Total
31 December 2024				
Financial assets				
Fair value through profit or loss				
Equity securities				
Exchange traded funds	1 055	-	-	1 055
Listed non-cumulative, non-redeemable preference shares	213	-	-	213
Collective investment schemes	-	408	-	408
Unlisted equity	-	-	10	10
Debt securities				
Zero-coupon deposits backing endowment policies	-	1 813	-	1 813
Zero-coupon deposits	-	1 544	-	1 544
Collective investment schemes	-	151	-	151
Contingent receivable	-	-	106	106
Unsecured investment in development fund	-	-	57	57
Convertible loan	-	-	13	13
Fair value through other comprehensive income				
Equity securities				
Unlisted equity	-	-	843	843
Debt securities				
Money market securities >1 year	-	2 224	-	2 224
Collective investment schemes	-	1 922	-	1 922
Money market securities <1year	-	1 828	-	1 828
Government, municipal and public utility securities	-	803	-	803
Derivative financial instruments				
Collateralised swaps	-	68	-	68
Total return swap	-	6	-	6
TOTAL FINANCIAL ASSETS	1 268	10 767	1 029	13 064
Financial liabilities				
Debt securities				
Investment contract liability	-	1 813	-	1 813
Financial liabilities at fair value through profit or loss	-	-	113	113
Derivative financial instruments				
Interest rate swaps	-	142	-	142
TOTAL FINANCIAL LIABILITIES	-	1 955	113	2 068

Notes to the consolidated interim financial statements continued

5. Financial instruments measured at fair value *continued*

R million	Level 1	Level 2	Level 3	Total
30 June 2024				
Financial assets				
Fair value through profit or loss				
Equity securities				
Exchange traded funds	1 089	-	-	1 089
Listed non-cumulative, non-redeemable preference shares	189	-	-	189
Collective investment schemes	-	324	-	324
Unlisted equity	-	-	10	10
Debt securities				
Zero-coupon deposits backing endowment policies	-	1 738	-	1 738
Zero-coupon deposits	-	1 351	-	1 351
Money market securities	-	738	-	738
Contingent receivable	-	-	117	117
Unsecured investment in development fund	-	-	57	57
Convertible loan	-	-	19	19
Fair value through other comprehensive income				
Equity securities				
Unlisted equity	-	-	908	908
Debt securities				
Money market securities <1year	-	2 508	-	2 508
Money market securities >1 year	-	2 330	-	2 330
Collective investment schemes	-	1 782	-	1 782
Government, municipal and public utility securities	-	675	-	675
Derivative financial instruments				
Collateralised swaps	-	77	-	77
Bond Forward	-	10	-	10
TOTAL FINANCIAL ASSETS	1 278	11 533	1 111	13 922
Financial liabilities				
Debt securities				
Investment contract liability	-	1 738	-	1 738
Financial liabilities at fair value through profit or loss	-	-	113	113
Derivative financial instruments				
Interest rate swaps	-	85	-	85
FEC instrument	-	3	-	3
TOTAL FINANCIAL LIABILITIES	-	1 826	113	1 939

Notes to the consolidated interim financial statements continued

5. Financial instruments measured at fair value *continued*

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

Level 1

The fair value of financial instruments traded in an active market is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. The fair values of these investments are calculated based on the quoted closing prices of the individual investments on reporting date.

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

Level 2

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

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

- **Collective investment schemes:** These instruments are fair valued monthly by multiplying the number of units held by the closing market price which is based on the most recently available observable inputs.
- **Zero-coupon deposits backing endowment policies and the investment contract liability backing the asset:** These instruments relate to the linked endowment policies. The fair value is based on the quoted interest rates provided in each contract. The Group has the primary obligation regarding the endowment policies towards the policyholder but contracted with a third party to invest the assets backing the policies. As such the asset and liability are designed to set off against each other.
- **Zero-coupon deposits:** These instruments are not traded actively during a financial reporting period. The Group uses zero-coupon deposits to offset the interest rate risk inherent in some of the life insurance products underwritten by OUTsurace Life. The counterparties to these deposits are the large South African banks. The zero-coupon deposits have been structured to allow for the payment of the notional initial deposit to be spread over the specified term to enable cash flow matching. The maturity dates of the accreting zero-coupon deposits are long-term, with maturity dates at the various trading dates not exceeding 15 years. The fair values of the accreting zero-coupon deposits are determined monthly based on observable market inputs. To determine the fair values of the accreting zero-coupon deposits, a risk-free Swap Yield Curve produced every business day by the Johannesburg Securities Exchange is referenced. The instruments are designated at fair value through profit or loss, with both the interest accrual and fair value accounted for in profit or loss. The entire balance of the zero-coupon deposits is exposed to credit risk. The zero-coupon deposit has specifically remained classified as fair value through profit or loss under the 'accounting mismatch' rule as these financial assets have specifically been acquired to match the non-claims bonus portion of the policyholder liability.
- **Government, municipal and public utility securities and money market securities:** The fair value of money market instruments and government, municipal and public utility securities is determined based on observable market inputs. These instruments consist of fixed and floating rate notes held in segregated portfolios and are typically listed on the JSE Interest Rate Market. These listed instruments are not as actively traded as Level 1 instruments. The fair value of these instruments is determined by using market observable inputs. The fair value yield, term-to-maturity, coupon payments and maturity value are used to discount the expected cash flows of these instruments to their present value in determining the fair value at the financial year-end.
- **Foreign exchange derivative contracts:** The fair value of the foreign exchange derivatives is measured on a mark to market basis using the current exchange rate, the volatility of the underlying currency and the risk-free rate at reporting date. The risk-free rate is the issuer's chosen government bond yield which matches the term of the derivative.

Notes to the consolidated interim financial statements continued

5. Financial instruments measured at fair value continued

Level 2 continued

- **Interest rate swaps:** These swap arrangements consist of fixed for floating instruments. The fixed leg is priced at a fixed percentage plus a contractually agreed basis point adjustment and the floating leg is priced at 3-month JIBAR.
- **Collateralised swaps:** The fair value of collateralised swap arrangement, whereby the R2048 government bond serves as collateral and is the underlying, is determined in the same manner as other money market instruments described above.
- **Total return swap:** The Group entered into a total return swap arrangement to hedge its obligation under the cash settled share-based payment scheme of OHL. The instrument consists of an equity and floating leg. The fair value of the equity leg is based on the movement in the OGL share price and the floating leg is priced at 3-month JIBAR plus a spread based on the notional equity value of the underlying OGL shares.
- **Bond forward contract:** The fair value of the bond forward contract is derived from the fair value of the underlying bonds which are linked to the CPI index. The fair value of these bonds is calculated in the same manner as the other government and money market securities described above.

