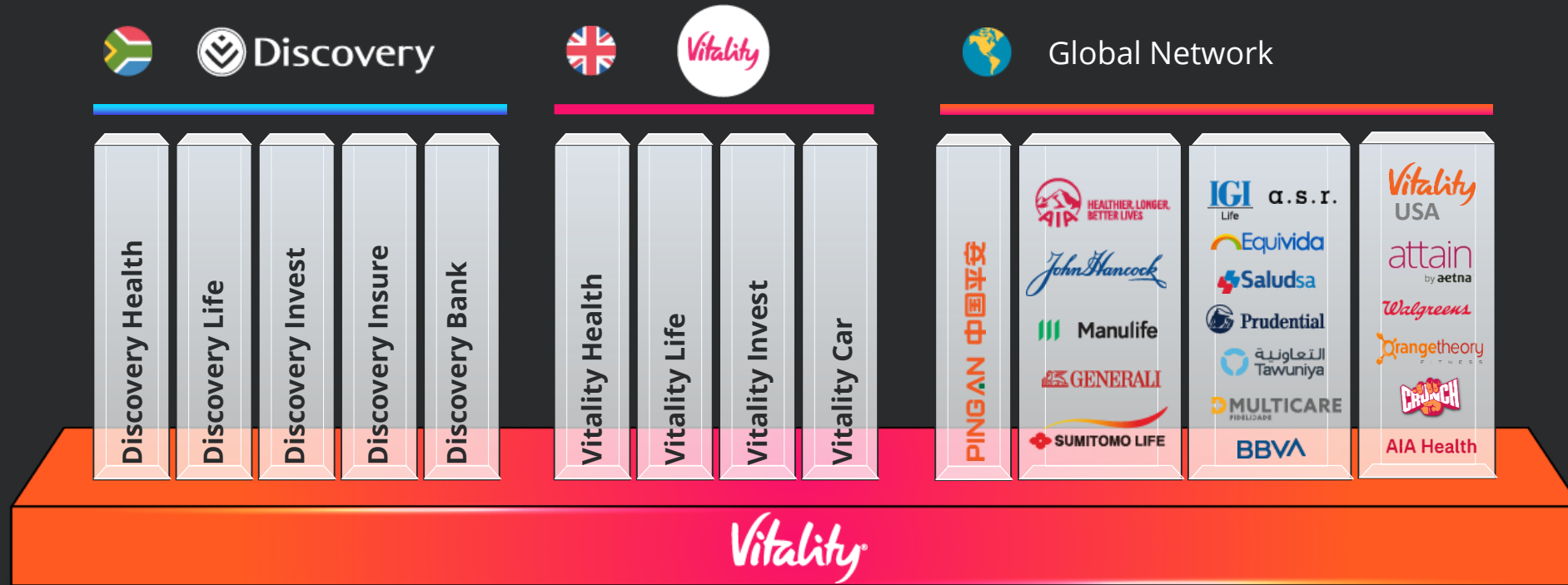


AUDITED RESULTS

FOR THE YEAR ENDED 30 JUNE 2021





Life COVID-19 provisions
R2.8bn

New business
+11%
to R22 595m

Normalised operating profit
+7%
to R6 494m

NHE before forex impact
+12%
to R3 711m

Normalised headline earnings
-9%
to R3 406m

Headline earnings
+909%
to R2 986m

+9% core new business API, i.e. excluding DH take-on of new closed schemes and gross revenue for Vitality Group

The period under review



1 Navigating COVID-19



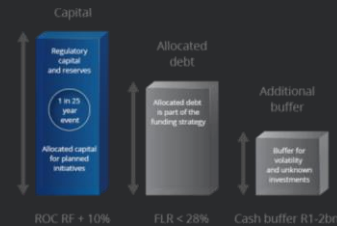
Navigating the significant impact of COVID-19; meeting our core purpose and serving society by ensuring quick and efficient vaccination of all South Africans

2 Resilient operating performance

	Operating profit R6.5bn	+7%	New business R22.6bn	+11%
Health	3 423	+7%	6 453	+8%*
Life	1 341	+5%	2 254	-1%
Invest	1 084	+31%	2 737	+3%
Insure	250	+2%	1 287	+18%
Bank	(1 094)	-7%	1 620	+81%
Vitality Health	953	+15%	1 367	+10%
Vitality Life	644	+37%	1 141	-2%
Vitality Invest	(148)	-5%	741	+83%
Vitality Group	417	+3%	1 270	+12%
Ping An Health	411	+12%	3 938	+10%
Other New	(978)	-7%	1 873	+28%

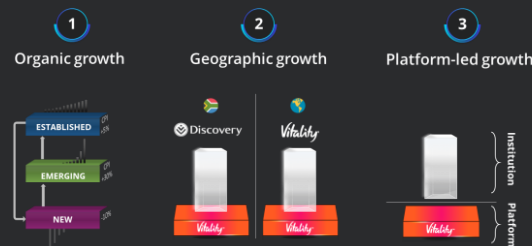
Resilient performance with operating profit up 7%, new business up 11% and actuarial dynamics in line with expectation

3 Capital strength and liquidity



Capital strength and liquidity remained a key focus - all metrics above target and with sufficient buffers
Require capital for Ping An Health to support business growth and product diversification

4 Three dimensions of growth



A pivot to growth by capitalising on the applicability of the Vitality Shared-value model to ensure:

- Organic growth
- Geographic growth
- Platform-led growth



1

Navigating COVID-19 and meeting our core purpose

Our strategic response to the pandemic



Employee vaccine mandate

Implement mandatory vaccination policy from 1 January 2022
DSY offices and sites become vaccination-only zones

Structural and pricing changes to products

Preferred premiums for vaccinated DL members
Product incentives to vaccinate

Central role in state-led COVID-19 response

9 DH vaccination sites
1 000 staff deployed
>550 000 vaccinations administered
- c5% of total national vaccinations
cR200m allocated to campaign
(R42m in this period)



R2 800m Life provisions across the Group
R2 448m DL earnings impact for period under review

