

## The British United Provident Association Limited (Bupa): FULL YEAR STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

### Financial headlines<sup>1</sup>

- Revenue<sup>2,3</sup> of £15.1bn was up 9% (2022: £13.9bn) at Constant Exchange Rates (CER)<sup>4</sup> with period-on-period growth across all lines of business and Market Units driven by:
  - Customer volume growth with health insurance customers increasing by over five million<sup>5</sup> and provision customers by one million. Occupancy rates in aged care increasing by 4ppt to 92% exceeding pre-COVID levels (2019: 88%); and
  - The impact of pricing action, as we seek to balance elevated levels of inflation, remaining competitive for our customers and maintaining discipline in our underwriting of insurance risk.
- Underlying profit<sup>6</sup> before taxation of £599m was down 2% at CER (2022: £612m) as strong customer growth and higher investment returns were offset by lower profits in Australia Health Insurance, due to timing differences between the recognition of COVID-19 claims savings and returns made to customers as part of our COVID-19 support programme introduced during the pandemic. In 2023 the cost of returning claim savings (accumulated through the pandemic) to customers increased to £312m (2022: £240m)<sup>7</sup>. The amount of COVID-19 claim savings realised diminished in 2023 relative to 2022 as claims frequency increased following the pandemic. In 2022 we also recognised £117m of tangible asset impairments in UK Dental, which was not repeated in 2023.
- Statutory profit before taxation of £564m increased by £954m at AER (2022: £(390)m loss) driven by a significant reduction in non-underlying items following £888m of impairments in 2022.
- Solvency II capital coverage ratio remains strong at 175%<sup>8</sup> (2022: 181%) with leverage (excluding IFRS 16 lease liabilities) of 20.1% (2022: 18.7%).
- Full Year 2023 results demonstrate that our strategy is delivering strong results with broad-based growth across all lines of business and Market Units against a backdrop of continued macro-economic, political and regulatory uncertainty.

### Iñaki Ereño, Group CEO, commented:

"Our results show that we are continuing to make good progress on delivering on our strategy with strong organic growth across our health insurance businesses, increased activity in our health provision businesses to meet growing customer demand and increased occupancy in our aged care homes and villages."

<sup>1</sup> Financial results are based on the new accounting standard for insurance contracts, IFRS 17 and the updated definition of underlying profit, with prior period comparators restated where applicable.

<sup>2</sup> Revenues from associate businesses are excluded from reported figures. Customer numbers include 100% of our associate figures. Economic post-tax profits include the associate contribution in line with our shareholding.

<sup>3</sup> Revenue calculated based on the aggregation of "insurance revenue" and "total non-insurance revenue" as shown in the Consolidated Income Statement.

<sup>4</sup> Constant exchange rate (CER) financials are the retranslation of the prior year Actual Exchange Rates (AER) financials based on the current financial years average rate.

<sup>5</sup> Includes customer numbers for associate businesses.

<sup>6</sup> Underlying profit is a Non-GAAP financial measure. This means it is not comparable to other companies. Underlying profit reflects our trading performance and excludes a number of items included in statutory profit before taxation, to facilitate period-on-period comparison. A reconciliation to statutory profit before taxation can be found in the notes to the financial statements.

<sup>7</sup> Note variance to Full Year 2022 disclosures relates to change in accounting for premium rate deferrals under IFRS 17. Previously expensed as incurred but now restated and recognised over the duration of the contract to which the deferral relates.

<sup>8</sup> The FY 2023 Solvency II capital coverage ratio is an estimate and unaudited.

## Market performance (all at CER)

- **Bupa Asia Pacific:** Revenue increased by 5% to £5,726m. This was driven by customer growth in Australia Health Insurance, higher occupancy in aged care and increased activity in Hong Kong<sup>9</sup> Health Services. On a reported basis, underlying profit reduced by 62% to £154m due to timing differences between the recognition of COVID-19 claims savings and returns to customers in Australia Health Insurance.
- **Europe and Latin America:** Revenue grew by 12% to £5,083m as a result of customer growth across most of our businesses. Underlying profit increased by 17% to £355m in the year, driven by revenue growth, higher margins and increased investment returns with 2022 also being impacted by a £41m one-off Consumer Price Index (CPI) linked performance catch-up on a long-standing public private partnership (PPP) hospital contract in Spain. In Bupa Chile the October 2022 regulator-approved Garantías Explícitas en Salud (GES) pricing increases returned the Isapre to a small profit for the year. However, a court ruling has since cancelled the increase, effective from 1 January 2024.
- **Bupa Global and UK:** Revenue grew by 10% to £4,235m driven by customer growth in insurance, increased occupancy in aged care and increased activity across health services. Underlying profit of £269m grew by £214m due to strong financial performance across all Business Units with 2022 also being impacted by £117m of UK Dental tangible asset impairments which were not repeated in 2023.
- **Other businesses:** Our businesses in Saudi Arabia and India have delivered significant growth, with underlying profit increasing by 77% to £85m largely driven by higher volumes, margins and increased investment returns in Bupa Arabia.

## Financial position

- Solvency II capital coverage ratio remained strong at 175% (2022: 181%).
- Leverage ratio is 27.2% (2022: 26.5%) when including IFRS 16 lease liabilities. Excluding these liabilities, the leverage ratio is 20.1% (2022: 18.7%). In the first half of the year we repaid £250m of Tier 2 debt at maturity and we issued a €500m senior bond in October.
- Net cash generated from operating activities increased by £216m period-on-period to £1,182m, driven by higher revenue, partly offset by the reduction in Australia Health Insurance profits.

## Other highlights

- In 2023, we announced the acquisition of an additional stake in our Indian health insurance business, Niva Bupa, to make us the majority shareholder. This move comes as India's insurance industry is experiencing strong growth amidst increasing awareness and demand for health insurance. We completed the transaction in January 2024.
- We expanded our provision footprint, opening 2 new hospitals, 36 clinics and 17 dental centres globally.<sup>10</sup>
- We now have over 5.5m customers using Blua<sup>11</sup>, our digital health solution, with plans to significantly increase this going forward.
- In 2023, 87% of our Business Units improved their Net Promoter Score (NPS).

<sup>9</sup> Refers to Hong Kong SAR (Special Administrative Region) across the statement.

<sup>10</sup> Refers to provision acquisitions only, excludes the impact of disposals including our decision to close, sell or merge 85 of our 475 dental practices in the UK.

<sup>11</sup> 5.5 million customers are using Blua our digital healthcare service, or an equivalent digital solution.

- We completed the rollout of 'Viva, Healthier and Happier', a new employee health and wellbeing programme that offers medical benefits to 100% of Bupa colleagues, representing an additional £26 million investment into our people.
- We scored highly on our global People Pulse survey, achieving a global engagement result of 82 (80 in November 2022), exceeding the high performing (top decile) external benchmark by two points.
- We invested £12.8m in our communities, with over £4.4m of this through the Bupa Foundations.
- In 2023, 90% of our electricity consumption was from renewable sources, an increase of 36 percentage points compared with 2019, showing our commitment towards becoming a net zero business across all our emissions by 2040.
- We became the official healthcare sponsor of the Mexican Paralympics Association, building on our existing partnerships in Great Britain, Spain, Poland, Australia and Chile.

### Note on Chile

- As disclosed previously, Bupa's Isapre business in Chile has been negatively impacted by judicial and regulatory action. The Chilean Supreme Court has significantly shifted its interpretation of Isapre pricing in recent years, with the cumulative effect of restricting the previously permitted, and generally accepted, pricing/rate-setting approach. The potential short and long-term implications for Bupa's Isapre business remain highly uncertain, however, some recent developments suggest that a revised pricing framework could emerge to support the sustainability of the industry.
- In the meantime, we continue to recognise contingent liabilities regarding the potential retrospective financial implications relating to the Isapre business. Further details are included in the Financial Review.

### Enquiries

Media - Duncan West (Corporate Affairs): [duncan.west@bupa.com](mailto:duncan.west@bupa.com)

Investors - Gareth Evans (Treasury): [ir@bupa.com](mailto:ir@bupa.com)

(Bupa 1025Z LN)

### About Bupa

Bupa's purpose is helping people live longer, healthier, happier lives and making a better world. We are an international healthcare company serving over 50 million customers worldwide<sup>12</sup>. With no shareholders, we reinvest profits into providing more and better healthcare for the benefit of current and future customers.

Through 2023, we directly employed around 87,000<sup>13</sup> people, principally in the UK, Australia, Spain, Chile, Poland, New Zealand, Hong Kong SAR, Türkiye, Brazil, Mexico, the US, Middle East and Ireland. We also have an associate business in Saudi Arabia. From 2024 onwards, our associate business in India, Niva Bupa, will become part of Bupa Global and UK following the acquisition of a majority shareholding in January 2024.

For more information, visit [www.bupa.com](http://www.bupa.com).

<sup>12</sup> Customer counting methodologies may vary between Business Units.

<sup>13</sup>Based on average number of employees during the year and including 16,000 colleagues in Poland who are engaged under contract for service arrangements.

**Disclaimer: Cautionary statement concerning forward-looking statements**

This document may contain certain 'forward-looking statements'. Forward-looking statements often use words such as 'intend', 'aim', 'project', 'anticipate', 'estimate', 'plan', 'believe', 'expect', 'forecasts', 'may', 'could', 'should', 'will', 'continue' or other words of similar meaning. Statements that are not historical facts, including statements about the beliefs and expectations of The British United Provident Association Limited (Bupa) and Bupa's directors or management, are forward-looking statements. In particular, but not exclusively, these may relate to Bupa's plans, current goals and expectations relating to future financial condition, performance and results.