The Group makes use of an interest rate swap, collateralised swap and bond forward arrangement to manage the interest rate risk contained in the non-bonus policyholder liability.

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

Level 3

If one or more of the significant inputs are not based on observable market data, the instrument is included in Level 3. The table below analyses the movement of the total Level 3 financial assets as at 31 December 2024 and as at 30 June 2024:

R million	31 December 2024	30 June 2024
Opening balance	1 111	642
Recognised following the dilution of an associate	-	555
Contingent receivable recognised	-	115
Disposals (sales and redemptions)	(7)	(223)
Foreign exchange adjustments	-	(2)
Fair value movement through profit or loss	(10)	31
Fair value movement through other comprehensive income	(65)	(7)
CLOSING BALANCE	1 029	1 111

■ **Unlisted equity:**

The table below analyses the movement of total unlisted equity as at 31 December 2024 and as at 30 June 2024:

R million	31 December 2024	30 June 2024
Opening balance	918	401
Recognised following the dilution of an associate	-	555
Disposals (sales and redemptions)	-	(29)
Foreign exchange adjustments	-	(2)
Fair value movement through other comprehensive income	(65)	(7)
CLOSING BALANCE	853	918

Unlisted equity at fair value through profit or loss

The movements in the fair value of the investment in The SA SME Fund Limited with a carrying value of R10 million (30 June 2024: R10 million) were immaterial in the current financial period and prior financial year.

Notes to the consolidated interim financial statements continued

5. Financial instruments measured at fair value continued

Level 3 continued

Unlisted equity at fair value through other comprehensive income

In the prior financial year, on 6 December 2023, the Group transferred an investment held in an associate at its fair value to financial assets at fair value through other comprehensive income following the dilution of the Group's investment in the associate. The fair value of unlisted equity at fair value through other comprehensive income as at 31 December 2024 of R843 million (30 June 2024: R908 million) is determined based on discounted cash flow calculations taking into account unobservable inputs of similar companies. These unobservable inputs include discount rates of between 14.2% and 14.9%, revenue and loan book growth, fees earned, disbursements and cost to income ratios. The higher the discount rate, the lower the fair value. On 33% (30 June 2024: 38%) of the portfolio, an increase or decrease of 1% per annum on loan book growth would increase or decrease the fair value by 13% and an increase or decrease of 10 basis points in origination and service fee rate would result in an increase or decrease by 15% in fair value. On 67% (30 June 2024: 62%) of the portfolio, an increase or decrease of 2.5% in annual recurring revenue growth would result in a 23% increase or decrease in valuation. These investments are also exposed to currency risk.

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

The investment is fair valued by multiplying the number of units held by the closing price of R87 194 (30 June 2024: R87 344) per unit as valued by the fund. A 20% positive or negative change in the value of the underlying investments is deemed to be a reasonable expected range of potential fluctuation of the Group's investment and will result in the following fair value of the fund. The increase or decrease in fair value has a corresponding increase or decrease in profit and loss.

R million	Current	20% increase in fair value	20% decrease in fair value
31 December 2024			
Fair Value	57	68	45
30 June 2024			
Fair Value	57	68	45

The table below analyses the movement of the unsecured investment in development fund as at 31 December 2024 and as at 30 June:

R million	31 December 2024	30 June 2024
Opening balance	57	52
Fair value adjustments	-	5
CLOSING BALANCE	57	57

- **Contingent receivable:** The contingent consideration at fair value of R106 million (30 June 2024: R117 million) is receivable at each anniversary (28 March) from the date of disposal over the next three years with the final receivable due within two months following the third anniversary date (28 March 2027). The first receivable (28 March 2025) was considered to be R16 million at fair value, the second receivable (28 March 2026) was considered to be R15 million at fair value and the final payment was considered to be R84 million at fair value as at recognition date. The value of the contingent consideration is inter alia determined based on performance fees earned by certain assets disposed of over a period of three years from the date of disposal. The contingent receivable originated from the sale of the RMI Investment Managers assets and liabilities previously recorded as held for sale.

Notes to the consolidated interim financial statements continued

5. Financial instruments measured at fair value continued

Level 3 continued

Unlisted equity at fair value through other comprehensive income continued

The table below analyses the movement of the contingent receivable as at 31 December 2024 and as at 30 June 2024:

R million	31 December 2024	30 June 2024
Opening balance	117	-
Contingent receivable recognised	-	115
Disposals (sales and redemptions)	(1)	-
Fair value movement through profit or loss	(10)	2
CLOSING BALANCE	106	117

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

The fair value was determined based on a present value calculation taking into account the term to maturity, a market related interest rate and the recoverability of the loan. The fair value increased with the agreed repayment terms reached on the disposal of the Group's equity interest in AutoGuru in the prior financial year, which increased the likelihood of recovery of the outstanding balance. During the current financial period under review the decrease in the fair value of the loan was due to the repayment of a tranche of the loan as per the agreed repayment terms.

A 2% movement in the interest rate would result in the following fair value being recognised and the increase or decrease in FV will have a corresponding increase or decrease in profit and loss.

R million	Current	20% increase in fair value	20% decrease in fair value
31 December 2024			
Fair Value	13	12	14
30 June 2024			
Fair Value	19	22	17

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

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

The table below analyses the movement of the Level 3 debt security for the period under review:

R million	31 December 2024	30 June 2024
Opening balance	113	112
Preference dividend paid	(113)	(199)
Profit accrued	113	200
CLOSING BALANCE	113	113

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

Notes to the consolidated interim financial statements continued

6. Administration and other income

R million	31 December 2024	31 December 2023
Fees received from contact centre services	180	197
Commission income ¹	21	-
Fees received from investment advice and administration services	12	14
Government grant received	-	33
	213	244

¹ Commission income relates to SASRIA commission earned, which was previously included in Insurance revenue. The prior financial period amount is immaterial and is therefore not restated.