COVID-19 in South Africa was worse than predicted



DSY predicted the first wave well

Initial predicted deaths to Dec 20, at May 2020

87k

Discovery medium

48k

ASSA Scenario 1

50k

Government model

12k

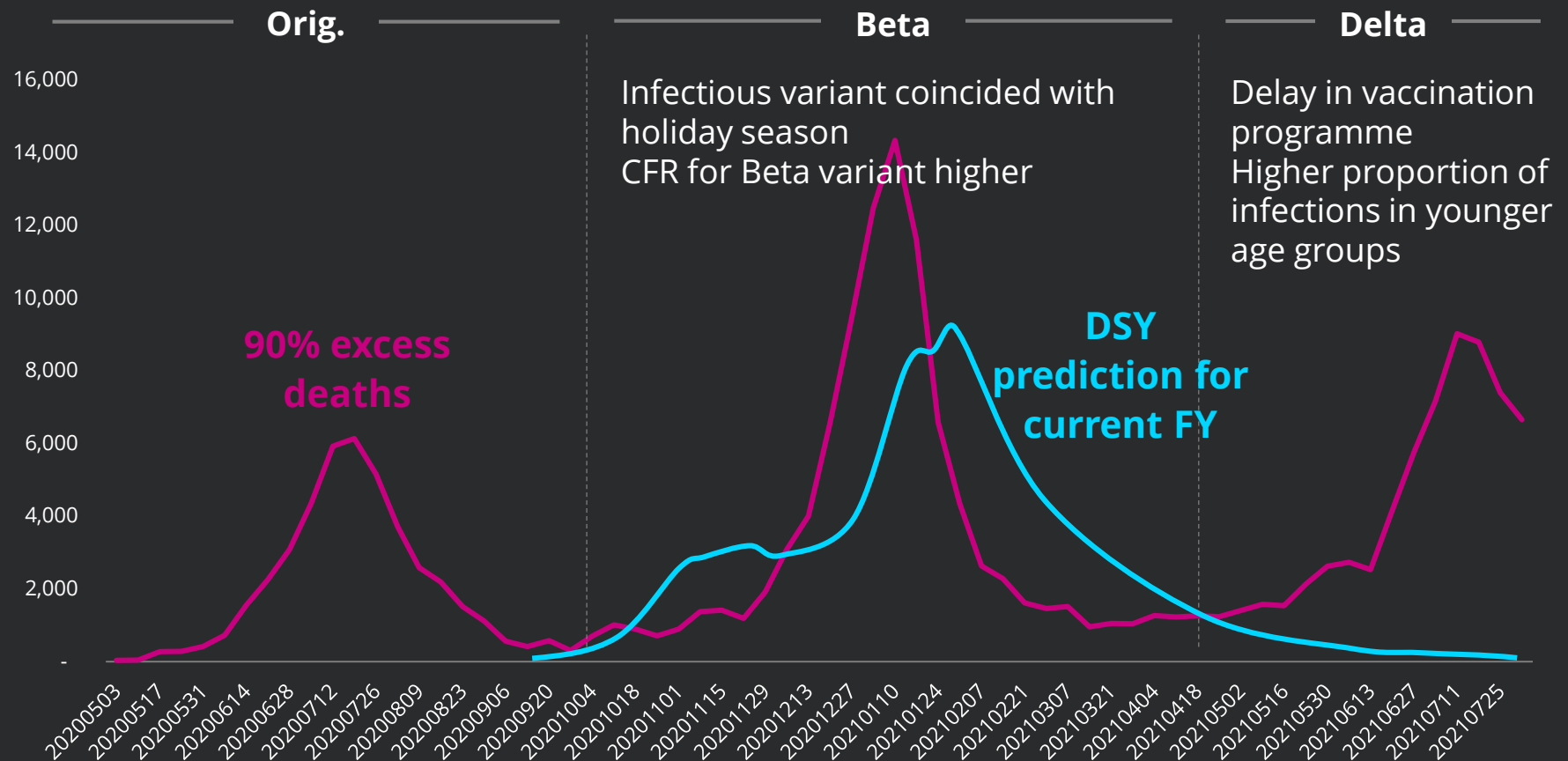
PANDA

76k

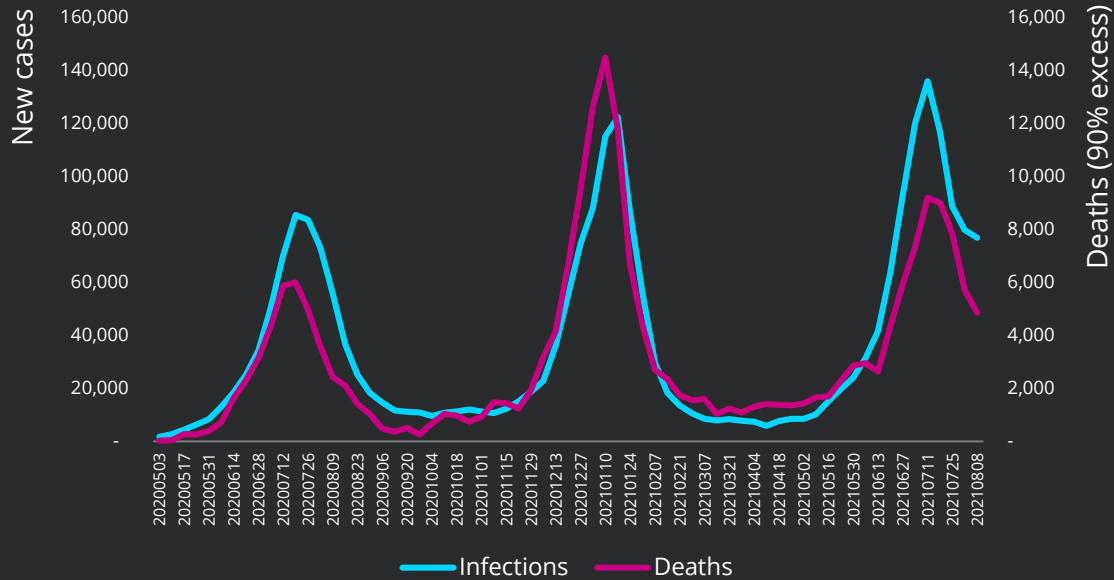
Actual deaths (90% Excess deaths)

DSY underestimated the peak of Wave 2 and the timing and extent of Wave 3

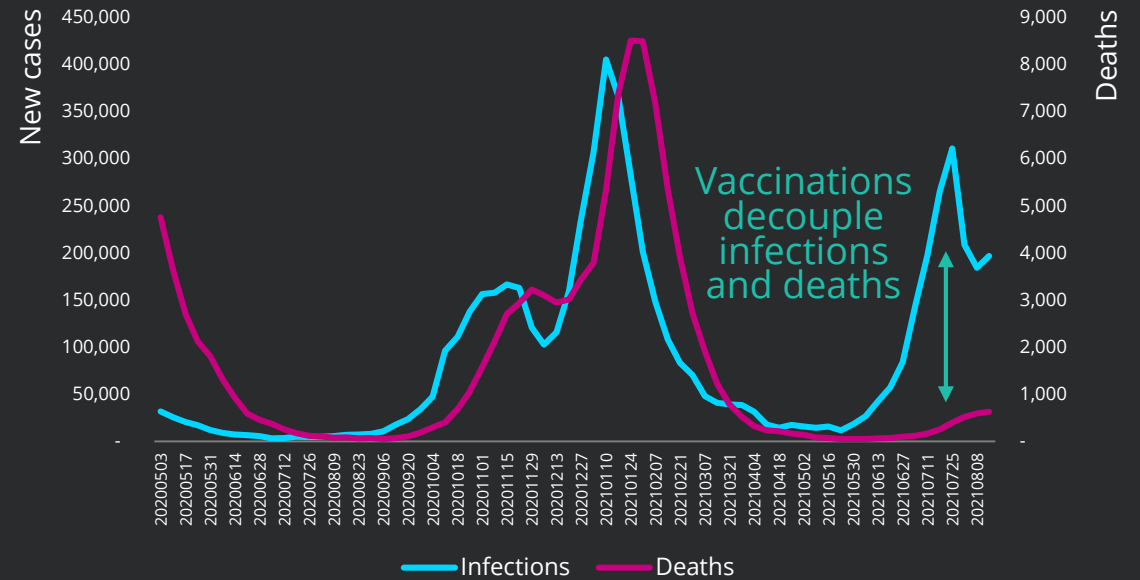
Deaths (90% excess deaths)



SA's epidemic was 5x worse than the UK's



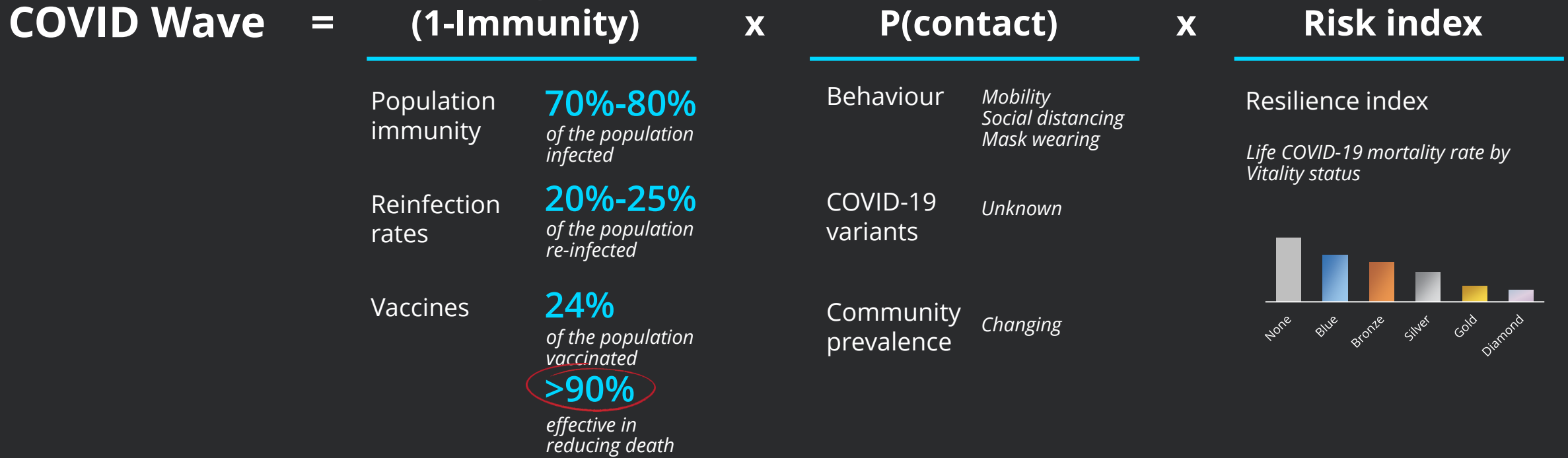
IFR	Deaths (90% excess)	Implied infections	Population	% population infected
0.39% - 0.5%	215k	45m	60m	70% - 80%



IFR	Deaths (90% excess)	Implied infections	Population	% population infected
1.09%	132k	12m	68m	18%

Given SA's younger age profile, expect deaths to be 64% lower, but when adjusting for population size (12% smaller) the data indicates epidemic currently **5.5x** worse than UK