By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend upon future circumstances that may or may not occur, many of which are beyond Bupa's control and all of which are solely based on Bupa's current beliefs and expectations about future events. These circumstances include, among others, global economic and business conditions, market-related risks such as fluctuations in interest rates and exchange rates, the policies and actions of governmental and regulatory authorities, risks arising out of health crises and pandemics, the impact of competition, the timing, impact and other uncertainties of future mergers or combinations within relevant industries. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual future condition, results, performance or achievements of Bupa or its industry to be materially different to those expressed or implied by such forward-looking statements. Recipients should not place reliance on, and are cautioned against relying on, any forward-looking statements. Except as required by any laws and regulations, Bupa expressly disclaims any obligations or undertakings to release publicly any updates or revisions to any forward-looking statements to reflect any change in the expectations of Bupa with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Forward-looking statements in this document are current only as of the date on which such statements are made. No statement in this document is intended to be a profit forecast. Neither the content of Bupa's website nor the content of any other website accessible from hyperlinks on Bupa's website is incorporated into, or forms part of, this document.

**Group CEO's Review**

Bupa had a very strong year in 2023. We are making good progress on delivering against our strategy with strong organic growth across our health insurance businesses, increased occupancy in our aged care homes and villages, and increased activity in our health provision businesses to meet growing customer demand.

We are encouraged by the overall performance of the Group as we continue our transformation to become an increasingly digital business serving our customers, patients and residents.

I would like to thank all our people at Bupa who have worked incredibly hard to support our customers and transform the business. Throughout the year, our teams have been focused on 'running' and 'changing' Bupa – continuing to run the organisation efficiently and prioritising high standards of customer service while at the same time changing our business with a focus on digital transformation. This has delivered strong performance across the organisation with our strategy driving positive improvements and organic customer growth.

**Significant progress in 2023**

This year's results demonstrate that our 3x6 strategy is the right one and delivering strong results:

- In health insurance, customer numbers grew 22%<sup>14</sup> as our market-leading propositions position us well to serve more customers with an increasing focus on health and wellness.
- In health provision, we saw good customer growth and a strong increase in profitability. Notably in UK Dental we have seen improved business performance as the business delivers against the early stages of its turnaround plan.
- And in aged care, we have reached an important milestone as a sharp focus on the business fundamentals has seen occupancy exceed pre COVID-19 pandemic levels<sup>15</sup>.

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<sup>14</sup> Includes customers from Associate insurance businesses.

<sup>15</sup> Pre COVID-19 levels based on 2019 closing occupancy.

Our specialist healthcare focus, international footprint and trusted clinical expertise puts us in a strong position in a sector with long-term rising demand. This has seen our insurance customer base, including associates, grow to 29.7m, which is 22% higher than in 2022.

We have delivered thousands of customer experience improvements across key parts of the customer journey and continue to increase our focus on digital transformation. We now have over 5.5 million customers using Blua, our innovative digital health solution.

During the year, I was able to visit many of our teams in our different markets. While virtual meetings are an effective means of communicating, it is important to meet our people and our customers in person. I've visited our businesses in countries including Spain, Poland, Mexico, Saudi Arabia, Australia, India and the UK, and have been impressed by the energy, commitment and care shown by all our colleagues.

I'm very proud of the strong leadership community we have built at Bupa. Our Strategic Development Forum is the group of our 75 most senior people from across every business who meet quarterly and which are driving the execution of our strategy. This team is the best lever we have to maintain the momentum of our transformation.

### **Strategic progress**

Bupa's 3x6 strategy is centred around three bold ambitions focused on digitalisation and customer experience and six strategic and enabling pillars. Over 2023, we made good progress, including:

- **Customer:** In 2023, 87% of our Business Units improved their Net Promoter Score (NPS). We also implemented over 8,000 customer experience improvements across key parts of the vital customer journeys.
- **Growth:** We have 20.3m provision customers, 6% growth from last year and 29.7m health insurance customers<sup>16</sup>, reflecting a 22% growth from 2022.
- **Transformation:** We now have over 5.5 million Blua customers globally, with plans to significantly increase this going forward. These customers are being served by our growing network of around 14,000 doctors and clinicians.
- **Sustainability:** We launched our Healthy Cities programme globally, which saw 80,000 people, including our employees, customers and community partners take 10 billion steps throughout 2023, in turn unlocking £2m of funding for local nature regeneration projects in urban areas.
- **Agile Culture:** 457 leaders globally are listening to customer feedback via our internal listening app in almost every business. 61,000 customer calls listened to, and 23,500 ideas generated for how we can improve our customer experience.
- **Data:** Over 12,000 of our people are accessing and using data from our platforms to drive decision-making, and in 2023, 120 teams across 20 countries participated in the B-Disruptive Hackathon, upskilling Bupa's workforce in Generative AI.

### **Sustainability highlights**

As an international healthcare company, the interconnection between human health and the health of the planet is core to our strategy. In 2023, we made notable progress in decarbonising our operations and accelerating critical collaborations to shape the delivery of net zero, patient-centric health systems, including Bupa joining the Sustainable Markets

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<sup>16</sup> Includes customer numbers for associate businesses.

Initiative Health Systems Taskforce and a global partnership with Health Care Without Harm. We also expanded our Healthy Cities programme to all our Market Units, encouraging people to adopt sustainable and healthy lifestyles, while investing in regenerating urban environments for people to thrive. Here are some of our other highlights:

- Our global talent and innovation programme, eco-Disruptive, continued into its third year, engaging more than 270 start-up applicants and 18 finalists. We awarded £200,000 to the winning start-up, UniSCool, who have pioneered a liquid cooling solution which reduces the energy use of electrical appliances including medical equipment. They will continue to work with Bupa employees to drive sustainability action.
- We expanded our international-level advocacy and partnerships, including a three-year partnership with the Norman Foster Foundation to create healthy and climate-resilient cities.

### **Outlook**

We are encouraged by the overall positive performance across the Group and how our businesses are transforming against the strategic priorities they are given as part of our portfolio management strategy.

I've been particularly energised by my visits to India, where I've spent time with the team at Niva Bupa. In 2023, we began the process to increase our stake in the business to become the majority shareholder of one of the fastest growing companies in the Indian health insurance industry. This completed in January 2024. I am very impressed with what the Niva Bupa team have achieved to date. It is a vibrant and exciting market, and we see huge opportunities to serve more customers and grow the business and the market over the coming years.

The macro-economic, political and regulatory outlook remains uncertain. We continue to see elevated levels of inflation increasing costs for our business and for our customers in certain markets. As stated in the Business Risk section, changes in governmental and regulatory policy continue to be one of our top risks given the nature of our business. This risk is present in Chile, where the Isapre insurance industry continues to be negatively impacted by political uncertainty, potential changes in law and regulatory and judicial action. This results in Contingent Liabilities being recognised as at 31 December 2023, as summarised in the financial review.

We are confident for the future of our business, there is positive momentum behind our 3x6 strategy and our ambition to be the world's most customer-centric healthcare company. There is much to do, but we are well positioned to meet customer healthcare needs with an ever-increasing focus on health and wellbeing across our markets.

## FINANCIAL REVIEW

### Summary<sup>17</sup>

	FY 2023	FY 2022 restated (AER)	% growth/ (decline)	FY 2022 restated (CER)	% growth/ (decline)
<b>Revenue</b>	<b>£15.1bn</b>	<b>£14.1bn</b>	<b>7%</b>	<b>£13.9bn</b>	<b>9%</b>
<b>Underlying profit</b>	<b>£599m</b>	<b>£630m</b>	<b>(5)%</b>	<b>£612m</b>	<b>(2)%</b>
<b>Cash generated from operating activities</b>	<b>£1,182m</b>	<b>£966m</b>	<b>22%</b>	<b>n/a</b>	<b>n/a</b>
<b>Statutory profit/(loss) before taxation</b>	<b>£564m</b>	<b>£(390)m</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
<b>Leverage (excl. IFRS 16)</b>	<b>20.1 %</b>	<b>18.7 %</b>	<b>(1.4) ppts</b>	<b>n/a</b>	<b>n/a</b>
<b>Leverage (incl. IFRS 16)</b>	<b>27.2 %</b>	<b>26.5 %</b>	<b>(0.7) ppts</b>	<b>n/a</b>	<b>n/a</b>
<b>Solvency</b>	<b>175 %</b>	<b>181 %</b>	<b>(6) ppts</b>	<b>n/a</b>	<b>n/a</b>

#### Revenue (CER)

Group revenue was up 9% as a result of customer growth in insurance, increased activity in health provision and higher occupancy levels in aged care. This was partially offset by a significant increase in the cost of returning COVID-19 claims savings to customers in Australia Health Insurance taking the total cost of the return in 2023 to £312m (2022: £240m)<sup>18</sup>. Pricing changes contributed to revenue growth across all lines of business<sup>19</sup> as we seek to balance the impact of elevated inflation, remaining competitive for customers and maintaining discipline in our underwriting of insurance risk across our markets.

Revenue in health insurance grew by 9% with customer growth of 8%<sup>20</sup> period-on-period across all of our market units. Our health provision businesses saw revenue growth of 6% driven by higher levels of activity, particularly in our Polish business, LUX MED, partially offset by a £41m one-off CPI linked performance catch-up on a long-standing PPP hospital contract in Spain in 2022. In aged care, revenue was up 12% as occupancy rates increased by 4ppts, exceeding 2019 pre COVID-19 levels.

#### Underlying profit (CER)

Group underlying profit before tax decreased 2% to £599m (2022: £612m) as strong customer growth and higher investment returns were offset by lower profits in Australia Health Insurance, due to timing differences between the recognition of COVID-19 claims savings and returns made to customers as part of our COVID-19 support programme introduced during the pandemic. In 2023 the cost of returning claim savings (accumulated through the pandemic) to customers increased to £312m (2022: £240m). In 2022 we also recognised £117m of tangible asset impairments in UK Dental, which was not repeated in 2023.