7. Insurance and Reinsurance contracts

R million	31 December 2024					30 June 2024				
	OUTsurace	Youi	OUTsurace Ireland	OUTsurace Life	Total	OUTsurace	Youi	OUTsurace Ireland	OUTsurace Life	Total
Insurance contracts	2 077	10 968	141	423	13 609	1 945	10 295	19	396	12 655
Insurance contract liabilities	2 077	10 968	141	738	13 924	1 945	10 295	19	647	12 906
Insurance contract assets	-	-	-	(315)	(315)	-	-	-	(251)	(251)
Reinsurance contracts	(47)	(1 943)	(21)	(101)	(2 112)	(2)	(1 430)	(18)	(109)	(1 559)
Reinsurance contract assets	(74)	(1 943)	(21)	(103)	(2 141)	(27)	(1 430)	(18)	(112)	(1 587)
Reinsurance contract liabilities	27	-	-	2	29	25	-	-	3	28

Notes to the consolidated interim financial statements continued

7. Insurance and Reinsurance contracts *continued*

7.1 OUTsurance – Short-term Insurance contracts issued

R million	31 December 2024					30 June 2024				
	LRC		LIC		Total	LRC		LIC		Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk		Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	
Opening balance of liabilities	427	11	1 397	110	1 945	471	10	1 304	135	1 920
Changes in the statement of profit or loss and OCI										
Insurance revenue	(6 550)	-	-	-	(6 550)	(12 166)	-	-	-	(12 166)
Insurance service expenses	-	(5)	4 239	(2)	4 232	-	1	8 398	(38)	8 361
Total claims expense	-	-	3 869	80	3 949	-	-	7 843	85	7 928
Incurred claims	-	-	2 559	80	2 639	-	-	5 326	85	5 411
Other insurance service expenses	-	-	1 310	-	1 310	-	-	2 517	-	2 517
OUTbonus accrual	-	-	141	3	144	-	-	392	9	401
Losses and reversal of losses on onerous contracts	-	(5)	-	-	(5)	-	1	-	-	1
Changes that relate to past service: adjustment to liabilities for incurred claims	-	-	(3)	(83)	(86)	-	-	(96)	(120)	(216)
Changes that relate to past service: adjustment to liabilities for OUTbonus	-	-	232	(2)	230	-	-	259	(12)	247
Insurance service result	(6 550)	(5)	4 239	(2)	(2 318)	(12 166)	1	8 398	(38)	(3 805)
Net finance expenses from insurance contracts	-	-	62	5	67	-	-	129	13	142
TOTAL CHANGES IN THE STATEMENT OF PROFIT OR LOSS AND OCI	(6 550)	(5)	4 301	3	(2 251)	(12 166)	1	8 527	(25)	(3 663)
Transfer to other items in the Statement of Financial Position										
Cash flows										
Premiums received	6 629	-	-	-	6 629	12 122	-	-	-	12 122
Claims	-	-	(2 579)	-	(2 579)	-	-	(5 322)	-	(5 322)
Other insurance service expenses paid	-	-	(1 128)	-	(1 128)	-	-	(2 614)	-	(2 614)
OUTbonus claims paid	-	-	(357)	-	(357)	-	-	(596)	-	(596)
TOTAL CASH FLOWS	6 629	-	(4 064)	-	2 565	12 122	-	(8 532)	-	3 590
CLOSING BALANCE OF LIABILITIES	506	6	1 452	113	2 077	427	11	1 397	110	1 945

Notes to the consolidated interim financial statements continued

7. Insurance and Reinsurance contracts *continued*

7.2 OUTsurance – Reinsurance contracts held

R million	31 December 2024					30 June 2024				
	Asset for remaining coverage		Asset for Incurred claims		Total	Asset for remaining coverage		Asset for Incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Present value of future cash flows	Risk adjustment for non-financial risk		Excluding loss recovery component	Loss recovery component	Present value of future cash flows	Risk adjustment for non-financial risk	
Opening reinsurance contract assets	(10)	-	37	-	27	(12)	-	38	1	27
Opening reinsurance contract liabilities	(4)	-	(21)	-	(25)	(5)	-	(25)	-	(30)
NET OPENING BALANCE	(14)	-	16	-	2	(17)	-	13	1	(3)
Changes in the statement of profit or loss										
Reinsurance expense	(96)	-	-	-	(96)	(199)	-	-	-	(199)
Incurred claims recovery	-	-	-	-	-	-	-	14	-	14
Changes that relate to past service – Changes to the FCF relating to incurred claims recovery	-	-	(1)	-	(1)	-	-	6	(1)	5
Changes relating to future services: loss recovery component ¹	-	-	-	-	-	-	-	-	-	-
Net income (expense) from reinsurers contracts held	(96)	-	(1)	-	(97)	(199)	-	20	(1)	(180)
Net finance expenses from insurance contracts ¹	-	-	-	-	-	-	-	1	-	1
TOTAL CHANGES IN THE STATEMENT OF PROFIT OR LOSS AND OCI	(96)	-	(1)	-	(97)	(199)	-	21	(1)	(179)
Cash flows										
Premiums paid	158	-	-	-	158	202	-	-	-	202
Recoveries from reinsurers	-	-	(16)	-	(16)	-	-	(18)	-	(18)
TOTAL CASH FLOWS	158	-	(16)	-	142	202	-	(18)	-	184
NET CLOSING BALANCE	48	-	(1)	-	47	(14)	-	16	-	2
Closing reinsurance contract assets	48	-	26	-	74	(10)	-	37	-	27
Closing reinsurance contract liabilities	-	-	(27)	-	(27)	(4)	-	(21)	-	(25)

¹ The current value of the changes in the loss recovery component of R179 626 (30 June 2024: R28 893) was excluded due to rounding.

Notes to the consolidated interim financial statements continued

7. Insurance and Reinsurance contracts *continued*

7.3 Youi - Short-term Insurance contracts issued

R million	31 December 2024					30 June 2024				
	LRC		LIC		Total	LRC		LIC		Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk		Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	
Opening balance of liabilities	4 296	6	5 552	441	10 295	3 589	4	3 854	299	7 746
Changes in the statement of profit or loss and OCI										
Insurance revenue	(10 825)	-	-	-	(10 825)	(18 801)	-	-	-	(18 801)
Insurance service expenses	1 710	(6)	6 975	41	8 720	2 652	2	13 064	145	15 863
Total claims expense	-	-	7 012	276	7 288	-	-	12 698	293	12 991
Incurred claims	-	-	5 798	276	6 074	-	-	10 597	293	10 890
Other insurance service expenses	-	-	1 214	-	1 214	-	-	2 101	-	2 101
Amortisation of acquisition cost	1 710	-	-	-	1 710	2 652	-	-	-	2 652
Losses and reversal of losses on onerous contracts	-	(6)	-	-	(6)	-	2	-	-	2
Changes that relate to past service: adjustment to liabilities for incurred claims	-	-	(37)	(235)	(272)	-	-	366	(148)	218
Insurance service result	(9 115)	(6)	6 975	41	(2 105)	(16 149)	2	13 064	145	(2 938)
Net finance expenses from insurance contracts	-	-	68	7	75	-	-	68	8	76
TOTAL CHANGES IN THE STATEMENT OF PROFIT OR LOSS AND OCI	(9 115)	(6)	7 043	48	(2 030)	(16 149)	2	13 132	153	(2 862)
Transfer to other items in the Statement of Financial Position	(27)	-	(64)	-	(91)	(96)	-	(35)	-	(131)
Cash flows										
Premiums received	11 764	-	-	-	11 764	20 119	-	-	-	20 119
Insurance acquisition cash flow	(1 963)	-	-	-	(1 963)	(3 037)	-	-	-	(3 037)
Claims	-	-	(5 464)	-	(5 464)	-	-	(9 183)	-	(9 183)
Other insurance service expenses paid	-	-	(1 149)	-	(1 149)	-	-	(2 066)	-	(2 066)
TOTAL CASH FLOWS	9 801	-	(6 613)	-	3 188	17 082	-	(11 249)	-	5 833
Foreign exchange movement	(167)	-	(210)	(17)	(394)	(130)	-	(150)	(11)	(291)
CLOSING BALANCE OF LIABILITIES	4 788	-	5 708	472	10 968	4 296	6	5 552	441	10 295