Factors that influence COVID-19 waves



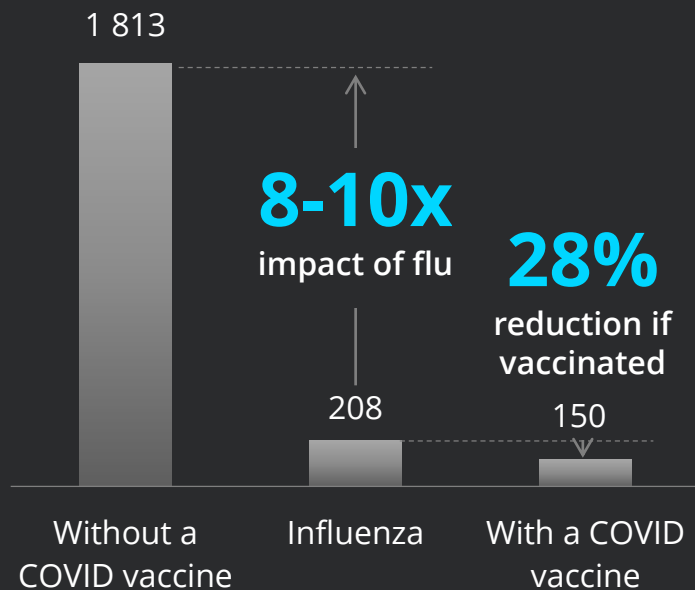
- 1 Risk of (re)infection** At least 40% of the population are still vulnerable to new or reinfection
- 2 Reduced vulnerability** Vaccinated and previously infected people have far higher levels of protection
- 3 New variants** New variants are emerging constantly, e.g. C1.2. Awaiting data but probably lower risk than Delta
- 4 Vaccination** Significant additional protection against severe disease and death

Data supports efficacy of vaccination against COVID-19



COVID-19 vaccination reduces risk of mortality relative to influenza¹

Deaths per million of the population



Vaccine is >90% effective in reducing death

Discovery Health data on vaccine effectiveness*



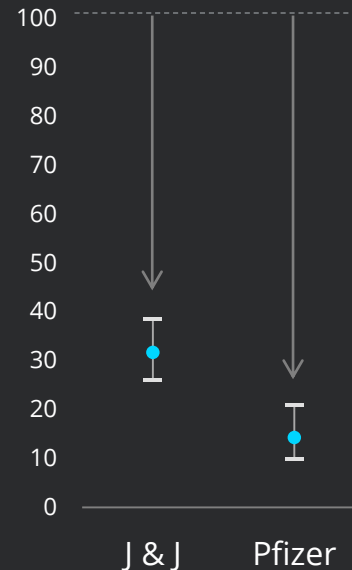
Confirmed infection

50-80% Reduction in risk relative to unvaccinated



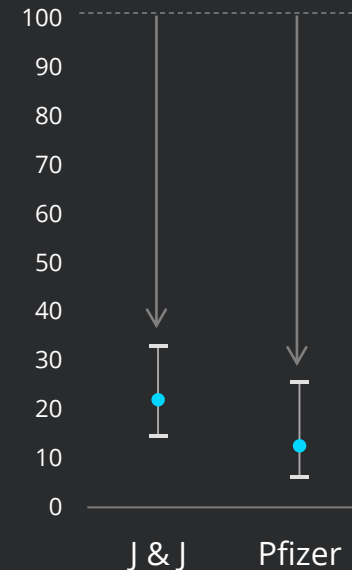
Admission

70-85% Reduction in risk relative to unvaccinated



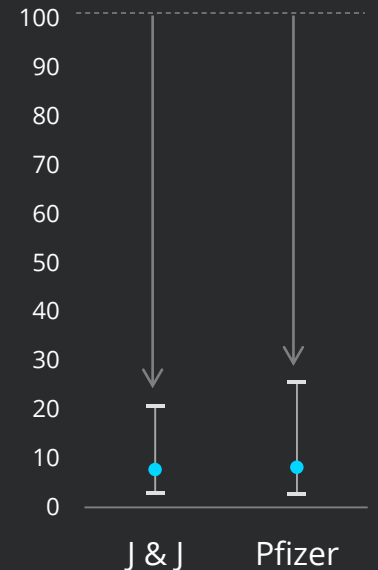
High care/ICU

70-90% Reduction in risk relative to unvaccinated



Death

>90% Reduction in risk relative to unvaccinated



J & J 28+ days since vaccination²

Pfizer 7+ days - second dose³

¹ Surveillance of influenza and other respiratory viruses in the UK Winter 2019 to 2020

² Sisonke and SAMRC, test negative refreshed to 17 July

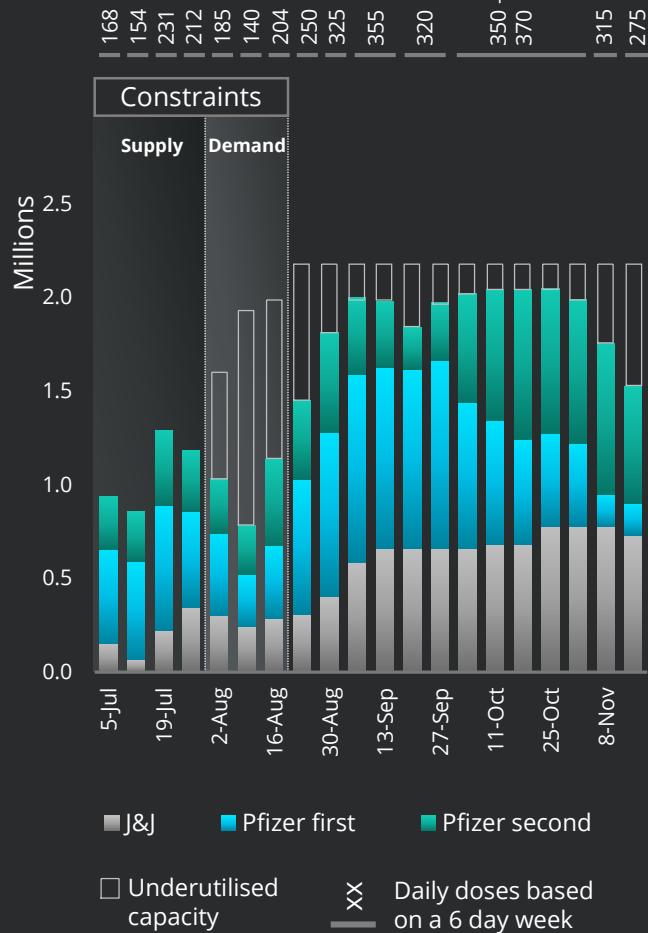
³ Test negative study refreshed to 15 August

*Excludes data on members vaccinated in the public sector. To be submitted for peer review and publication

Demand generation is paramount to ensure capacity utilisation

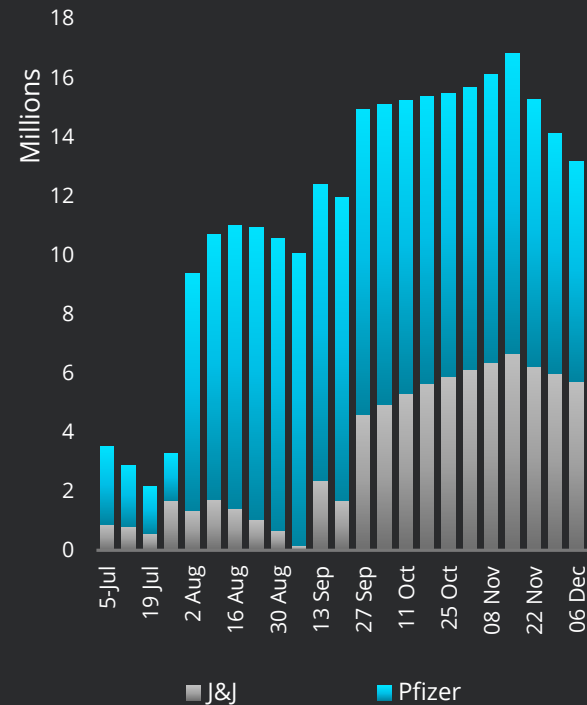


Vaccination Profile (doses)