Health insurance underlying profit decreased as growth in revenues and investment returns across all Market Units were offset by the timing differences between the recognition of COVID-19 claims savings and returns to customers in Australia Health Insurance. Margins

<sup>17</sup> Prior period comparators have been restated to reflect the new accounting standard for insurance contracts, IFRS 17 and the updated definition of underlying profit.

<sup>18</sup> Note variance to Full Year 2022 disclosures relates to change in accounting for premium rate deferrals under IFRS 17. Previously expensed as incurred but now restated and recognised over the duration of the contract to which the deferral relates.

<sup>19</sup> Lines of business represents, insurance, provision and aged care.

<sup>20</sup> Excludes insurance customers from the associate businesses.

across our Europe and Latin America Market Unit improved, in part driven by the October 2022 GES premium rate changes in the Isapre business which have been cancelled with effect from 1 January 2024. In Bupa Global and UK, UK Insurance underlying profit increased through higher investment returns and strong revenue and customer growth. In Bupa Global profits increased as we continue to see the positive effects of our portfolio management strategy improving the performance of the business.

Profitability grew strongly in health provision due to margin improvement, customer growth and the absence of impairments.

Aged care returned to profitability in the period driven by higher levels of occupancy and an improved government funding model in Australia.

Increased central investment into certain initiatives that increase our capability globally, including ESG, and higher interest rates on variable rate debt, resulted in central costs increasing by £67m to £264m for the year.

### Statutory profit

Statutory profit before taxation was £564m, up £954m AER (2022: £(390)m), as the lower underlying result was offset by the movement in non-underlying items which totalled a £35m cost at FY 2023, compared with a £1,020m cost at FY 2022.

The key driver of the movement in non-underlying items was the near absence of impairments of intangible assets and goodwill arising on business combinations of £1m (2022: £888m<sup>21</sup>). Our return-seeking asset portfolio delivered a positive return across all asset classes, with strong performance in the final quarter of the year on lower yields and tightening of credit spreads. This compares to mark-to-market losses that we saw across the portfolio in 2022 following general market volatility and inflationary pressure which led to a significant increase in both interest rates and credit spreads in the period. We also reported a gain on realised and unrealised foreign exchange in the period of £2m (2022: £15m loss).

Also included is a £21m (2022: £33m) net loss on property revaluations. In Bupa Villages and Aged Care Australia we recognised a £32m (2022: £34m) amortisation charge on intangible assets following the government announcement to deregulate bed licences from 2024. Losses in other non-underlying items of £13m (2022: £24m) primarily relate to restructuring costs in Europe and Latin America and Bupa Global and UK. Partially offsetting this, Other businesses includes a £27m dilution gain on the issue of share capital in Niva Bupa to external investors which took place ahead of us increasing our stake in the business.

	2023	2022 restated
	£m	£m
Bupa Asia Pacific at CER	154	402
Europe and Latin America at CER	355	304
Bupa Global and UK at CER	269	55
Other businesses at CER	85	48
Central costs	(264)	(197)

<sup>21</sup> Total £1bn of impairments in 2022, of which £117m were impairments to right-of-use and fixed assets in UK Dental which were included within underlying profit, with the remaining £888m recognised in non-underlying items.



<b>Consolidated underlying profit before taxation at CER</b>	<b>599</b>	<b>612</b>
Foreign exchange re-translation on 2022 results (CER/AER)	–	18
<b>Consolidated underlying profit before taxation at AER</b>	<b>599</b>	<b>630</b>
Impairment of intangible assets and goodwill arising on business combinations	(1)	(888)
Short-term fluctuation on investment returns	31	(22)
Net loss on disposal of businesses and transaction costs on business combinations	(1)	(4)
Net property revaluation losses	(21)	(33)
Realised and unrealised foreign exchange gains/(losses)	2	(15)
Amortisation of bed licences	(32)	(34)
Other non-underlying items	(13)	(24)
<b>Total non-underlying items</b>	<b>(35)</b>	<b>(1,020)</b>
<b>Statutory profit/(loss) before taxation at AER</b>	<b>564</b>	<b>(390)</b>

### IFRS 17 Insurance Contracts

The IFRS 17 Insurance Contracts standard was issued in May 2017 as a replacement for IFRS 4 Insurance Contracts, with effect for annual accounting periods beginning on or after 1 January 2023. In applying the new standard, the Group is applying the simplified Premium Allocation Approach leading to revenue recognition that is consistent with that used under IFRS 4. The Group's net assets at transition on 1 January 2022 reduced by £56m. This is due to the derecognition of deferred acquisition costs assets and the recognition of the loss component on onerous contracts, offset by the derecognition of both the COVID-19 deferred claims liabilities and the premium deferral provision in our Australian insurance business, as these are not included under IFRS 17.

The change to IFRS 17 results in a restatement of our reported Full Year 2022 underlying profit from £575m to £621m<sup>22</sup> AER. This increase is mainly driven by the derecognition of the COVID-19 deferred claims liability and premium rate increase deferral provisions. Beyond this, the impact of IFRS 17 is small, with other factors driving the restatement of profits including the change from deferring acquisition costs to expensing up front and the recognition of losses on onerous contracts up front. See note 1.5 of the Annual Report and Accounts for further detail on the impacts of IFRS 17.

### Insurance service result

Following the transition to IFRS 17 we are required to report an insurance service result which comprises: insurance revenue, less insurance service expenses. This result excludes financial income and expenses. The 2023 Group insurance service result was £445m (2022: £672m) with higher revenues being offset by the lower profits in Australia Health Insurance, due to timing differences between the recognition of COVID-19 claims savings and the returns made to customers. The 2023 combined operating ratio (COR)<sup>23</sup> was 96% (2022: 93%).

<sup>22</sup> FY 2022 reported underlying profit of £630m also includes £9m impact from the change to the underlying profit definition, our non-GAAP measure of trading profit. Other and FX balances net to nil.

<sup>23</sup> COR is calculated based on "Insurance service expense" plus "Net expense from reinsurance contracts held" divided by "Insurance revenue" as shown in the Consolidated Income Statement

## **Taxation**

The Group's taxation expense for the year was £140m which represents an effective tax rate of 25% (2022: (28)%) in line with the UK statutory corporation tax rate. The 2022 effective tax rate of (28)% was mainly driven by the net tax impact of one-off goodwill and fixed assets impairments for which no tax deductions can be claimed.

## **Cash flow**

Net cash generated from operating activities increased by £216m year-on-year to £1,182m driven by higher revenue across the market units partially offset by the reduction in Australia Health Insurance profits. Net cash flow used in investing activities reduced by £735m to £154m as less of the cash generated from operating activities has been invested into financial assets versus 2022 contributing to the higher cash and cash equivalent balances being held at the year end. Cash used in financing activities has reduced in the period by £390m to £69m, primarily due to the issuance of €500m of senior unsecured bonds. This was partially offset by the repayment of £250m of Tier 2 bonds.

## **Funding**

We manage our funding prudently to ensure a strong platform for continued growth. Bupa's policy is to maintain investment grade access to both the senior and subordinated bond markets. Fitch and Moody's reviewed Bupa's credit ratings during 2023, with no rating changes in 2023.

We continue to hold a good level of Group liquidity. At 31 December 2023, our £900m revolving credit facility was undrawn (2022: £70m drawn). In November, the final one year extension on the facility was exercised, with it now maturing in December 2028. We used the facility in the first half of the year to repay a subordinated bond on its scheduled maturity date and this was repaid in October following the issuance of a €500m senior bond. Coverage of financial covenants within the facility remains strong.

We focus on managing our leverage in line with our credit rating objectives. Leverage excluding IFRS 16 leases at 31 December 2023 was 20.1% (2022: 18.7%) and was 27.2% (2022: 26.5%) when IFRS 16 lease liabilities are included.

## **Chile - Isapre Cruz Blanca contingent liabilities**

The negative impact of judicial and regulatory action on the Isapre insurance industry in Chile continues as the method and implementation of the statutory Risk Factor Tables (used to adjust the price of insurance contracts based on risk factors such as age) following a Supreme Court decision of December 2022 remain unclear.

To date, several proposals have been put forward in an attempt to make the industry sustainable and attractive enough to secure the required political support. The Technical Commission report published in October and revised draft law published in November were both significantly more favourable than the initial draft law published in May 2023, but still led to differing quantifications of the retrospective liabilities. The method, form and timing of settling any such liabilities also remains unclear with the Technical Commission report proposing that these liabilities are funded over a period of 10 years in healthcare benefits, rather than cash. These proposals were largely adopted into the revised draft law which has moved from the Senate to the Congress, although the exact details of how this would operate are currently unclear. The draft law is progressing through the legislative process,

including approval by the Senate in January 2024, but is still subject to debate in Congress, the lower house of the Chilean parliament.

Whilst the government remains committed to enacting legislation by the May 2024 deadline, there remains considerable scope for the proposals to be amended or rejected. Given the range of uncertainty around the outcome, no IFRS provision has been recognised as at 31 December 2023.

In contrast to the requirements of IFRS, under Solvency II the Group is required to include a value for contingent liabilities, even if the amount of the obligation cannot be measured with sufficient reliability. As at 31 December 2023, the Group included an allowance of £165m (HY23: £160m and FY22: £100m). As previously stated, the final impact is likely to differ materially from this value and this is a calculation for Solvency II purposes and not a pre-estimate of all actual or potential losses relating to Isapre Cruz Blanca. Any retrospective payments finally determined to be due in respect of historic policies as a result of the Risk Factor Table ruling and subsequent legislation would be liabilities for Isapre Cruz Blanca.