Notes to the consolidated interim financial statements continued

7. Insurance and Reinsurance contracts *continued*

7.4 Youi – Reinsurance contracts held

R million	31 December 2024					30 June 2024				
	Asset for remaining coverage		Asset for Incurred claims		Total	Asset for remaining coverage		Asset for Incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Present value of future cash flows	Risk adjustment for non-financial risk		Excluding loss recovery component	Loss recovery component	Present value of future cash flows	Risk adjustment for non-financial risk	
Opening reinsurance contract assets	(100)	2	1 401	127	1 430	(316)	(15)	1 225	98	992
NET OPENING BALANCE	(100)	2	1 401	127	1 430	(316)	(15)	1 225	98	992
Changes in the statement of profit or loss										
Reinsurance expense	(841)	-	-	-	(841)	(1 917)	-	-	-	(1 917)
Incurred claims recovery	-	-	37	(4)	33	-	-	772	6	778
Changes that relate to past service – Changes to the FCF relating to incurred claims recovery	-	-	181	(6)	175	-	-	(58)	16	(42)
Changes relating to future services: loss recovery component	-	(2)	-	-	(2)	-	17	-	-	17
Net income (expense) from reinsurers contracts held	(841)	(2)	218	(10)	(635)	(1 917)	17	714	22	(1 164)
Finance income from reinsurance contracts	-	-	23	3	26	-	-	29	10	39
TOTAL CHANGES IN THE STATEMENT OF PROFIT OR LOSS AND OCI	(841)	(2)	241	(7)	(609)	(1 917)	17	743	32	(1 125)
Cash flows										
Premiums paid	1 368	-	-	-	1 368	2 124	-	-	-	2 124
Recoveries from reinsurers	-	-	(187)	-	(187)	-	-	(522)	-	(522)
TOTAL CASH FLOWS	1 368	-	(187)	-	1 181	2 124	-	(522)	-	1 602
Foreign exchange movement	(2)	-	(52)	(5)	(59)	9	-	(45)	(3)	(39)
NET CLOSING BALANCE	425	-	1 403	115	1 943	(100)	2	1 401	127	1 430
Closing reinsurance contract assets	425	-	1 403	115	1 943	(100)	2	1 401	127	1 430

Notes to the consolidated interim financial statements continued

7. Insurance and Reinsurance contracts *continued*

7.5 OUTsurance Ireland – Short-term Insurance contracts issued

R million	31 December 2024					30 June 2024				
	LRC		LIC		Total	LRC		LIC		Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk ¹		Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk ¹	
Opening balance of liabilities	6	13	-	-	19	-	-	-	-	-
Changes in the statement of profit or loss and OCI										
Insurance revenue	(18)	-	-	-	(18)	-	-	-	-	-
Insurance service expenses	-	66	132	-	198	-	13	94	-	107
Total claims expense	-	-	121	-	121	-	-	94	-	94
Incurred claims	-	-	2	-	2	-	-	-	-	-
Other insurance service expenses	-	-	119	-	119	-	-	94	-	94
OUTbonus accrual	-	-	1	-	1	-	-	-	-	-
Losses and reversal of losses on onerous contracts	-	66	-	-	66	-	13	-	-	13
Changes that relate to past service: adjustment to liabilities for incurred claims	-	-	10	-	10	-	-	-	-	-
Insurance service result	(18)	66	132	-	180	-	13	94	-	107
TOTAL CHANGES IN THE STATEMENT OF PROFIT OR LOSS AND OCI	(18)	66	132	-	180	-	13	94	-	107
Transfer to other items in the Statement of Financial Position										
Cash flows										
Premiums received	63	-	-	-	63	6	-	-	-	6
Claims	-	-	(3)	-	(3)	-	-	-	-	-
Other insurance service expenses paid	-	-	(94)	-	(94)	-	-	(64)	-	(64)
TOTAL CASH FLOWS	63	-	(97)	-	(34)	6	-	(64)	-	(58)
Foreign exchange movement ²	-	-	-	-	-	-	-	-	-	-
CLOSING BALANCE OF LIABILITIES	51	79	11	-	141	6	13	-	-	19

1 Due to Ireland commencing trading in May 2024 and the LIC balance only accumulating towards the latter part of the current financial period, the risk adjustment for non-financial risk on the LIC is immaterial.

2 The foreign exchange movement is immaterial due to insignificant movement in the exchange rate from R19.49 at 30 June 2024 to R19.51 at 31 December 2024 and the low balances.

Notes to the consolidated interim financial statements continued

7. Insurance and Reinsurance contracts *continued*

7.6 OUTsurance Ireland - Reinsurance contracts held

R million	31 December 2024					30 June 2024				
	Asset for remaining coverage		Asset for Incurred claims ¹			Asset for remaining coverage		Asset for Incurred claims ¹		
	Excluding loss recovery component	Loss recovery component	Present value of future cash flows	Risk adjustment for non-financial risk	Total	Excluding loss recovery component	Loss recovery component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening reinsurance contract assets	18	-	-	-	18	-	-	-	-	-
NET OPENING BALANCE	18	-	-	-	18	-	-	-	-	-
Changes in the statement of profit or loss										
Reinsurance expense	(13)	-	-	-	(13)	-	-	-	-	-
Incurred claims recovery	-	-	-	-	-	(6)	-	-	-	(6)
Net income (expense) from reinsurers contracts held	(13)	-	-	-	(13)	(6)	-	-	-	(6)
TOTAL CHANGES IN THE STATEMENT OF PROFIT OR LOSS AND OCI	(13)	-	-	-	(13)	(6)	-	-	-	(6)
Cash flows										
Premiums paid	16	-	-	-	16	25	-	-	-	25
TOTAL CASH FLOWS	16	-	-	-	16	25	-	-	-	25
Foreign exchange movement ²	-	-	-	-	-	(1)	-	-	-	(1)
NET CLOSING BALANCE	21	-	-	-	21	18	-	-	-	18
Closing reinsurance contract assets	21	-	-	-	21	18	-	-	-	18

1 Due to Ireland commencing trading in May 2024 there were no reinsurance incurred claims during the current and prior reporting period.