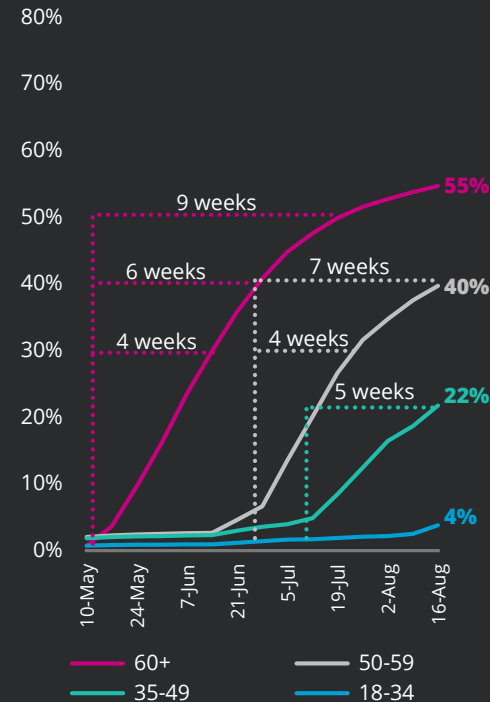
Stock Profile

Delivery schedule

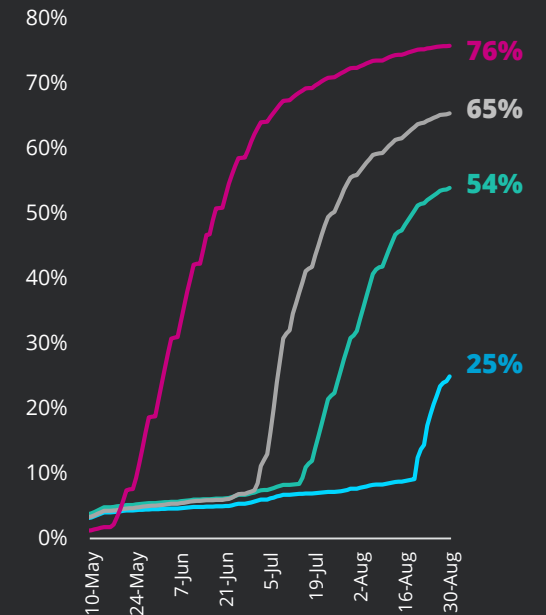


Slow take up in younger cohorts

First dose ramp up per age group



Discovery clients vaccinated* by age band



>101k Outbound calls
>19m Emails and SMSes sent

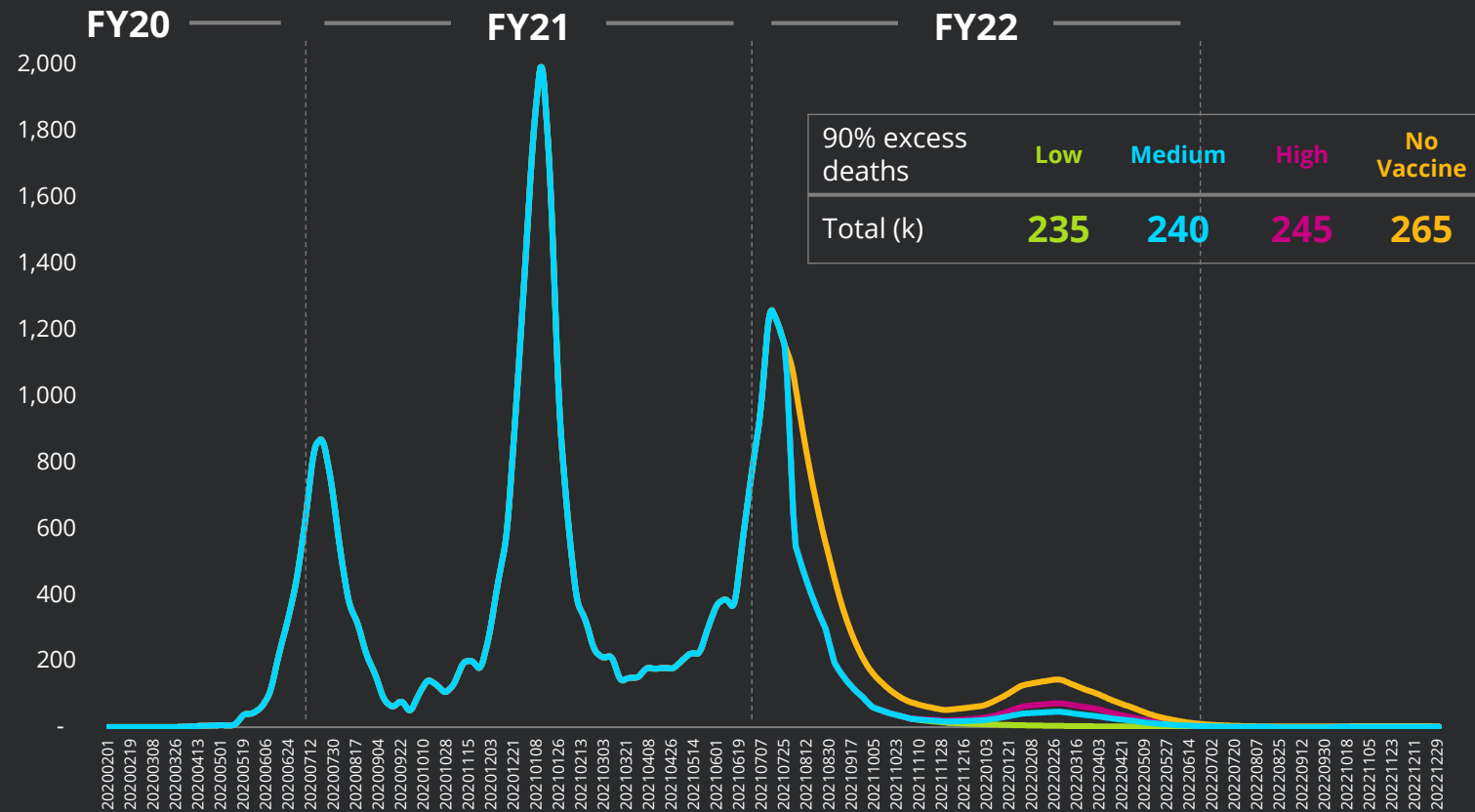
*partial or fully

The likelihood of a mortality impact in the 4th wave is low



4th wave depends on the R factor and proportion of people infected. Given the high infection rate, together with vaccines, higher 4th wave mortality would require very high assumed R¹

National incremental deaths scenarios



1 R assumption peaks at 1.5 in Medium, 1.6 in High and 2.0 in New variants
2 Sum assured weighted

Encouraging Discovery population to get vaccinated

Actual % vaccinated

	At least partially vaccinated		Fully vaccinated over age 60
	Total lives	Members over age 60	
Health	51.2%	76.2%	64.4%
Individual Life ²	61.8%	76.6%	62.1%
Group Life ²	51.1%	78.4%	62.8%

Aiming to vaccinate

>80% 60+yrs members by end September

>80% whole book by end 2021

100% take-up of the 2nd dose where applicable

Intent to implement mandatory vaccination policy from 1 January 2022



1 Unprecedented health tragedy; with the fourth wave posing further risk

>220k excess deaths since May 2020
>14k client deaths
20 employee deaths

>30k
Lives saved if >60% population vaccinated over coming months

2 COVID-19 vaccines are effective and safe

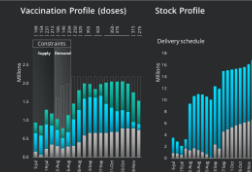
Compared to those who are unvaccinated:
50-80% lower risk of infection
70-85% lower risk of hospitalisation
90-95% lower risk of death

<1 in 20
Discovery members showed any signs of side-effects

3 Public health imperative

50-80% lower transmission risk for vaccinated individuals

4 Issue is no longer one of limited access to vaccines, but one of hesitancy



Slow take up in younger cohorts

100% Target vaccination take-up

5 Clear moral and social obligation as informed by our Core Purpose to make people healthier and to enhance and protect their lives

DSY has helped vaccinate:

>890k members of Discovery Health administered schemes vaccinated
300k individuals outside of this