In addition to the Risk Factor Table ruling, the Chilean Supreme Court decision in August 2023 led to the most recent regulator-approved GES price increase being cancelled, effective from 1 January 2024. This had been a key driver of Isapre Cruz Blanca returning to a small profit for Full Year 2023. In December 2023, the regulator communicated the basis for calculating the retrospective payment element in relation to the GES rate increase. This has been provided for and given the low probability of further exposure, no further contingent liability disclosed.

### **Solvency**

Our solvency coverage ratio of 175%<sup>24</sup> remains strong and is above our target working range of 140-170%.

The Group holds capital to cover its Solvency Capital Requirement (SCR), calculated on a Standard Formula basis, considering all our risks, including those related to non-insurance businesses. As at 31 December 2023, the estimated SCR of £2.9bn was £0.2bn higher and Own Funds of £5.0bn was £0.1bn higher when compared to 31 December 2022.

Our surplus capital was estimated to be £2.1bn, compared to £2.2bn at 31 December 2022, representing a solvency coverage ratio of 175% (FY 2022: 181%). Our business continued to generate capital through our underlying profitability. This capital generation was offset by the £250m repayment of Tier 2 subordinated debt, capital expenditure, debt financing costs and increased regulatory provisions in relation to Isapre Cruz Blanca in Chile.

On 8 January 2024, the Group acquired additional shares in Indian health insurer Niva Bupa Health Insurance Company Limited resulting in a controlling shareholding. The impact of this acquisition is an estimated 8 percentage point reduction to the Group solvency coverage ratio.

We perform an analysis of the relative sensitivity of our estimated solvency coverage ratio to changes in market conditions and underwriting performance. Each sensitivity is an independent stress of a single risk and before any management actions. The selected

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<sup>24</sup> The 2023 Solvency II capital coverage ratio is an estimate and unaudited.

sensitivities do not represent our expectations for future market and business conditions. A movement in values of properties that we own continues to be the most sensitive item, with a 10% decrease having a 10 percentage point reduction to the solvency coverage ratio.

Our capital position is resilient in the face of the individual risks, illustrating the strength of our balance sheet.

<b>Risk Sensitivities</b>	<b>Solvency II coverage ratio</b>
Solvency coverage ratio	175%
Property values -10%	165%
Loss ratio worsening by 2%	168%
Sterling depreciates by 20%	169%
Group Specific Parameter (GSP) +0.2% <sup>25</sup>	173%
Interest rate -100bps	173%
Credit spreads +100bps (no credit transition)	175%
Pension risk +10%	175%
Equity markets -20%	175%

We include a Group Specific Parameter ('GSP') in respect of the insurance risk parameter in the Standard Formula. We apply a premium recognition adjustment to the GSP loss ratio data to allow for the distorting impact of the COVID-19 pandemic.

## MARKET UNIT PERFORMANCE

### Asia Pacific

	<b>Revenue</b>	<b>Underlying profit</b>
<b>2023</b>	<b>£5,726m</b>	<b>£154m</b>
<b>2022 (AER)</b>	<b>£5,716m</b>	<b>£426m</b>
<b>% growth/(decline)</b>	<b>-%</b>	<b>(64)%</b>
<b>2022 (CER)</b>	<b>£5,454m</b>	<b>£402m</b>
<b>% growth/(decline)</b>	<b>5%</b>	<b>(62)%</b>

*(Commentary on a CER basis)*

Revenue in our Asia Pacific Market Unit increased by 5% to £5,726m driven by new Australia Health Insurance members, an increase in Australia and New Zealand aged care occupancy, and higher utilisation in Hong Kong Health Services. Revenues were reduced by £312m (2022: £240m) as a result of returning claim savings to customers via cash givebacks (£211m) and premium rate deferrals (£101m). This takes the total support provided to customers since the pandemic started to £0.7bn.

<sup>25</sup> Group Specific Parameter (GSP) is substituted for the insurance premium risk parameter in the standard formula, reflecting the Group's own loss experience.

Overall Asia Pacific profits reduced, due to timing differences between the recognition of COVID-19 claims savings and returns to customers in Australia Health Insurance.

In Australia Health Insurance, revenues increased by 6% (when excluding the impact of COVID-19 claims savings returned to customers) as a result of growth in domestic and international customers and the November 2022 (deferred from 1 April 2022) and October 2023 (deferred from 1 April 2023) premium rate increases. On a reported basis, the combined operating ratio (COR) increased to 98% (2022: 89%) due to the impact of timing differences between the recognition and return of COVID-19 claims savings to customers.

Australia Health Insurance increased its domestic market share in the December 2023 quarter, delivering five consecutive quarters of market share growth. We remain committed to finding ways for our members to get the best value from their health insurance in the face of cost-of-living pressures. Key propositions included: the Members First Ultimate Dental market leading proposition, providing Bupa members free access to fillings and check-ups exclusively at Bupa-owned dental practices; the new Australia Health Insurance extras products offering greater choice, value and flexibility to our customers; and the 24/7 virtual/digital Doctor programme as part of the 'Blua' offering we are piloting with our regional members. During 2023, the uptake of our programmes designed to improve our customers' health increased significantly including dietary guidance, hospital stay preparation, and treatment recovery and to address health issues including heart attacks and strokes. In addition, Bupa signed a three-year contract with Healthscope, Australia's second largest private hospital group.

In Australian Health Services, revenues remained stable due to volume growth in Dental, Optical and the Australian Defence Force contract, offset by lower assessment volumes in the Bupa Medical Visa Services business due to a change in government regulations. Notwithstanding the underlying profit decline in Bupa Medical Visa Services due to the change in government regulations, volumes uplifted in the later part of 2023.

In Australian Aged Care, revenues grew strongly and the business returned to profitability due to higher occupancy rates, improved government funding and enhanced compliance as the sector continues to recover from the impacts of the COVID-19 pandemic. Closing occupancy was 91% (2022: 84%).

In New Zealand Villages and Aged Care, targeted initiatives delivered an uplift in care home occupancy to close at 91% (2022: 87%). Village Unit resales uplifted 15% relative to last year driving higher revenues and profitability, reflecting the optimised village development strategy.

In Hong Kong, revenues increased driven by higher utilisation and the launch of seven new clinics. Insurance revenues also grew as we launched a revised pricing and retention strategy to transform business performance. Overall, Hong Kong reported an underlying loss due to an increase in claims utilisation in Insurance following the end of the COVID-19 pandemic. This was partially offset by Health Services delivering a strong profit result.

## Europe and Latin America

	<b>Revenue</b>	<b>Underlying profit</b>
<b>2023</b>	<b>£5,083m</b>	<b>£355m</b>
<b>2022 (AER)</b>	<b>£4,487m</b>	<b>£297m</b>
<b>% growth</b>	<b>13%</b>	<b>20%</b>
<b>2022 (CER)</b>	<b>£4,553m</b>	<b>£304m</b>
<b>% growth</b>	<b>12%</b>	<b>17%</b>

*(Commentary on a CER basis)*

Revenue in our Europe and Latin America Market Unit grew by 12% to £5,083m as a result of strong customer growth and the impact of pricing action as we seek to balance elevated levels of inflation, remaining competitive for our customers and maintaining discipline in our underwriting of insurance risk. Underlying profit increased by 17% to £355m in the year, driven by revenue growth, higher margins and increased investment returns with 2022 also being impacted by a £41m one-off Consumer Price Index (CPI) linked performance catch-up on a long-standing public private partnership (PPP) hospital contract in Spain. In Bupa Chile the October 2022 regulator-approved GES pricing increases returned the Isapre to a small profit for the year. However, following an adverse court ruling cancelling the increase (effective 1 January 2024), the outlook for Isapre pricing remains unclear.

Sanitas Seguros, our health insurance business in Spain, delivered strong revenue growth driven by increased organic customer volumes and the impact of a new strategic alliance with Generali, which has increased customer numbers by 134,000. Underlying profits increased significantly driven by stable margins with a 89% COR (2022: 88%), combined with higher revenues and investment returns. Other business highlights include the acquisition of the health business of Asefa Seguros in June, which increased our health insurance portfolio by 37,000 customers. We also continued to expand digital services and, in December, we reached an average of 68,000 video consultations per month (compared to an average of 64,000 per month in December 2022). We have made more than 814,000 video consultations this year, representing an increase of 5.6%.

Our dental business in Spain saw increased revenue and underlying profit, driven by higher customer volumes. New commercial agreements with Generali and Asefa contributed to good growth in the number of dental policyholders.

In our hospitals business in Spain, revenue and underlying profit reduced due to the impact of a historical CPI catch-up in 2022 on a long standing PPP hospital contract in Spain. During 2023, our own laboratory works reached full capacity with more than 750,000 samples taken this year.

In Sanitas Mayores, our aged care business in Spain, revenue and underlying profit improved through higher occupancy levels and price increases. Closing occupancy rates increased to 96% (2022: 93%). We have announced plans to create capacity for over 500 new beds over the next three years, opening five new residential centres in Madrid, Barcelona and Valencia, and extending our existing centre in Barcelona.

In Bupa Chile, we returned to profitability, but the future outlook remains uncertain following cancellation of the GES price increase (effective 1 January 2024) which had been a key driver of the return to a small profit in Isapre Cruz Blanca. However, whilst the financial impact of adverse court rulings in relation to GES and RFT pricing remain unclear, more recent developments suggest a pricing framework needed to support the sustainability of the industry is becoming more likely.

In Poland, LUX MED revenue increased and underlying profit was up as a result of strong customer growth in health provision. In the year we also acquired a new hospital with leading multi-speciality capability. Through the period, we have maintained our support for Ukrainian refugees who have been forced to flee the war.

In Türkiye, our health insurance business delivered substantial revenue growth, driven by pricing increases to keep pace with higher rates of inflation. Profits increased in the period due to higher investment returns. The economy continues to be classified as being a hyperinflationary environment, leading to the application of IAS 29. A net monetary loss of £18m has been recorded outside of underlying profit for the period.