2 The foreign exchange movement is immaterial due to insignificant movement in the exchange rate from R19.49 at 30 June 2024 to R19.51 at 31 December 2024 and the low balances.

Notes to the consolidated interim financial statements continued

7. Insurance and Reinsurance contracts *continued*

7.7 Life Risk – Insurance contracts issued

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

R million 31 December 2024	Liabilities for remaining coverage		Liability for incurred claims	Total
	Excluding loss component	Loss component		
Opening insurance contract assets	(415)	150	14	(251)
Opening insurance contract liabilities	194	364	89	647
NET OPENING BALANCE	(221)	514	103	396
Insurance revenue	(529)	-	-	(529)
CSM recognised for services provided	(119)	-	-	(119)
Change in risk adjustment for non-financial risk for risk expired	(16)	-	-	(16)
Expected insurance service expenses incurred	(266)	-	-	(266)
Recovery of insurance acquisition cash flows	(131)	-	-	(131)
Experience adjustment not related to future service	3	-	-	3
Insurance Service Expenses				
Incurred insurance service expenses:	-	(15)	275	260
Claims	-	(13)	273	260
Expenses	-	(2)	45	43
Changes in the risk adjustment on the LIC	-	-	(43)	(43)
Amortisation of insurance acquisition cash flows	131	-	-	131
Changes that relate to past service (changes in fulfilment cash flows re LIC)	-	-	(23)	(23)
Changes that relate to future service:	-	13	-	13
Losses for the net outflow recognised on initial recognition	-	1	-	1
Losses and reversal of losses on onerous contracts – subsequent measurement	-	12	-	12
TOTAL INSURANCE SERVICE EXPENSES	131	(2)	252	381
TOTAL INSURANCE SERVICE RESULT	(398)	(2)	252	(148)
Insurance Finance Income or Expense				
The effect of and changes in time of time value of money and financial risk	(13)	19	8	14
TOTAL INSURANCE FINANCE INCOME OR EXPENSE	(13)	19	8	14
TOTAL CHANGES IN THE STATEMENT OF PROFIT OR LOSS	(411)	17	260	(134)
Cash flows				
Premium received	590	-	-	590
Claims and other insurance service expenses paid	-	-	(289)	(289)
Insurance acquisition cash flows	(140)	-	-	(140)
TOTAL CASH FLOWS	450	-	(289)	161
NET CLOSING BALANCE	(182)	531	74	423
Closing insurance contract assets	(480)	148	17	(315)
Closing insurance contract liabilities	298	383	57	738
NET CLOSING BALANCE	(182)	531	74	423

Notes to the consolidated interim financial statements continued

7. Insurance and Reinsurance contracts *continued*

7.7 Life risk – insurance contracts issued *continued*

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

R million 30 June 2024	Liabilities for remaining coverage		Liability for incurred claims	Total
	Excluding loss component	Loss component		
Opening insurance contract assets	(347)	126	5	(216)
Opening insurance contract liabilities	(29)	456	98	525
NET OPENING BALANCE	(376)	582	103	309
Insurance revenue	(946)	-	-	(946)
CSM recognised for services provided	(195)	-	-	(195)
Change in risk adjustment for non-financial risk for risk expired	(31)	-	-	(31)
Expected insurance service expenses incurred	(479)	-	-	(479)
Recovery of insurance acquisition cash flows	(265)	-	-	(265)
Experience adjustment not related to future service	24	-	-	24
Insurance Service Expenses				
Incurred insurance service expenses:	-	(48)	509	461
Claims	-	(31)	497	466
Expenses	-	(17)	89	72
Changes in the risk adjustment on the LIC	-	-	(77)	(77)
Amortisation of insurance acquisition cash flows	265	-	-	265
Changes that relate to past service (changes in fulfilment cash flows re LIC)	-	-	(16)	(16)
Changes that relate to future service	-	(66)	-	(66)
Losses for the net outflow recognised on initial recognition	-	34	-	34
Losses and reversal of losses on onerous contracts – subsequent measurement	-	(100)	-	(100)
TOTAL INSURANCE SERVICE EXPENSES	265	(114)	493	644
TOTAL INSURANCE SERVICE RESULT	(681)	(114)	493	(302)
Insurance Finance Income or Expense				
The effect of and changes in time of time value of money and financial risk	66	46	13	125
TOTAL INSURANCE FINANCE INCOME OR EXPENSE	66	46	13	125
TOTAL CHANGES IN THE STATEMENT OF PROFIT OR LOSS	(615)	(68)	506	(177)
Cash flows				
Premium received	1 072	-	-	1 072
Claims and other insurance service expenses paid	-	-	(506)	(506)
Insurance acquisition cash flows	(302)	-	-	(302)
TOTAL CASH FLOWS	770	-	(506)	264
NET CLOSING BALANCE	(221)	514	103	396
Closing insurance contract assets	(415)	150	14	(251)
Closing insurance contract liabilities	194	364	89	647
NET CLOSING BALANCE	(221)	514	103	396

Notes to the consolidated interim financial statements continued

7. Insurance and Reinsurance contracts continued

7.7 Life risk – insurance contracts issued continued

Reconciliation of the measurement components of insurance contract balances

R million 31 December 2024	Estimates of present value of future cash flows	Risk adjustment for non- financial risk	CSM	Total
Opening insurance contract assets	(689)	86	352	(251)
Opening insurance contract liabilities	(323)	245	725	647
NET OPENING BALANCE	(1 012)	331	1 077	396
Changes that relate to current services	(8)	(11)	(119)	(138)
CSM recognised for services provided	-	-	(119)	(119)
Change in risk adjustment for non-financial risk for risk expired	-	(11)	-	(11)
Experience adjustments not related to future service	(8)	-	-	(8)
Changes that relate to future services	(213)	27	199	13
Contracts initially recognised in the period	(246)	60	187	1
Changes in estimates that adjust the CSM	17	(29)	12	-
Changes in estimates that relate to losses and reversal of losses on onerous contracts	16	(4)	-	12
Changes that relate to past services	(11)	(12)	-	(23)
Changes in estimates in LIC fulfilment cash flows	(15)	(2)	-	(17)
Experience adjustments in claims and other insurance service expenses in LIC	4	(10)	-	(6)
TOTAL INSURANCE SERVICE RESULT	(232)	4	80	(148)
Insurance Finance Income or Expense				
The effect of and changes in time of time value of money and financial risk	(76)	41	49	14
TOTAL INSURANCE FINANCE INCOME OR EXPENSE	(76)	41	49	14
TOTAL CHANGES IN THE STATEMENT OF PROFIT OR LOSS	(308)	45	129	(134)
Cash flows				
Premiums received	590	-	-	590
Claims and other insurance service expenses paid	(289)	-	-	(289)
Insurance acquisition cash flows	(140)	-	-	(140)
TOTAL CASH FLOWS	161	-	-	161
NET CLOSING BALANCE	(1 159)	376	1 206	423
Closing insurance contract assets	(851)	101	435	(315)
Closing insurance contract liabilities	(308)	275	771	738
NET CLOSING BALANCE	(1 159)	376	1 206	423