6 Supported by a legal obligation to protect and safeguard all employees from all potential risks

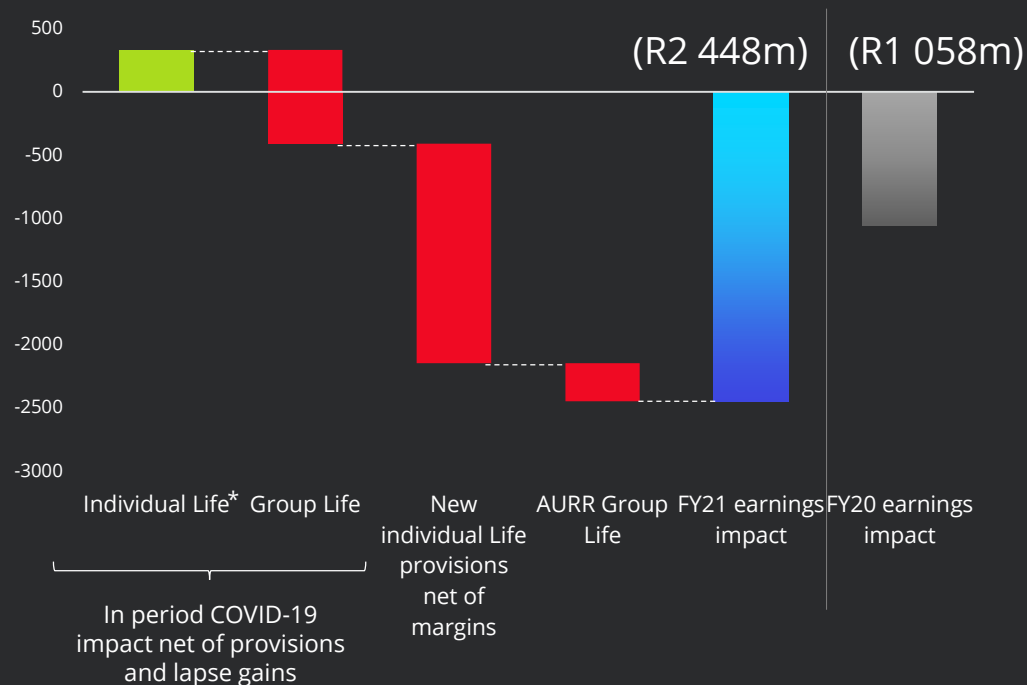
Increasing the COVID-19 provision in SA, and releasing in the UK



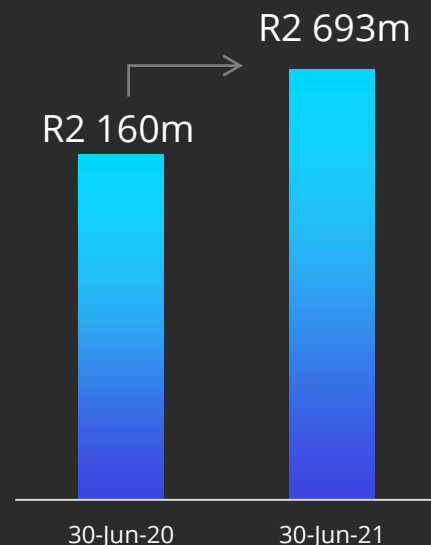
Discovery Life

Provisions and positive lapse experience in Individual Life more than sufficient to cover in-period COVID-19 claims, net loss recorded in Group Life

Income statement impact



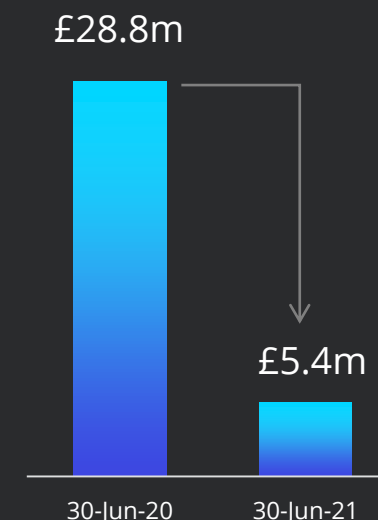
COVID-19 provisions



Victality Life

Provisions more than sufficient due to UK's effective and early vaccine campaign

COVID-19 provisions



R2 800m Life provisions across the Group
R2 448m DL earnings impact for period under review

*Claims provision release of R1175m + lapse gain of R831m minus identified COVID-19 claims of R1673m



2

Resilient operating performance

Resilient performance




+7%

R6.5bn
Operating profit

+11%

R22.6bn
New business

	Health	3 423	+7%	6 453	+6%*	Continued operational excellence , growth in DHMS lives and providing significant support to members and society
	Life	1 341	-55%	2 264	-1%	Significant negative COVID-19 mortality impact but delivering positive actuarial variances through excellent retention experience and maintaining financial strength
	Invest	1 084	+31%	2 737	+3%	Strong earnings growth, retention and excellent investment returns for customers. New business growth curtailed by lower guaranteed plan sales
	Insure	250	+2%	1 287	+18%	Strong new business growth and robust underwriting performance with earnings impacted by lower investment yields
	Bank	(1 094)	-7%	>81 000 New-to-Bank clients	+86%	Strong high-quality client and deposit growth while deliberately pursuing a prudent, quality-focused credit strategy
	Vitality Health	953	+15%	1 367	+10%	Robust operating performance driven by continued good retention . Careful management of delay of elective healthcare in the COVID-19 environment
	Vitality Life	644	+337%	1 141	-9%	Strong recovery , strengthening of underlying actuarial basis and successful execution of management plan. New business slowed with lockdowns and the focus on quality business
	Vitality Group	417	+35%	1 270	+12%	Robust growth due to increasing integration and traction with existing partners and accelerating roll-out to new markets and agencies
	Ping An Health	411	+126%	3 938	+10%	Focus on profit quality and scale through both distribution channels and product diversification . Capital injection to support long-term growth
	Other New	(978)	-7%	2 114	+156%	Lower spend combined with excellent growth in new business API