Care Plus in Brazil delivered strong revenue growth, with double-digit growth whilst customer numbers more than doubled. Through the acquisition of Inpao Dental, Care Plus quadrupled its number of dental funding customers to 360,000; and through the acquisition of Vacinar, an in-company provision provider focused on the corporate segment, Care Plus will now administer over 400,000 vaccinations annually. Underlying profits reduced for the period driven by a provision release in the prior year for onerous contracts.

Bupa Mexico delivered strong revenue and profit growth due to higher renewal rates in our insurance business alongside the favourable rates boosting investment returns.

Bupa Global Latin America revenue increased due to higher volumes in the domestic health insurance market in Ecuador and international products across the region. Underlying profits increased driven by higher revenue, investment returns and improved margin. In the period, we started an alliance in Peru with Mapfre to jointly develop and offer new health products and this will gradually expand to other countries in Latin America.

## Bupa Global and UK

	Revenue	Underlying profit
<b>2023</b>	<b>£4,235m</b>	<b>£269m</b>
<b>2022 (AER)</b>	<b>£3,842m</b>	<b>£55m</b>
<b>% growth</b>	<b>10%</b>	<b>388%</b>
<b>2022 (CER)</b>	<b>£3,840m</b>	<b>£55m</b>
<b>% growth</b>	<b>10%</b>	<b>392%</b>

*(Commentary on a CER basis)*

We achieved good revenue growth in our Bupa Global and UK Market Unit of 10% to £4,235m. Underlying profit grew by £214m due to £117m of UK Dental tangible asset impairments in 2022, which was not repeated in 2023, and improved financial performance across all Business Units.

In UK Insurance, underlying profit increased through higher investment returns and strong revenue and customer growth across medical insurance, health trusts, dental insurance and cash plan in 2023. We launched several new propositions for customers, including Workplace Mental Health Advantage, a new corporate proposition to support their people's mental health through early intervention, and Family+, a new consumer proposition built around savings for families.

In Bupa Global, our IPMI business, revenue and profit improved driven by increased customer volumes and strong corporate revenue performance. Under the new regional commercial structure, we have made good progress against targets to deliver long-term sustainable growth, with propositions tailored to meet local requirements. We launched new products in the UK, Africa and the Nordics, and have also announced an expanded range of services and products in Egypt to provide holistic global cover for individuals and their families.

The combined operating ratio (COR) for Bupa Insurance Limited, the UK based insurance entity that underwrites both domestic and international insurance, was 95% (2022: 94%).

UK Dental losses reduced significantly following the early success of our turnaround strategy. This included the decision in March to close, sell or merge 85 of our 475 dental practices in the UK as a result of the national shortage of dentists to deliver NHS care, and heightened operational challenges due to macro-economic pressures, rising inflation and energy costs. We are seeing rising numbers of clinicians choosing to work for us and improving retention rates amongst colleagues. We are seeing strong demand for our quality services and we continue to improve our offering.

UK Care Services, our aged care business, delivered good growth in revenue and profit with occupancy reaching 90% in 2023 (2022: 87%), which is higher than pre-pandemic levels (2019 average: 87%). Underlying profit growth was driven by occupancy growth, more self-funding residents and a material improvement in staffing levels which has reduced our reliance on agency support. Our business continues to be impacted by high energy costs



and salary inflation. Digital transformation progresses at pace, with electronic care planning fully live in all our services and the rollout of electronic medication administration records. Our retirement village portfolio has delivered strong performance driven by occupancy growth and property sales have performed well against the backdrop of an uncertain housing market, demonstrating the appeal of our services, which we continue to adapt in response to the needs of this evolving market.

Health Services delivered good growth in revenue and underlying losses reduced, driven by higher customer numbers and strong growth across all product and service lines. We opened a further three new partnership clinics in the second half of the year, launched remote GP services for UK Insurance customers, and the Cromwell Hospital opened a new urgent care and acute admissions unit. Our Clinics and Cromwell Hospital treated increased volumes of UK Insurance customers as we developed our Connected Care strategy to deliver more joined-up care for our customers. We also announced a major expansion to our Cromwell Hospital site which, when completed, will provide additional outpatient capacity and improved facilities for patients.

## Other businesses

	Revenue	Underlying profit
2023	£8m	£85m
2022 (AER)	£7m	£49m
% growth	22%	73%
2022 (CER)	£7m	£48m
% growth	25%	77%

Underlying profit was up 77% to £85m driven mainly by higher volumes, margins and increased investment returns in Bupa Arabia.

## BUSINESS RISKS

We describe our main risks in the Risk section of the Annual Report and Accounts 2023, which will be published in March and made available on [www.bupa.com](http://www.bupa.com). While economic volatility, geopolitical uncertainty, information security and strategic workforce challenges remain heightened, the principal risks and themes previously identified at the 2022 year-end remain.

### ***Strategic and financial risks and risks impacting our ability to deliver for our customers:***

The macroeconomic environment continues to be challenging in most markets we operate in. In particular, in many markets we are still seeing heightened inflationary pressures and rising interest rates. Heightened inflation, particularly in the UK, is likely to impact our businesses in a variety of ways, including: increased costs, interest rates remain high impacting households, reduced personal expenditure and affordability issues, and changes in government funding levels. In all businesses we are taking actions to mitigate the impacts, including pricing action and cost control measures.

In many markets, we continue to see strategic challenges associated with workforce availability, particularly medical professionals, which may impact our ability to deliver services.

### ***Governmental, legal and regulatory policy risks:***

Changes in governmental, legal and regulatory policy has consistently been one of our top risks given the nature of our businesses and this remains true. The situation affecting our Isapre business in Chile demonstrates that future legislation, regulation and government decisions could have a material impact on the Group. We continue to engage governments and regulators in the markets we operate in to understand and influence potential changes to ensure we are able to continue to deliver quality and value for our customers.

### ***Operational risks:***

The Group continues to be exposed to a wide range of operational risks including transformation execution and clinical risks. In particular, information Security and Privacy remain key risks for the Group. Our focus on information security, technology and

operational resilience in recent years is supported by significant investment to continue to uplift capability and capacity in this area across the Group.

***Social and environmental risks:***

Climate change remains one of the major risks we face as a society and is a key priority for us as Sustainability is a core pillar of our 3x6 strategy. We closely manage our environmental impacts and promote positive environmental practices. A key focus is our commitment to become a net zero business by 2040 across all our operations and throughout our value chain, underpinned by our 1.5 degree aligned science-based targets.

We have identified our key climate-related risks over the short, medium and long term and these are set out in the Annual Report and Accounts 2023.

***Our approach to risk management:***

We have a well-established process for identifying and managing all business risks, including all types of operational risk such as information security and privacy. Monitoring and managing our risks is key to ensuring that we achieve our strategic objectives in the long-term, meeting the evolving expectations of our customers, people, bondholders and regulators. Internal controls, particularly regarding customer conduct and information security and privacy, and operational resilience continue to be key areas of focus.

In line with the Principles set out in the UK Corporate Governance Code, the Board completed an annual review of the Group's systems of risk management and internal controls in 2023, covering the Group's material controls including financial, operational and compliance, and the impact of the volatile economic situation on the control environment. This review took into consideration the work of the Audit and Risk Committees during the year, including reports provided to those Committees from the first, second and third lines of defence. In making its assessment, the Board received and reviewed an integrated assurance report which set out an overall assessment of the Group's systems of risk management and internal control in 2023. The Board has concluded that Bupa has maintained, overall, sound risk management systems and internal control during 2023, underpinned by an established 3 lines model, with some weaknesses which are being addressed by management and monitored by the Risk and Audit Committees.

## **BUPA AROUND THE WORLD**

### **Bupa Asia Pacific**

- Bupa Health Insurance Australia, with 4.4m customers, is a leading health insurance provider in Australia and also offers health insurance for overseas workers and visitors.
- Bupa Health Services in Australia is a health provision business, comprising dental, optical, audiology, medical assessment services, and healthcare for the Australian Defence Force.
- Bupa Villages and Aged Care Australia cares for around 5,400 residents across 58 homes. It also operates 1 retirement village in Australia.
- Bupa Villages and Aged Care New Zealand cares for around 3,200 residents across 44 care homes. It also operates 36 retirement villages.

- Bupa Hong Kong comprises a health insurance business with around 0.4m customers and a Health Services business operating 92 medical centres providing healthcare services to around 1.1m customers.

### **Europe and Latin America**

- Sanitas Seguros is the second largest health insurance provider in Spain, with around 2.3m customers.
- Sanitas Dental provides dental services through 208 centres and third-party networks in Spain
- Sanitas Hospitales comprise 4 private hospitals, 24 private medical clinics, 9 advanced rehabilitation centres, a Central Laboratory, a public hospital under a Public-Private partnership model and a Research Foundation.
- Sanitas Mayores cares for around 5,800 people in 43 care homes, manages 4 independent day-care centres and has professional home care services with digital medical support for aged care in Spain.
- LUX MED is a leading private healthcare business in Poland, operating in health funding and provision through 15 hospitals and 278 private clinics.
- Bupa Chile is a leading health insurer serving more than 0.7m customers and offering provision services to around 2.6m customers across 4 hospitals and 31 multi-purpose sites.
- Bupa Acıbadem Sigorta is Türkiye's second largest health insurer, with products for corporate and individual customers, and has 1.3m customers.
- Care Plus is a leading health insurance company in Brazil, with around 0.5m funding customers and 0.3m occupational health customers, concentrated in São Paulo. Care Plus also has 8 dental clinics.
- Bupa Mexico is a health insurer offering international and local private medical insurance to individuals and corporates in Mexico, with more than 0.4m clients.
- Bupa Global Latin America provides international health insurance and local health insurance in Latin America to around 0.1m customers. It is headquartered in Miami and has operations in Ecuador, Dominican Republic, Guatemala, Panama, and Bolivia.