Notes to the consolidated interim financial statements continued

7. Insurance and Reinsurance contracts continued

7.7 Life risk – insurance contracts issued continued

Reconciliation of the measurement components of insurance contract balances continued

R million 30 June 2024	Estimates of present value of future cash flows	Risk adjustment for non- financial risk	CSM	Total
Opening insurance contract assets	(385)	31	138	(216)
Opening insurance contract liabilities	(445)	242	728	525
NET OPENING BALANCE	(830)	273	866	309
Changes that relate to current services	5	(31)	(195)	(221)
CSM recognised for services provided	-	-	(195)	(195)
Change in risk adjustment for non-financial risk for risk expired	-	(31)	-	(31)
Experience adjustments not related to future service	5	-	-	5
Changes that relate to future services	(436)	45	325	(66)
Contracts initially recognised in the year	(315)	86	263	34
Changes in estimates that adjust the CSM	(22)	(40)	62	-
Changes in estimates that relate to losses and reversal of losses on onerous contracts	(99)	(1)	-	(100)
Changes that relate to past services	(6)	(9)	-	(15)
Changes in estimates in LIC fulfilment cash flows	45	4	-	49
Experience adjustments in claims and other insurance service expenses in LIC	(51)	(13)	-	(64)
TOTAL INSURANCE SERVICE RESULT	(437)	5	130	(302)
Insurance Finance Income or Expense				
The effect of and changes in time of time value of money and financial risk	(9)	53	81	125
TOTAL INSURANCE FINANCE INCOME OR EXPENSE	(9)	53	81	125
TOTAL CHANGES IN THE STATEMENT OF PROFIT OR LOSS	(446)	58	211	(177)
Cash flows				
Premiums received	1 072	-	-	1 072
Claims and other insurance service expenses paid	(506)	-	-	(506)
Insurance acquisition cash flows	(302)	-	-	(302)
TOTAL CASH FLOWS	264	-	-	264
NET CLOSING BALANCE	(1 012)	331	1 077	396
Closing insurance contract assets	(689)	86	352	(251)
Closing insurance contract liabilities	(323)	245	725	647
NET CLOSING BALANCE	(1 012)	331	1 077	396

Notes to the consolidated interim financial statements continued

7. Insurance and Reinsurance contracts continued

7.8 Life Risk - Reinsurance contracts held

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

R million 31 December 2024	Remaining coverage component		Incurred claims component	Total
	Excluding loss-recovery component	Loss-recovery component		
Opening reinsurance contract assets	(86)	114	84	112
Opening reinsurance contract liabilities	(5)	1	1	(3)
NET OPENING BALANCE	(91)	115	85	109
Allocation of the premiums paid	(93)	-	-	(93)
CSM recognised for services provided	27	-	-	27
Change in risk adjustment for non-financial risk for risk transferred	(5)	-	-	(5)
Expected recoveries of incurred claims and other insurance service expense	(122)	-	-	(122)
Experience adjustment not related to future service	7	-	-	7
Amounts Recovered from Reinsurance				
Recoveries of incurred claims and other insurance service expense	-	(5)	125	120
Changes related to past service (changes related to incurred claims component)	-	-	(14)	(14)
Changes that relate to future service	-	4	-	4
Recoveries of losses on onerous underlying contracts on initial recognition	-	-	-	-
Recoveries and reversals of recoveries of losses on onerous underlying contracts - subsequent measurement	-	4	-	4
TOTAL AMOUNTS RECOVERED FROM REINSURANCE	-	(1)	111	110
TOTAL NET EXPENSES FROM REINSURANCE	(93)	(1)	111	17
Insurance Finance Income or Expense				
The effect of and changes in time of time value of money and financial risk	13	6	4	23
TOTAL INSURANCE FINANCE INCOME OR EXPENSE	13	6	4	23
TOTAL CHANGES IN THE STATEMENT OF PROFIT OR LOSS	(80)	5	115	40
Cash flows				
Premiums received	77	-	-	77
Amounts recovered	-	-	(125)	(125)
TOTAL CASH FLOWS	77	-	(125)	(48)
NET CLOSING BALANCE	(94)	120	75	101
Closing reinsurance contract assets	(90)	119	74	103
Closing reinsurance contract liabilities	(4)	1	1	(2)
NET CLOSING BALANCE	(94)	120	75	101

Notes to the consolidated interim financial statements continued

7. Insurance and Reinsurance contracts continued

7.8 Life risk – Reinsurance contracts held continued

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

R million 30 June 2024	Remaining coverage component		Incurred claims component	Total
	Excluding loss-recovery component	Loss-recovery component		
Opening reinsurance contract assets	(128)	143	53	68
Opening reinsurance contract liabilities	(8)	1	1	(6)
NET OPENING BALANCE	(136)	144	54	62
Allocation of the premiums paid	(172)	-	-	(172)
CSM recognised for services provided	54	-	-	54
Change in risk adjustment for non-financial risk for risk transferred	(8)	-	-	(8)
Expected recoveries of incurred claims and other insurance service expense	(221)	-	-	(221)
Experience adjustment not related to future service	3	-	-	3
Amounts Recovered from Reinsurance				
Recoveries of incurred claims and other insurance service expense	-	(16)	214	198
Changes related to past service (changes related to incurred claims component)	-	-	4	4
Changes that relate to future service	-	(27)	-	(27)
Recoveries of losses on onerous underlying contracts on initial recognition	-	15	-	15
Recoveries and reversals of recoveries of losses on onerous underlying contracts – subsequent measurement	-	(42)	-	(42)
TOTAL AMOUNTS RECOVERED FROM REINSURANCE	-	(43)	218	175
TOTAL NET EXPENSES FROM REINSURANCE	(172)	(43)	218	3
Insurance Finance Income or Expense				
The effect of and changes in time of time value of money and financial risk	41	14	7	62
TOTAL INSURANCE FINANCE INCOME OR EXPENSE	41	14	7	62
TOTAL CHANGES IN THE STATEMENT OF PROFIT OR LOSS	(131)	(29)	225	65
Cash flows				
Premiums received	176	-	-	176
Amounts recovered	-	-	(194)	(194)
TOTAL CASH FLOWS	176	-	(194)	(18)
NET CLOSING BALANCE	(91)	115	85	109
Closing reinsurance contract assets	(86)	114	84	112
Closing reinsurance contract liabilities	(5)	1	1	(3)
NET CLOSING BALANCE	(91)	115	85	109