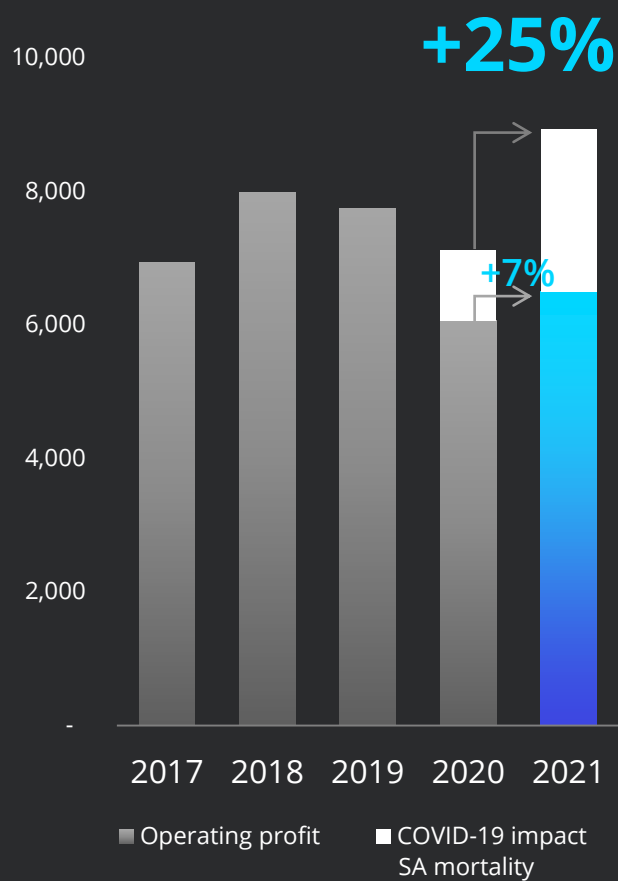
*Including new closed schemes

Operating profit and New business



Operating profit

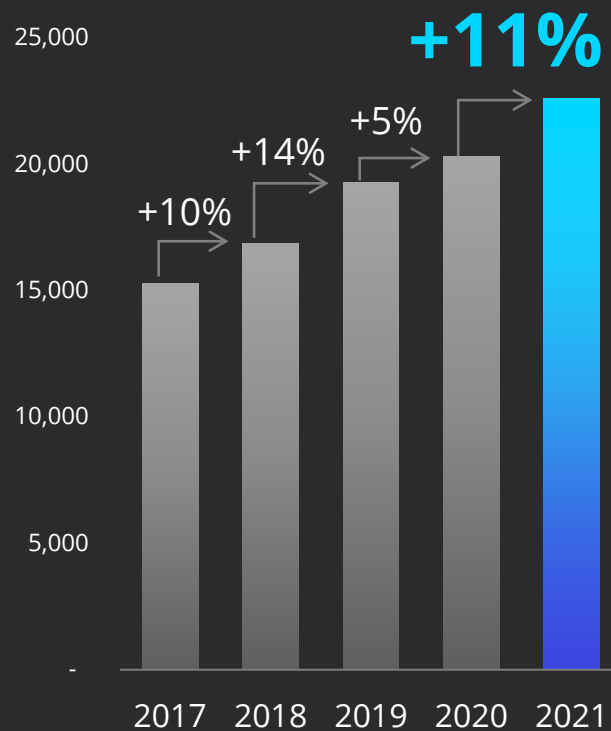
Before SA COVID-19 impact



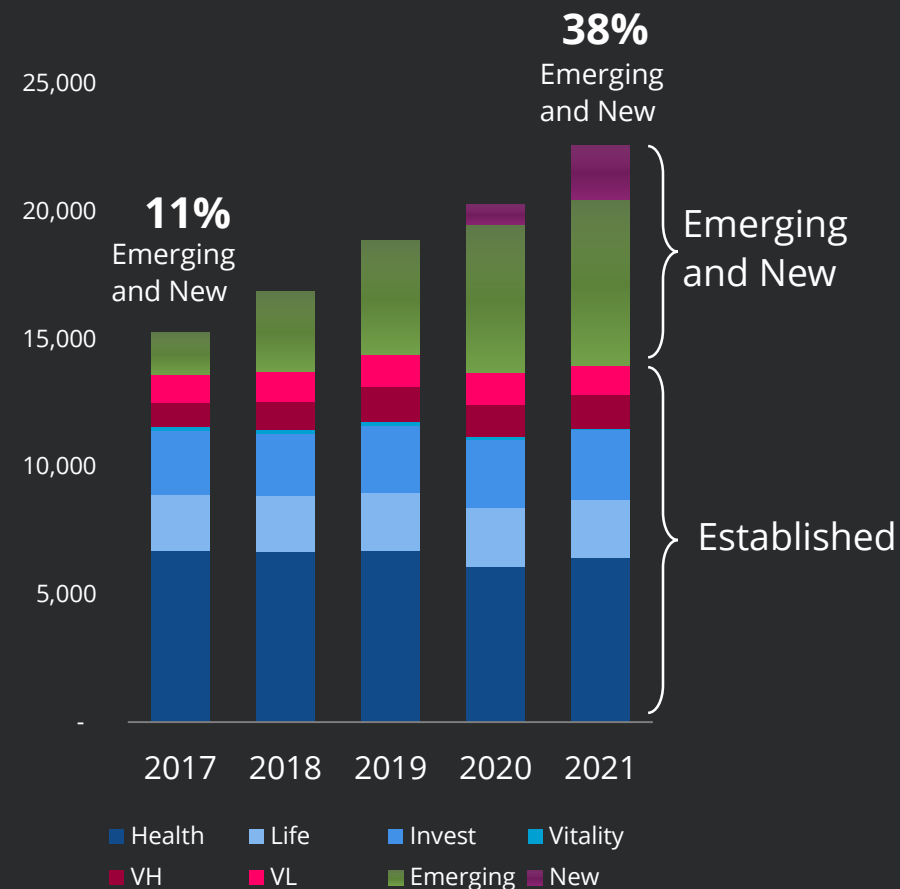
New business

Including new closed schemes and Vitality Group

Recovered from 2020 COVID-19 impact, 8% CAGR on 2019



Emerging and New growing strongly

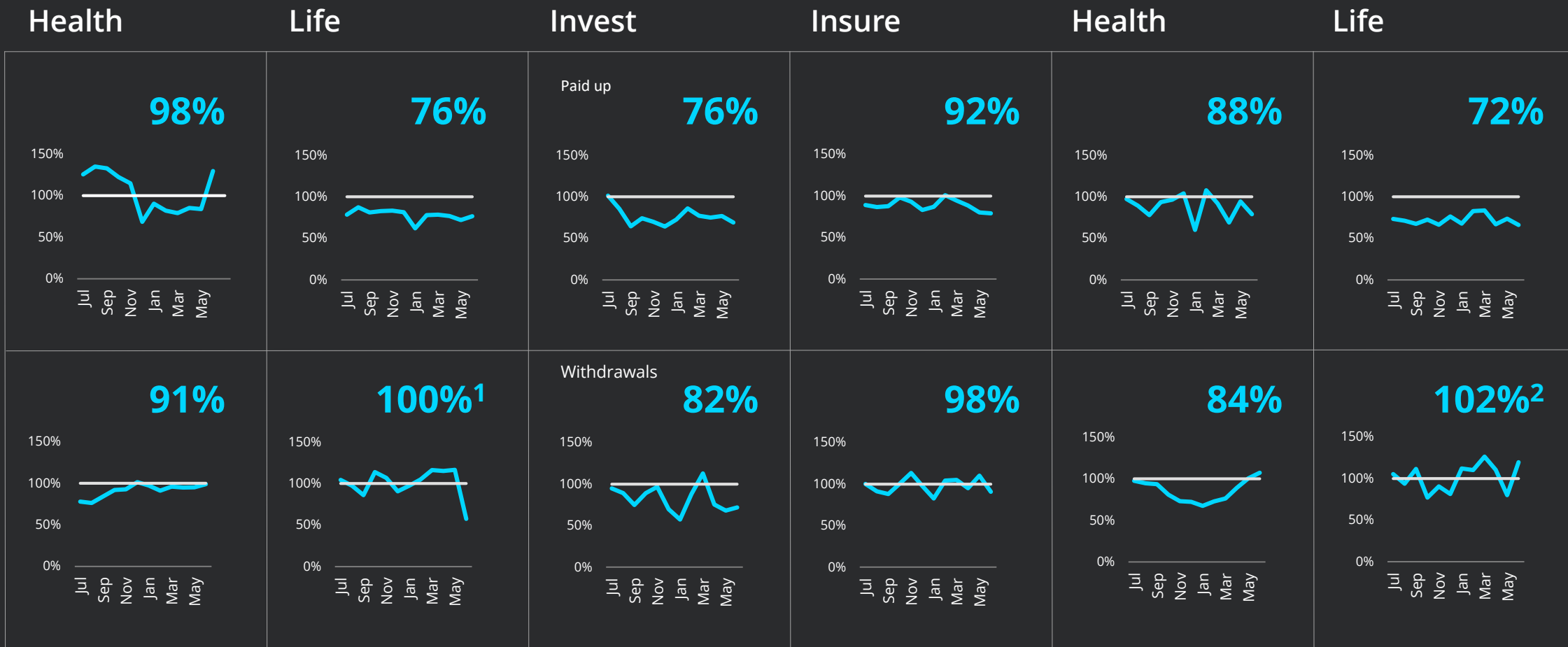


Resilient operating performance, actuarial dynamics within expectation



Lapses
- vs expected

Claims
- vs expected



FY AVE

1 Individual Life, excluding identified COVID-19 claims

2 Excluding identified COVID-19 claims

Reported profit for period affected by foreign exchange movements



Rm	12 months ended Jun 2021	12 months ended Jun 2020	%
Normalised profit from operations	6,494	6,069	7%
1 Economic assumptions adjustment DL	-411	-3,635	
Economic assumptions adjustment VL	-108	-1,195	
Finance charges excl. 1DP finance lease	-1,291	-1,218	
2 Unrealised (losses)/gains on foreign exchange contracts not designated as a hedge	-304	263	
Foreign exchange (losses)/gains	-389	578	
Deferral fees related to Prudential Book transfer	-187	-71	
Investment income and fair value remeasurements	83	338	
3 Dilution gains from equity accounted investments	554	3	
Other	-234	-609	
Profit before tax	4,207	523	704%
Tax	-987	-347	
Profit attributable to preference and minority shareholders	-63	-79	
Profit attributable to equity holders	3,157	97	3155%
Headline adjusting items	-171	199	
Headline earnings	2,986	296	909%
Economic assumptions adjustment (DL and VL)	383	3,584	
Other normalisation adjustments	37	-133	
Normalised headline earnings	3,406	3,747	-9%
Forex exchange (gains)/losses net tax	305	-424	
Normalised headline earnings excl forex impact	3,711	3,323	+12%

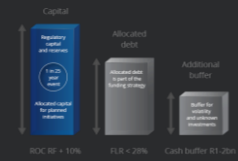
- 1** Stabilisation of long term interest rates in SA and the UK resulted in materially lower economic basis changes than the prior year, R4.3bn swing
- 2** Mark-to-market foreign currency losses arising from a recovery of the Rand during the reporting year compared to a gain in the previous financial year, R1.5bn swing
- 3** Unrealised gain from the transaction in which Cambridge Mobile Telematics (CMT) acquired TrueMotion

Due to the continued uncertainty and potentially volatile economic environment caused by the COVID-19 pandemic, the Discovery Board has decided to retain its prior stated position during the pandemic and has decided not to declare an ordinary final dividend for the period ended 30 June 2021. The reintroduction of an ordinary dividend will be considered on an ongoing basis