### **Bupa Global and UK**

- Bupa UK Insurance is a leading health insurer, with 3.5m customers across medical insurance, health trusts, dental insurance and cash plans.
- Bupa Global serves around 0.4m IPMI customers and administers medical assistance for individuals, small businesses and corporate customers.
- Bupa Dental Care is a leading provider of private dentistry, providing dental services through around 430 centres across the UK and the Republic of Ireland.
- Bupa Care Services cares for around 6,400 residents in 119 care homes and 10 Richmond care villages.
- Bupa Health Services comprises 49 health clinics and the Cromwell Hospital.

### **Other businesses**

- We also have associate health insurance businesses in Saudi Arabia (Bupa Arabia) and India (Niva Bupa)<sup>26</sup> and an interest in MyClinic in Saudi Arabia.

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<sup>26</sup> This reflects our shareholding as at to 31 December 2023. From 2024 onwards, Niva Bupa will be fully consolidated and reported within Bupa Global and UK following the strategic acquisition of a majority shareholding during January 2024.

**BUPA GROUP**

**Preliminary Announcement  
Financial Information**

**Year ended 31 December 2023**

**The British United Provident Association Limited**  
**Consolidated Income Statement**  
**for the year ended 31 December 2023**

	2023	2022
	£m	restated <sup>1,2</sup>
		£m
Insurance revenue	10,770	10,033
Insurance service expenses	(10,318)	(9,339)
Insurance service result before reinsurance contracts held	452	694
Net expense from reinsurance contracts held	(7)	(22)
<b>Insurance service result</b>	<b>445</b>	<b>672</b>
Care, health and other customer contract revenue	4,268	3,967
Other revenue <sup>1</sup>	78	81
<b>Total non-insurance revenue</b>	<b>4,346</b>	<b>4,048</b>
Share of post-taxation results of equity-accounted investments <sup>1</sup>	83	44
Impairment of goodwill and intangible assets	(17)	(894)
Other operating expenses <sup>1</sup>	(4,443)	(4,213)
Other income and charges <sup>2</sup>	42	(11)
<b>Total other expenses, income and charges</b>	<b>(4,335)</b>	<b>(5,074)</b>
<b>Profit/(loss) before financial income and expense</b>	<b>456</b>	<b>(354)</b>
<b>Financial income and expense</b>		
Financial income <sup>2</sup>	363	158
Financial expense	(192)	(175)
Financial (expense)/income from insurance contracts issued	(25)	16
Net monetary loss <sup>1</sup>	(18)	(25)
Net impairment on financial assets	(20)	(10)
<b>Net financial income/(expense)</b>	<b>108</b>	<b>(36)</b>
<b>Profit/(loss) before taxation expense</b>	<b>564</b>	<b>(390)</b>
<b>Taxation expense<sup>1</sup></b>	<b>(140)</b>	<b>(109)</b>
<b>Profit/(loss) for the year</b>	<b>424</b>	<b>(499)</b>
<b>Attributable to:</b>		
Bupa <sup>1</sup>	422	(502)
Non-controlling interests	2	3
<b>Profit/(loss) for the year</b>	<b>424</b>	<b>(499)</b>

1. Amounts have been restated for the adoption of IFRS 17.

2. Surplus on fair value of investment property of £28m has been reclassified and is now presented within other income and charges.

**The British United Provident Association Limited**  
**Consolidated Statement of Comprehensive Income**  
**for the year ended 31 December 2023**

	2023	2022
	£m	restated <sup>1</sup>
	£m	£m
<b>Profit/(loss) for the year<sup>1</sup></b>	<b>424</b>	<b>(499)</b>
<b>Other comprehensive income/(expense)</b>		
<b>Items that will not be reclassified to the Income Statement</b>		
Unrealised loss on revaluation of property	(15)	(44)
Remeasurement loss on pension schemes	(40)	(128)
Taxation credit on income and expenses recognised directly in other comprehensive income	14	59
<b>Items that may be reclassified subsequently to the Income Statement</b>		
Foreign exchange translation differences on goodwill	(55)	112
Other foreign exchange translation differences <sup>1</sup>	(235)	332
Net gain/(loss) on hedge of net investment in overseas subsidiaries	73	(80)
Share of other comprehensive income of equity-accounted investments	2	2
Change in fair value of financial investments through other comprehensive income	(4)	(4)
Change in ECL of financial investments through other comprehensive income	1	–
Realised loss on disposal of financial investments at fair value through other comprehensive income	4	–
Change in cash flow hedge reserve	(7)	–
Release of foreign exchange translation reserve on closure of subsidiaries	(2)	4
<b>Total other comprehensive (expense)/income</b>	<b>(264)</b>	<b>253</b>
<b>Comprehensive income/(expense) for the year</b>	<b>160</b>	<b>(246)</b>
<b>Attributable to:</b>		
Bupa <sup>1</sup>	160	(251)
Non-controlling interests	–	5
<b>Comprehensive income/(expense) for the year</b>	<b>160</b>	<b>(246)</b>

1 Amounts have been restated for the adoption of IFRS 17.

**The British United Provident Association Limited**  
**Consolidated Statement of Financial Position**  
for the year ended 31 December 2023

	2023	2022	At 1 January
	£m	restated <sup>1</sup>	2022
		£m	restated <sup>1</sup>
			£m
<b>Assets</b>			
Goodwill and intangible assets	2,705	2,803	3,602
Property, plant and equipment	3,629	3,715	3,816
Investment property	776	750	666
Equity-accounted investments <sup>1</sup>	1,056	997	885
Post-employment benefit net assets	384	406	542
Deferred taxation assets <sup>1</sup>	208	199	88
Restricted assets	122	119	158
Financial investments	3,638	3,716	2,911
Derivative assets	46	28	41
Reinsurance contract assets <sup>1</sup>	38	21	18
Current taxation assets	54	41	24
Inventories	76	91	93
Trade and other receivables <sup>1</sup>	815	928	622
Assets held for sale	48	32	38
Cash and cash equivalents	2,278	1,403	1,739
<b>Total assets</b>	<b>15,873</b>	<b>15,249</b>	<b>15,243</b>
<b>Liabilities</b>			
Subordinated liabilities	(747)	(998)	(997)
Other interest-bearing liabilities	(1,090)	(648)	(822)
Post-employment benefit net liabilities	(51)	(51)	(69)
Lease liabilities	(900)	(932)	(921)
Deferred taxation liabilities <sup>1</sup>	(243)	(257)	(292)
Derivative liabilities	(63)	(137)	(35)
Provisions for liabilities and charges <sup>1</sup>	(352)	(301)	(274)
Insurance contract liabilities <sup>1</sup>	(2,608)	(2,378)	(2,191)
Current taxation liabilities	(35)	(34)	(55)
Trade and other payables <sup>1</sup>	(2,462)	(2,347)	(2,160)
Liabilities associated with assets held for sale	(9)	(1)	(4)
<b>Total liabilities</b>	<b>(8,560)</b>	<b>(8,084)</b>	<b>(7,820)</b>
<b>Net assets</b>	<b>7,313</b>	<b>7,165</b>	<b>7,423</b>
<b>Equity</b>			
Foreign exchange translation reserve <sup>1</sup>	241	437	91
Property revaluation reserve	601	634	655
Cash flow hedge reserve	(7)	–	–
Income and expenditure reserve <sup>1</sup>	6,163	5,777	6,363
<b>Equity attributable to the Company</b>	<b>6,998</b>	<b>6,848</b>	<b>7,109</b>
Restricted Tier 1 notes	297	297	297
Non-controlling interests	18	20	17
<b>Total equity</b>	<b>7,313</b>	<b>7,165</b>	<b>7,423</b>

1. Amounts have been restated for the adoption of IFRS 17 and changes to the netting of deferred tax assets and liabilities.



**The British United Provident Association Limited**  
**Consolidated Statement of Cash Flows**  
for the year ended 31 December 2023

	2023	2022 restated <sup>1</sup>
	£m	£m
<b>Cash flow from operating activities</b>		
Profit/(loss) before taxation expense <sup>1</sup>	564	(390)
Adjustments for:		
Net financial (income)/expense <sup>1</sup>	(151)	27
Net monetary loss <sup>1</sup>	18	25
Depreciation, amortisation and impairment	525	1,558
Other non-cash items <sup>1</sup>	(182)	(58)
Changes in working capital and provisions:		
Increase in insurance contract liabilities	342	131
Increase in reinsurance contract assets	(18)	(1)
Funded pension scheme employer contributions	(2)	(2)
Decrease/(increase) in trade and other receivables, and other assets	1	(200)
Increase in trade and other payables, and other liabilities <sup>1</sup>	246	96
<b>Cash generated from operations</b>	<b>1,343</b>	<b>1,186</b>
Income taxation paid	(167)	(225)
Decrease in cash held in restricted assets	6	5
<b>Net cash generated from operating activities</b>	<b>1,182</b>	<b>966</b>
<b>Cash flow from investing activities</b>		
Acquisition of subsidiaries and businesses, net of cash acquired	(63)	(29)
Investment in equity-accounted investments	(22)	(14)
Dividends received from associates	42	42
Disposal of subsidiaries and other businesses, net of cash disposed of	30	3
Purchase of intangible assets	(122)	(124)
Purchase of property, plant and equipment	(266)	(211)
Proceeds from sale of property, plant and equipment	19	7
Purchase of investment property	(38)	(29)
Disposal of investment property	–	1
Purchases of financial investments, excluding deposits with credit institutions	(1,983)	(1,720)
Proceeds from sale and maturities of financial investments, excluding deposits with credit institutions	1,921	1,222
Net withdrawals from/(investments into) deposits with credit institutions	88	(119)
Interest received	240	82
<b>Net cash used in investing activities</b>	<b>(154)</b>	<b>(889)</b>
<b>Cash flow from financing activities</b>		
Payment of Restricted Tier 1 coupon	(12)	(12)
Proceeds from issue of interest-bearing liabilities and drawdowns on other borrowings	493	51
Repayment of interest-bearing liabilities and other borrowings	(342)	(194)
Principal repayment of lease liabilities	(148)	(135)
Payment of interest on lease liabilities	(49)	(46)
Interest paid	(66)	(64)
Net receipts/(payments) on settlement of hedging instruments	57	(57)
Dividends paid to non-controlling interests	(2)	(2)
<b>Net cash used in financing activities</b>	<b>(69)</b>	<b>(459)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>959</b>	<b>(382)</b>
Cash and cash equivalents at beginning of year <sup>2</sup>	1,479	1,850
Effect of exchange rate changes	(76)	11
<b>Cash and cash equivalents at end of year<sup>2</sup></b>	<b>2,362</b>	<b>1,479</b>

1. Amounts have been restated for the adoption of IFRS 17.

2. Includes restricted cash of £87m (2022: £78m) which are considered cash and cash equivalents along with cash balances classified as held for sale of £2m (2022: £nil) and bank overdrafts of £1m (2022: £2m) which are not considered cash and cash equivalents.