Notes to the consolidated interim financial statements continued

7. Insurance and Reinsurance contracts continued

7.8 Life Risk – Reinsurance contracts held continued

Reconciliation of the measurement components of reinsurance contract balances – GMM

R million	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
31 December 2024				
Opening reinsurance contract assets	280	73	(241)	112
Opening reinsurance contract liabilities	3	2	(8)	(3)
NET OPENING BALANCE	283	75	(249)	109
Changes that relate to current services	3	(2)	27	28
CSM recognised for services received	-	-	27	27
Change in risk adjustment for non-financial risk for risk expired	-	(2)	-	(2)
Experience adjustments not related to future service	3	-	-	3
Changes that relate to future services	5	9	(10)	4
Contracts initially recognised in the period	25	2	(27)	-
Changes in estimates that adjust the CSM	(25)	8	17	-
Changes in estimates that adjust recoveries of losses on onerous underlying contracts	5	(1)	-	4
Changes that relate to past services	(9)	(6)	-	(15)
Changes in fulfilment cash flows re asset for incurred claims	(2)	(4)	-	(6)
Experience adjustments in claims and other insurance service expenses in asset for incurred claims	(7)	(2)	-	(9)
TOTAL NET EXPENSES FROM REINSURANCE	(1)	1	17	17
Insurance Finance Income or Expense				
The effect of and changes in time of time value of money and financial risk	23	10	(10)	23
TOTAL INSURANCE FINANCE INCOME OR EXPENSE	23	10	(10)	23
TOTAL CHANGES IN THE STATEMENT OF PROFIT OR LOSS	22	11	7	40
Cash flows				
Premiums received	77	-	-	77
Amounts recovered	(125)	-	-	(125)
TOTAL CASH FLOWS	(48)	-	-	(48)
NET CLOSING BALANCE	257	86	(242)	101
Closing reinsurance contract assets	254	84	(235)	103
Closing reinsurance contract liabilities	3	2	(7)	(2)
NET CLOSING BALANCE	257	86	(242)	101

Notes to the consolidated interim financial statements continued

7. Insurance and Reinsurance contracts continued

7.8 Life risk – Reinsurance contracts held continued

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

R million 30 June 2024	Estimates of present value of future cash flows	Risk adjustment for non- financial risk	CSM	Total
Opening reinsurance contract assets	426	77	(435)	68
Opening reinsurance contract liabilities	(3)	2	(5)	(6)
NET OPENING BALANCE	423	79	(440)	62
Changes that relate to current services	(20)	(7)	54	27
CSM recognised for services received	-	-	54	54
Change in risk adjustment for non-financial risk for risk expired	-	(7)	-	(7)
Experience adjustments not related to future service	(20)	-	-	(20)
Changes that relate to future services	(193)	(12)	177	(28)
Contracts initially recognised in the year	142	8	(135)	15
Changes in estimates that adjust the CSM	(293)	(18)	311	-
Changes in estimates that adjust recoveries of losses on onerous underlying contracts	(42)	(2)	-	(44)
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	1	1
Changes that relate to past services	9	(5)	-	4
Changes in fulfilment cash flows re asset for incurred claims	19	(1)	-	18
Experience adjustments in claims and other insurance service expenses in asset for incurred claims	(10)	(4)	-	(14)
TOTAL NET EXPENSES FROM REINSURANCE	(204)	(24)	231	3
Insurance Finance Income or Expense				
The effect of and changes in time of time value of money and financial risk	82	20	(40)	62
TOTAL INSURANCE FINANCE INCOME OR EXPENSE	82	20	(40)	62
TOTAL CHANGES IN THE STATEMENT OF PROFIT OR LOSS	(122)	(4)	191	65
Cash flows				
Premiums received	177	-	-	177
Amounts recovered	(195)	-	-	(195)
TOTAL CASH FLOWS	(18)	-	-	(18)
NET CLOSING BALANCE	283	75	(249)	109
Closing reinsurance contract assets	280	73	(241)	112
Closing reinsurance contract liabilities	3	2	(8)	(3)
NET CLOSING BALANCE	283	75	(249)	109

Notes to the consolidated interim financial statements continued

7. Insurance and Reinsurance contracts continued

7.9 Life Risk – Expected recognition of CSM

Movement in CSM

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

31 December 2024	Total	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 to 10 years	More than 10 years
Insurance contracts issued	1 206	210	170	140	108	97	282	199
Reinsurance contracts held	242	46	37	30	23	20	54	32
TOTAL	1 448	256	207	170	131	117	336	231

30 June 2024	Total	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 to 10 years	More than 10 years
Insurance contracts issued	1 077	142	119	99	82	67	197	371
Reinsurance contracts held	249	50	41	34	27	21	50	26
TOTAL	1 326	192	160	133	109	88	247	397

Movement in CSM

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

R million	31 December 2024	30 June 2024
Opening CSM	1 326	1 306
Statement of financial position movement		
New business	214	398
Method and non-economic assumptions	(5)	(253)
– In-force business	(46)	(141)
– New business	41	(112)
Statement of profit and loss movement		
Unwind of discount rate	59	120
– In-force business	53	101
– New business	6	19
Reversal of loss component	-	4
– In-force business	-	4
– New business	-	-
Closing balance before CSM amortisation	1 594	1 575
– In-force business	1 333	1 269
– New business	261	306
CSM amortisation	(146)	(249)
– In-force business	(122)	(218)
– New business	(24)	(31)
CLOSING CSM	1 448	1 326

Notes to the consolidated interim financial statements continued

8 Events after the reporting period

8.1. Repayment of the Group's revolving credit facility

Subsequent to the reporting period end the Group repaid its revolving credit facility with R272 million to reduce the total balance from R309 million at 31 December 2024 to R37 million by the end of February 2025. The surplus cash was generated from restructuring OHL's capital structure and by selling the OGL shares held to economically hedge the CSP scheme to the subsidiaries who own the obligation to settle the CSP scheme. This is a non-adjusting event.

8.2. Sale of investment in Merchant capital

During January 2025, an agreement was reached to dispose of Merchant Capital by way of a company share buy-back. This disposal is tranching over a period of 15 months with total proceeds amounting to R92 million.

The investment in Merchant Capital has been classified as held for sale with an effective date of 31 December 2024.

At 31 December 2024, the investment in associate is valued at its carrying value which is the lower of carrying value and fair value less costs to sell.

This sale of Merchant Capital aligns with the Group's strategy to focus on the expansion of its insurance operations.