3

Capital strength and liquidity



Group is well capitalised and highly liquid

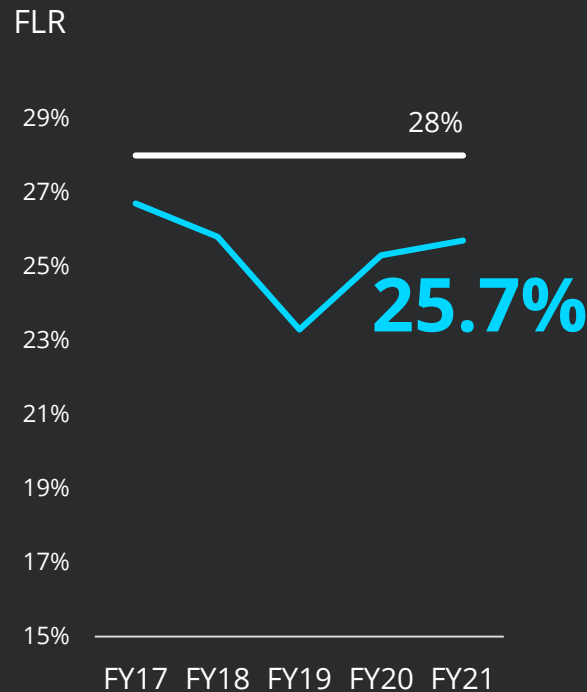


Strongly capitalised

	Jun 20 Cover	Jun 21 Cover
Life	1.8x	1.8x
Insure	1.8x	1.8x
VH	1.7x	1.6x
VL	2.0x	2.4x
Bank ¹	1.6x	1.4x
PAH	1.9x	2.3x

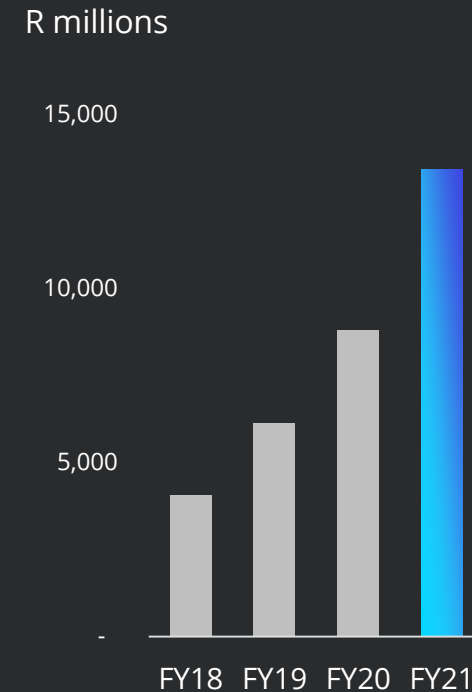
DHMS solvency 36.9%

FLR is within target

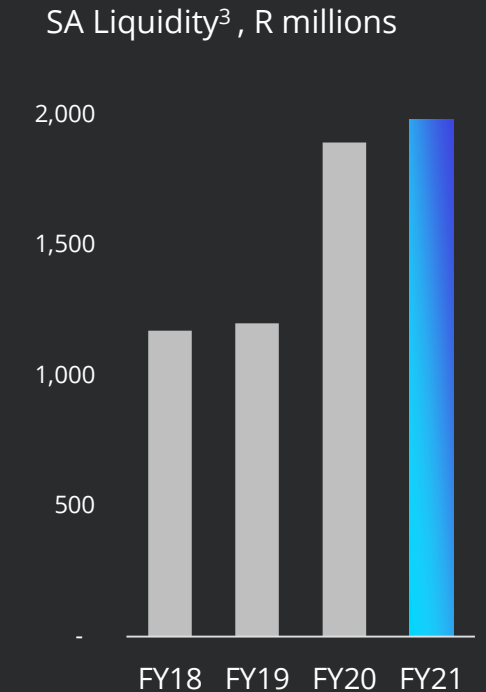


Highly liquid across the Group²

Liquid excess assets above minimum regulatory capital requirements



Sufficient liquidity at the centre



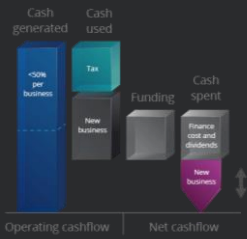
¹ Capital Adequacy Ratio

² Considers SA Liquidity and liquid excess assets for Discovery Life, Discovery Insure, VitalityHealth, VitalityLife and Discovery Bank

³ SA cash + undrawn committed facilities



Cash generation positive prior to COVID-19



R13.0bn

Cash generated from in-force

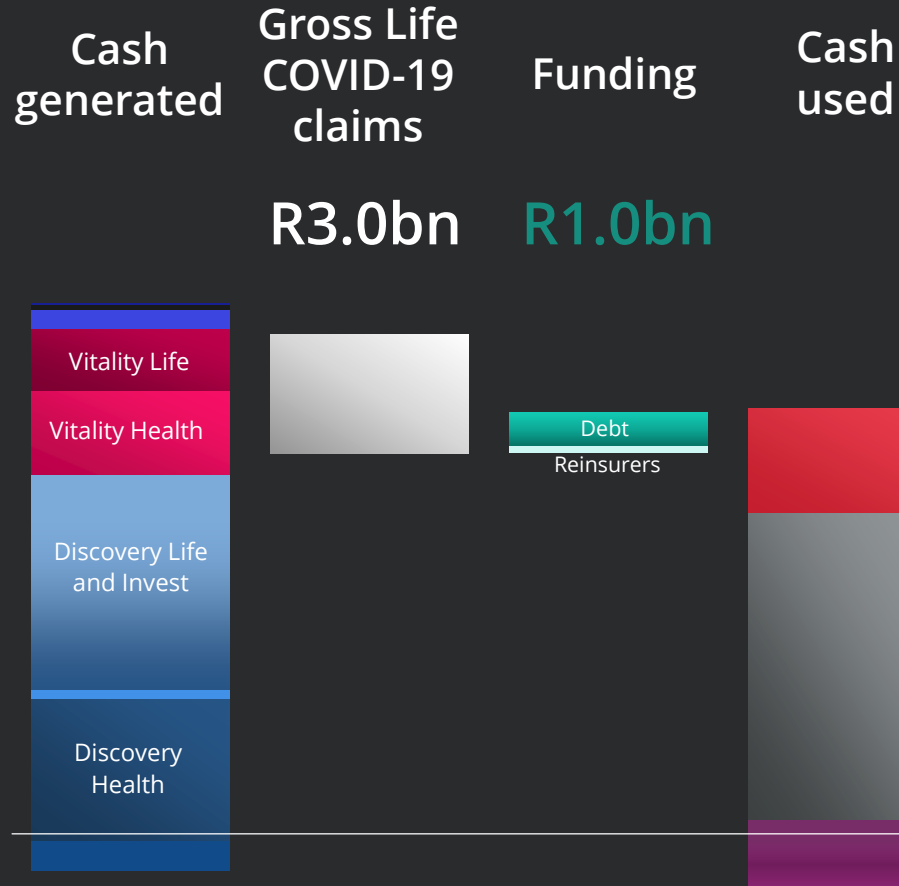
R14.3bn

Cash used net of funding

(R1.3bn)