**The British United Provident Association Limited**  
**Consolidated Statement of Changes in Equity**  
for the year ended 31 December 2023

	Foreign exchange translation reserve	Property revaluation reserve	Cash flow hedge reserve	Income and expenditure reserve	Total attributable to the Company	Restricted Tier 1 notes	Non- controlling interests	Total equity
	£m	£m	£m	£m	£m	£m	£m	£m
<b>2023</b>								
Balance as at 1 January 2023	437	634	–	5,777	6,848	297	20	7,165
<b>Profit for the year</b>	–	–	–	422	422	–	2	424
<b>Other comprehensive income/(expense)</b>								
Unrealised loss on revaluation of property	–	(15)	–	–	(15)	–	–	(15)
Realised revaluation profit on disposal of property	–	(5)	–	5	–	–	–	–
Remeasurement loss on pension schemes	–	–	–	(40)	(40)	–	–	(40)
Foreign exchange translation differences on goodwill	(55)	–	–	–	(55)	–	–	(55)
Other foreign exchange translation differences	(212)	(13)	–	(8)	(233)	–	(2)	(235)
Net gain on hedge of net investment in overseas subsidiaries	73	–	–	–	73	–	–	73
Share of other comprehensive income of equity-accounted investments	–	–	–	2	2	–	–	2
Change in fair value of financial investments through other comprehensive income	–	–	–	(4)	(4)	–	–	(4)
Change in ECL of financial investments through other comprehensive income	–	–	–	1	1	–	–	1
Realised loss on disposal of financial investments at fair value through other comprehensive income	–	–	–	4	4	–	–	4
Change in cash flow hedge reserve	–	–	(7)	–	(7)	–	–	(7)
Release of foreign exchange translation reserve on closure of subsidiaries	(2)	–	–	–	(2)	–	–	(2)
Taxation credit on income and expense recognised directly in other comprehensive income	–	–	–	14	14	–	–	14
<b>Other comprehensive expense for the year, net of taxation</b>	<b>(196)</b>	<b>(33)</b>	<b>(7)</b>	<b>(26)</b>	<b>(262)</b>	<b>–</b>	<b>(2)</b>	<b>(264)</b>
<b>Total comprehensive (expense)/income for the year</b>	<b>(196)</b>	<b>(33)</b>	<b>(7)</b>	<b>396</b>	<b>160</b>	<b>–</b>	<b>–</b>	<b>160</b>
Payment of Restricted Tier 1 coupon, net of taxation	–	–	–	(10)	(10)	–	–	(10)
Dividends paid to non-controlling interests	–	–	–	–	–	–	(2)	(2)
<b>Balance as at 31 December 2023</b>	<b>241</b>	<b>601</b>	<b>(7)</b>	<b>6,163</b>	<b>6,998</b>	<b>297</b>	<b>18</b>	<b>7,313</b>

**The British United Provident Association Limited**  
**Consolidated Statement of Changes in Equity (continued)**  
for the year ended 31 December 2023

	Foreign exchange translation reserve <sup>1</sup>	Property revaluation reserve	Income and expenditure reserve <sup>1</sup>	Total attributable to the Company <sup>1</sup>	Restricted Tier 1 notes	Non- controlling interests	Total equity <sup>1</sup>
	£m	£m	£m	£m	£m	£m	£m
<b>2022</b>							
Balance as at 1 January 2022, as previously reported	92	655	6,418	7,165	297	17	7,479
Initial application of IFRS 17	(1)	–	(55)	(56)	–	–	(56)
<b>Balance as at 1 January 2022, as restated</b>	<b>91</b>	<b>655</b>	<b>6,363</b>	<b>7,109</b>	<b>297</b>	<b>17</b>	<b>7,423</b>
<b>(Loss)/profit for the year<sup>1</sup></b>	<b>–</b>	<b>–</b>	<b>(502)</b>	<b>(502)</b>	<b>–</b>	<b>3</b>	<b>(499)</b>
<b>Other comprehensive income/(expense)</b>							
Unrealised loss on revaluation of property	–	(44)	–	(44)	–	–	(44)
Realised revaluation profit on disposal of property	–	(6)	6	–	–	–	–
Remeasurement loss on pension schemes	–	–	(128)	(128)	–	–	(128)
Foreign exchange translation differences on goodwill	112	–	–	112	–	–	112
Other foreign exchange translation differences <sup>1</sup>	310	17	3	330	–	2	332
Net loss on hedge of net investment in overseas subsidiaries	(80)	–	–	(80)	–	–	(80)
Share of other comprehensive income of equity-accounted investments	–	–	2	2	–	–	2
Change in fair value of financial investments through other comprehensive income	–	–	(4)	(4)	–	–	(4)
Release of foreign exchange translation reserve on closure of subsidiaries	4	–	–	4	–	–	4
Taxation credit on income and expense recognised directly in other comprehensive income	–	12	47	59	–	–	59
<b>Other comprehensive income/(expense) for the year, net of taxation</b>	<b>346</b>	<b>(21)</b>	<b>(74)</b>	<b>251</b>	<b>–</b>	<b>2</b>	<b>253</b>
<b>Total comprehensive income/(expense) for the year</b>	<b>346</b>	<b>(21)</b>	<b>(576)</b>	<b>(251)</b>	<b>–</b>	<b>5</b>	<b>(246)</b>
Payment of Restricted Tier 1 coupon, net of taxation	–	–	(10)	(10)	–	–	(10)
Dividends paid to non-controlling interests	–	–	–	–	–	(2)	(2)
<b>Balance as at 31 December 2022, as restated</b>	<b>437</b>	<b>634</b>	<b>5,777</b>	<b>6,848</b>	<b>297</b>	<b>20</b>	<b>7,165</b>

1. Amounts have been restated for the adoption of IFRS 17.

# The British United Provident Association Limited

## Notes to the Consolidated Financial Statements

### for the year ended 31 December 2023

#### Segmental Information

The organisational structure of the Group is managed through three Market Units based on geographic locations and customers: Bupa Asia Pacific; Europe and Latin America; and Bupa Global and UK. Management monitors the operating results of the Market Units separately to assess performance and make decisions about the allocation of resources. The Group's associate investments, Bupa Arabia and Niva Bupa, are reported within Other businesses. The segmental disclosures below are reported consistently with the way the business is managed and reported internally.

Reportable segments	Service and products
<b>Bupa Asia Pacific</b>	Bupa Health Insurance: Health insurance, international health cover in Australia Bupa Health Services: Health provision business, comprising dental, optical, audiology, medical assessment services, and healthcare for the Australian Defence Force Bupa Villages and Aged Care Australia: Nursing, residential, respite care and residential villages Bupa Villages and Aged Care New Zealand: Nursing, residential, respite care and residential villages Bupa Hong Kong: Domestic health insurance, primary healthcare and day care clinics including diagnostics
<b>Europe and Latin America</b>	Sanitas Seguros: Health insurance and related products in Spain Sanitas Dental: Insurance and dental services through clinics and third-party networks in Spain Sanitas Hospitales and New Services: Management and operation of hospitals, rehabilitation centres and health clinics in Spain Sanitas Mayores: Nursing, residential and respite care in care homes and day centres in Spain LUX MED: Medical subscriptions, health insurance, and the management and operation of diagnostics, health clinics and hospitals in Poland Bupa Acıbadem Sigorta: Domestic health insurance in Türkiye Bupa Chile: Domestic health funding and the management and operation of health clinics and hospitals in Chile Care Plus: Domestic health insurance in Brazil Bupa Mexico: Health insurance and the management and operation of a hospital in Mexico Bupa Global Latin America: International health insurance
<b>Bupa Global and UK</b>	Bupa UK Insurance: Domestic health insurance, and administration services for Bupa health trusts Bupa Dental Care UK: Dental services and related products Bupa Care Services: Nursing, residential, respite care and care villages Bupa Health Services: Clinical services, health assessment related products and management and operation of a private hospital Bupa Global: International health insurance to individuals, small businesses and corporate customers Associate: Highway to Health (United States of America) (operating as GeoBlue)
<b>Other businesses</b>	Associates: Bupa Arabia (Kingdom of Saudi Arabia) and Niva Bupa (India): Health insurance

#### Underlying profit

A key performance measure of operating segments utilised by the Group is underlying profit. Underlying profit is used to distinguish underlying profit from other constituents of the IFRS reported profit before taxation not directly related to the trading performance of the business. This measurement basis has been updated in 2023 to maintain consistency with the metric used internally for managing the business.