The carrying amount of the associate held for sale is as follows:

R million	31 December 2024
Investment in associate held for sale	56
Reconciliation of associate held for sale	
Balance as at 1 July 2024	58
Dividend received	(2)
BALANCE AS AT 31 DECEMBER 2024	56

8.3. Loss event in Youi

Cyclone Alfred made landfall on the South-East Queensland coast on 7th of March 2025 and the main peril from this event is flooding. Youi's reinsurance attachment point for its first two catastrophe events is A\$40 million. Estimating the loss from this event is currently highly uncertain and it is expected that a substantial portion of the loss will be covered by the Australian Reinsurance Pool Corporation (ARPC). Should the net loss after the recovery from the ARPC breach A\$40 million, Youi's loss will be limited to A\$40 million, plus reinstatement premiums to the extent that reinsurance is utilised. This is a non-adjusting event.

Glossary

Group companies

OGL

OUTsurance Group Limited (formerly Rand Merchant Investment Holdings Limited) is listed on the Johannesburg Securities Exchange (JSE).

OHL

OUTsurance Holdings Limited, the regulated insurance holding company.

CTP

Compulsory Third-Party insurance issued only in Australia.

Accounting terminology

Premium allocation approach (PAA)

Simplified methodology to measure insurance contracts if certain criteria are met. The Group utilises this methodology to measure its property and casualty (short-term) insurance contracts.

General measurement model (GMM)

The default measurement model in IFRS 17 to measure insurance contracts. The Group utilised this measurement model to measure the insurance contracts issued by OUTsurance Life.

Liability For Remaining Coverage (LRC)

The Group's obligation to pay claims for insured events that have not yet occurred. It includes insurance service expenses for services not yet provided and amounts not included in the LIC.

Liability for Incurred Claims (LIC)

The Group's obligation to pay claims for an incurred insured event, incurred events incurred but not yet reported, other insurance service expenses and amounts not included in the Liability for remaining coverage (LRC).

Asset for remaining coverage (ARC)

The services the Group is entitled to receive from the reinsurer for in-force contracts in future periods.

Asset for incurred claims (AIC)

The reinsurance recoveries the Group is entitled to receive from the reinsurer for incurred insured events.

Fulfilment Cash Flow (FCF)

A probability weighted present value estimate of future cash in- and outflows that arises as the Group fulfils the insurance contract. It includes a risk adjustment for non-financial risks.

Attributable expenses

Expenses that are directly attributable to fulfilling the insurance contract.

Non-attributable expenses

Expenses that are not directly attributable to fulfilling the insurance contract.

Insurance acquisition cash flows

Cash flows that originate when selling, underwriting and starting a group of insurance contracts. These cash flows are directly attributable to the insurance contract.

Risk adjustment for non-financial risk (RA)

The compensation the Group requires to take on the insurance risk in the contract.

Contractual service margin (CSM)

The CSM represents the unearned profit in a group of contracts that is measured using the GMM. The CSM is a component of the LRC and is released as the insurance contract services are delivered.

Insurance service expenses (ISE)

ISE includes incurred claims and expenses, the change in insurance liability relating to past claims and expenses as well as losses and reversal of losses on groups of contracts.

Weighted number of ordinary shares

Weighted number of ordinary shares in issue during the reporting period.

Regulatory terminology

Covered business

Business regulated by the Prudential Authority as long-term insurance business.

Own funds

The net asset value adjusted for regulatory remeasurement of assets and liabilities. Represents capital that qualifies for regulatory measurement.

Solvency capital requirement (SCR)/ Required capital

The amount of regulatory capital required as determined by the local regulatory authorities.

*Glossary continued***Management performance indicators****Annualised new business premium written**

Annualised premium value of all new customer policies incepted during the period under review. This measure excludes the renewal of existing customer policies.

Combined ratio

Net claims expense including insurance finance expense (IFE) plus operating expenses (which includes both the non-attributable expenses and attributable expenses) divided by net earned premium. The ratio includes the profit share distributions to FirstRand Limited.

Cost-to-income ratio

Operating expenses (which includes both non-attributable and attributable expenses) divided by net earned premium. The ratio excludes the profit share distributions to FirstRand Limited.

Net claims expense

Insurance service expense (which includes non-claims bonus cost) plus insurance finance expense less reinsurance recoveries.

Net claims ratio

Net claims expense including insurance finance expense divided by net earned premium.

Net earned premium (NEP)

Insurance revenue less reinsurance premiums.

Normalised earnings

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

Normalised return on equity (ROE)

Normalised earnings divided by average normalised ordinary shareholders equity.

Underwriting result

- Net earned premium
- less net claims expense
- add other income
- less marketing and administration expenses
- less profit share distribution.

Embedded value terminology**Actuarial Practice Note (APN) 107**

The guidance note on embedded value financial disclosures of South African long-term insurers issued by the Actuarial Society of South Africa.

Adjusted net worth (ANW)

Excess value of all assets attributed to covered business but not required to back the liabilities of covered business.

Cost of capital (CoC)

The present value of the projected release of the required capital allowing for investment returns on the assets supporting the projected required capital.

Embedded value (EV) of covered business

The present value of earnings from covered business attributable to shareholders, excluding any value that may be attributed to future new business. Consists of:

- Adjusted net worth
- plus the value of in-force covered business
- less the cost of non-hedgeable risk
- less the cost of capital.

Free surplus

ANW less the required capital attributed to covered business.

Present Value of in-force book (PVIF)

The present value of future shareholder cash flows projected to emerge from the assets backing liabilities of the in-force covered business.

Present value of new business premiums

The discounted value, using a risk-adjusted discount rate, of expected future premiums on new recurring premium business.

Profitability of new covered business

Ratio of the net value of new business to present value of new business premiums (gross of reinsurance).

Value of new business (VNB)

The present value of the expected after-tax shareholder cash flows arising at the point of sale in respect of new covered business contracts sold in the reporting period, less cost of capital relating to these new business contracts.

Administration

OUTsurance Group Limited (OGL)

Registration number: 2010/005770/06

JSE ordinary share code: OUT
ISIN code: ZAE000314084

Directors

Chairman: HL Bosman
Lead Independent: K Pillay
Independent: ET Moabi, JA Teeger, JE van Heerden,
MM Mahlare, RSM Ndlovu, SV Naidoo
Non-executive: A Kekana, JJ Durand, WT Roos
Executive: MC Visser (CEO),
JH Hofmeyr (CFO)
Alternates: F Knoetze, UH Lucht

On 12 September 2024 Mr Marx retired from the board of directors. On 26 November 2024 Ms Hanise and Mr Morobe resigned from the board of directors.

Transfer secretaries

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JS Human

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Sponsor

(in terms of JSE Listings Requirements)

Rand Merchant Bank (a division of FirstRand Bank Limited)

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