The following changes have been made to the metric:

- The allocation of central costs to Market Units has been revised and higher costs have been retained in the Group functions segment.
- Investment property returns have been included within underlying profit.
- Financial investment returns have been included in Market Unit underlying profit to better reflect expected financial asset returns. This includes the actual returns on cash, cash-like instruments and assets where returns do not fluctuate with market movements. Expected returns are used for return-seeking asset portfolios. Short-term fluctuations on investment returns are removed from underlying profit as they are not related to underlying trading performance.

Presentational updates have been made to show revenue before IAS 29 adjustments, which reflects the view that is presented to management. In addition, Group investment funding costs, which principally include investment in ESGC initiatives, have been presented separately.

The segmental tables have been restated to reflect the revised definition of underlying profit. A reconciliation between the old and new definition of underlying profit, including the impacts of IFRS 17, is included under the table below.

# The British United Provident Association Limited

## Notes to the Consolidated Financial Statements

### for the year ended 31 December 2023

The following items are excluded from underlying profit:

- Impairment of intangible assets and goodwill arising on business combinations – these impairments are considered to be one-off and not reflective of the in-year trading performance of the business.
- Short-term fluctuations on investment return – underlying profit includes an expected long-term investment return over the period for return-seeking financial assets. Any variance between the total investment return (including realised and unrealised gains) and the expected return over the period is not included in underlying profit. These fluctuations are not related to underlying trading performance.
- Net gains/losses on disposal of businesses and transaction costs on business combinations – gains/losses on disposal of businesses that are material and one-off in nature to the reportable segment are not considered part of the continuing business. Transaction costs that relate to material acquisitions or disposals are not related to the ongoing trading performance of the business.
- Net property revaluation gains/losses – short-term fluctuations which would distort underlying trading performance. This includes deficit on the revaluation of freehold properties and property impairment losses.
- Realised and unrealised foreign exchange gains/losses – fluctuations outside of management control, which would distort underlying trading performance. This includes the net impact of applying hyperinflationary accounting.
- Amortisation of bed licences – following the Australian Government's announcement of the deregulation of bed licences from 1 July 2024, their amortisation term was reviewed and updated from having an indefinite useful life to amortising over the period to 1 July 2024. The impact of this is not considered reflective of the trading performance of the business.
- Other Market Unit/Group non-underlying items – includes items that are considered material to the reportable segment or Group and are not reflective of ongoing trading performance. This includes items such as restructuring costs and profit or loss amounts related to strategic investments.

The total underlying profit of the reportable segments is reconciled below to the profit before taxation expense in the Consolidated Income Statement.

#### (i) Revenues

	Bupa Asia Pacific	Europe and Latin America	Bupa Global and UK	Other businesses	Group Functions	Adjustment <sup>2</sup>	Total
2023	£m	£m	£m	£m	£m	£m	£m
Insurance revenue	4,412	3,359	2,935	–	–	64	10,770
Inter-Market Unit revenue	(59)	–	59	–	–	–	–
<b>Insurance revenue for reportable segments</b>	<b>4,353</b>	<b>3,359</b>	<b>2,994</b>	<b>–</b>	<b>–</b>	<b>64</b>	<b>10,770</b>
Care, health and other customer contract revenue	1,320	1,710	1,238	–	–	–	4,268
Other revenue	53	14	3	8	–	–	78
<b>Non-insurance revenue for reportable segments</b>	<b>1,373</b>	<b>1,724</b>	<b>1,241</b>	<b>8</b>	<b>–</b>	<b>–</b>	<b>4,346</b>
<b>Total revenue for reportable segments</b>	<b>5,726</b>	<b>5,083</b>	<b>4,235</b>	<b>8</b>	<b>–</b>	<b>64</b>	<b>15,116</b>

	Bupa Asia Pacific	Europe and Latin America	Bupa Global and UK	Other businesses	Group Functions	Adjustment <sup>2</sup>	Total
2022 restated <sup>1</sup>	£m	£m	£m	£m	£m	£m	£m
Insurance revenue	4,431	2,926	2,647	–	–	29	10,033
Inter-Market Unit revenue	(57)	–	57	–	–	–	–
<b>Insurance revenue for reportable segments</b>	<b>4,374</b>	<b>2,926</b>	<b>2,704</b>	<b>–</b>	<b>–</b>	<b>29</b>	<b>10,033</b>
Care, health and other customer contract revenue	1,282	1,550	1,135	–	–	–	3,967
Other revenue <sup>1</sup>	60	11	3	7	–	–	81
<b>Non-insurance revenue for reportable segments</b>	<b>1,342</b>	<b>1,561</b>	<b>1,138</b>	<b>7</b>	<b>–</b>	<b>–</b>	<b>4,048</b>
<b>Total revenue for reportable segments</b>	<b>5,716</b>	<b>4,487</b>	<b>3,842</b>	<b>7</b>	<b>–</b>	<b>29</b>	<b>14,081</b>

1. Amounts have been restated for the adoption of IFRS 17.

2. Adjustment includes impacts of applying IAS 29.

**The British United Provident Association Limited**  
**Notes to the Consolidated Financial Statements**  
for the year ended 31 December 2023

(ii) Segmental result

	Bupa Asia Pacific	Europe and Latin America	Bupa Global and UK	Other businesses	Group Functions	Adjustment <sup>1</sup>	Total
2023	£m	£m	£m	£m	£m	£m	£m
Underlying profit for reportable segments	154	355	269	85	(130)	–	733
Borrowing costs	–	–	–	–	(82)	–	(82)
Group investment funding	–	–	–	–	(52)	–	(52)
Consolidated underlying profit before taxation expense	154	355	269	85	(264)	–	599
<b>Non-underlying items:</b>							
Impairments of intangible assets and goodwill arising on business combinations	–	(1)	–	–	–	–	(1)
Short-term fluctuation on investment returns	12	–	16	–	3	–	31
Net (loss)/gain on disposal of businesses and transaction costs on business combinations	(2)	(9)	10	–	–	–	(1)
Net property revaluation loss	(3)	–	(18)	–	–	–	(21)
Realised and unrealised FX (loss)/gain	–	(7)	12	2	5	(10)	2
Amortisation of bed licenses	(32)	–	–	–	–	–	(32)
Other non-underlying items <sup>2</sup>	–	(17)	(23)	27	–	–	(13)
Total non-underlying items							(35)
<b>Consolidated profit before taxation expense</b>							<b>564</b>

1. Adjustment includes impacts of applying IAS 29.

2. Other non-underlying items includes £17m and £18m relating to restructuring costs in Europe and Latin America and Bupa Global and UK. Other businesses includes a £27m dilution gain on the issue of share capital in Niva Bupa to external investors.

	Bupa Asia Pacific	Europe and Latin America	Bupa Global and UK	Other businesses	Group Functions	Adjustment <sup>2</sup>	Total
2022 restated <sup>1</sup>	£m	£m	£m	£m	£m	£m	£m
Underlying profit for reportable segments <sup>1</sup>	426	297	55	49	(131)	–	696
Borrowing costs	–	–	–	–	(66)	–	(66)
<b>Consolidated underlying profit before taxation expense</b>	426	297	55	49	(197)	–	630
<b>Non-underlying items:</b>							
Impairments of intangible assets and goodwill arising on business combinations <sup>3</sup>	(108)	(161)	(619)	–	–	–	(888)
Short-term fluctuation on investment returns	6	–	(34)	–	6	–	(22)
Net gain/(loss) on disposal of businesses and transaction costs on business combinations	4	(3)	(1)	(4)	–	–	(4)
Net property revaluation (loss)/gain	(6)	5	(32)	–	–	–	(33)
Realised and unrealised FX gain/(loss)	–	5	8	–	1	(29)	(15)
Amortisation of bed licenses	(34)	–	–	–	–	–	(34)
Other non-underlying items <sup>4</sup>	(4)	(16)	(4)	–	–	–	(24)
Total non-underlying items							(1,020)
<b>Consolidated loss before taxation expense</b>							<b>(390)</b>

1. Amounts have been restated for the adoption of IFRS 17 and to reflect the revised definition of underlying profit.

2. Adjustment includes impacts of applying IAS 29.

3. Includes impairments recognised within Bupa Asia Pacific (Bupa Villages and Aged Care Australia), Europe and Latin America (Bupa Chile) and Bupa Global and UK (Bupa Dental Care UK and Bupa Care Services).

4. Europe and Latin America segment includes £16m restructuring costs.

**The British United Provident Association Limited**  
**Notes to the Consolidated Financial Statements**  
**for the year ended 31 December 2023**

	Bupa Asia Pacific	Europe and Latin America	Bupa Global and UK	Other businesses	Group Functions	Adjustment	Total
2022	£m	£m	£m	£m	£m	£m	£m
<b>Consolidated underlying profit before taxation expense</b>	426	297	55	49	(197)	–	630
Impact of applying IFRS 17	(59)	11	6	9	(13)	–	(46)
Revised cost allocation	(31)	(23)	(22)	–	76	–	–
Net gains on investment property	(28)	–	–	–	–	–	(28)
Investment returns	(6)	(52)	(14)	–	91	–	19
<b>Underlying profit by reportable segments as previously reported</b>	302	233	25	58	(43)	–	575

**General information**

The information in this announcement does not constitute the Group's statutory accounts as defined in section 434 of the Companies Act 2006 for the years ended 31 December 2023 or 2022. Statutory accounts for the year ended 31 December 2022 have been delivered to the Registrar of Companies, and those for the year ended 31 December 2023 will be delivered in due course. The report of the auditor on those accounts is unqualified and did not draw attention to matters by way of emphasis.