Net cash flow

Net cash generated from in-force business
R13.0bn



Tax and finance costs
R2.6bn

New business
R7.9bn

New businesses
R1.8bn

Net cash flow¹
R1.3bn

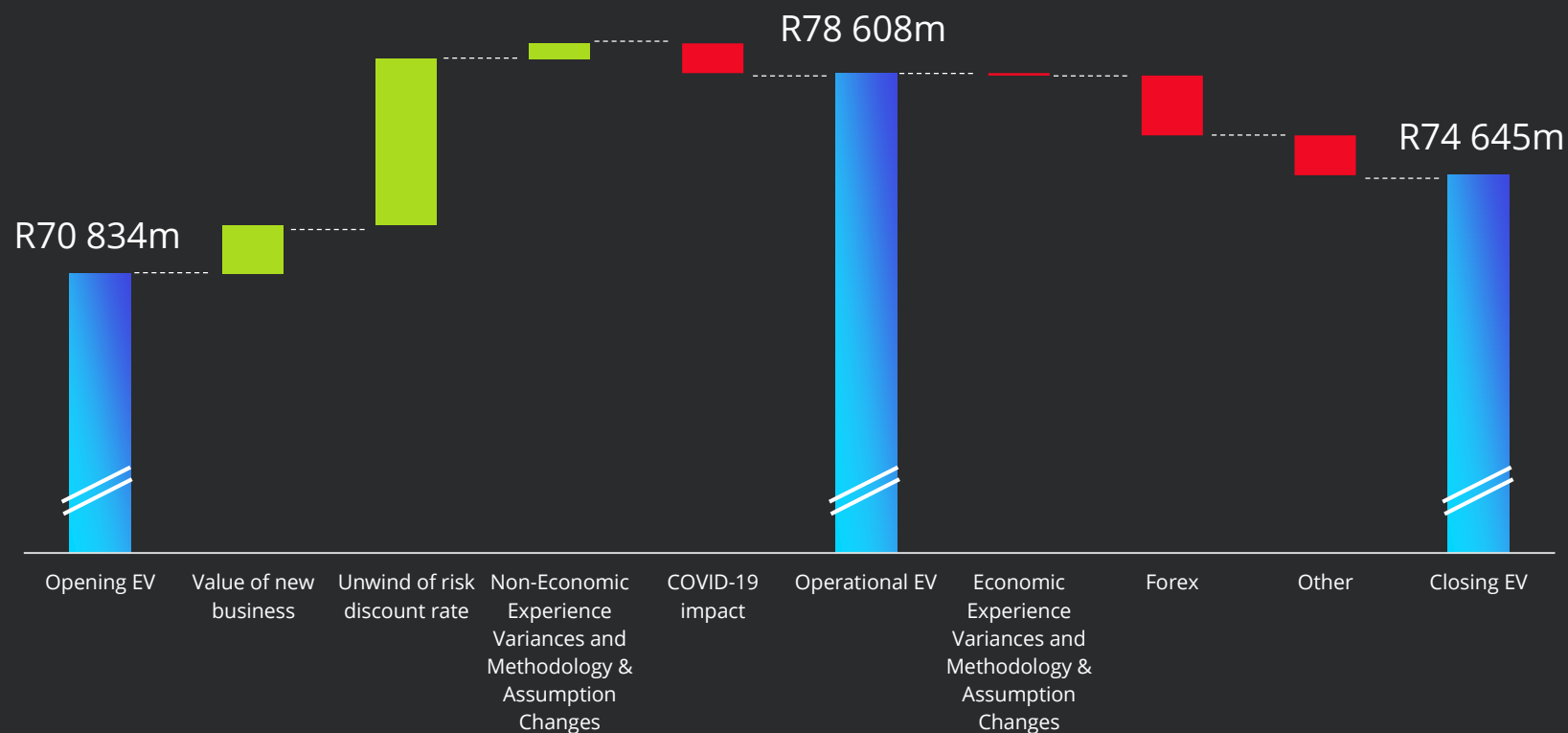
1 Movement in shareholder free cash

Group Embedded Value



4.6%

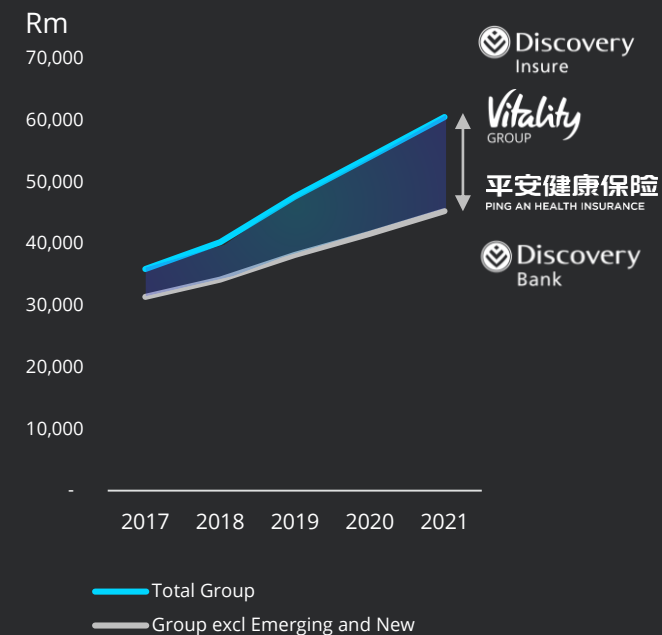
Annualised ROEV
11% excluding COVID-19,
forex and economic changes



Group revenue

~25%

total adjusted revenue¹
attributable to Emerging and New



¹ Including 25% Ping An Health earned premium and Bank NII and NIR and excluding insurance premium revenue from the Invest segments



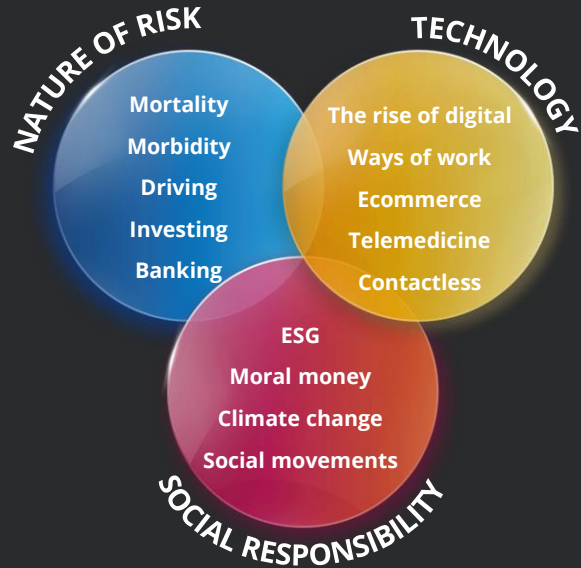
4

Three dimensions of growth

Significant increase in ecosystem strategies globally

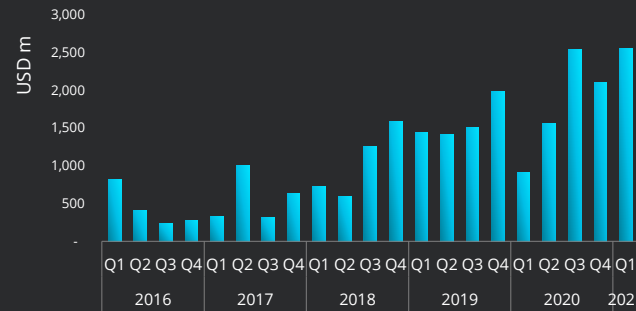


Blurring of boundaries in these three trends

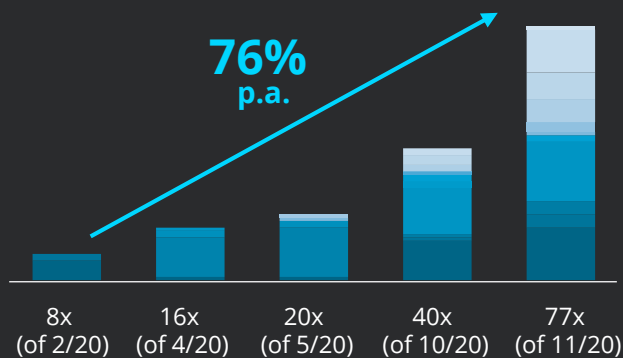


Insurtech and ecosystem strategies are increasing

Record quarter for insurtech investment activity¹

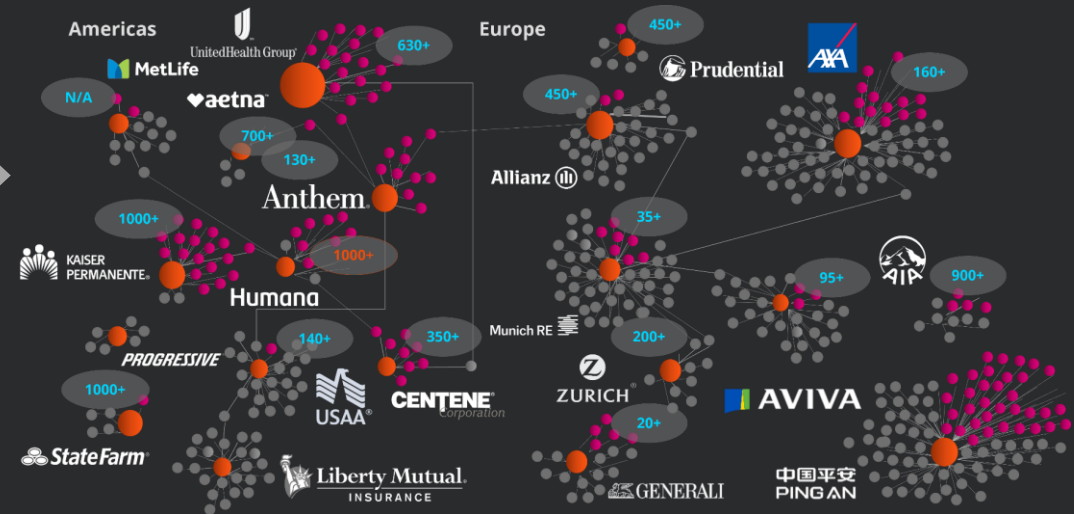


Number of mentions of ecosystems in leading European insurers and medtech providers²



Many have invested substantially into health ecosystems²

xx Health funding in EUR m Core business Funded health start-ups
 Funded start-ups from other ecosystems (mobility, housing, education, B2B services)



Sample of 20 large insurers globally have strategically invested into various ecosystems over the last few years, with health being a prominent theme (32% of investments)

Evolving the business model to an ecosystem

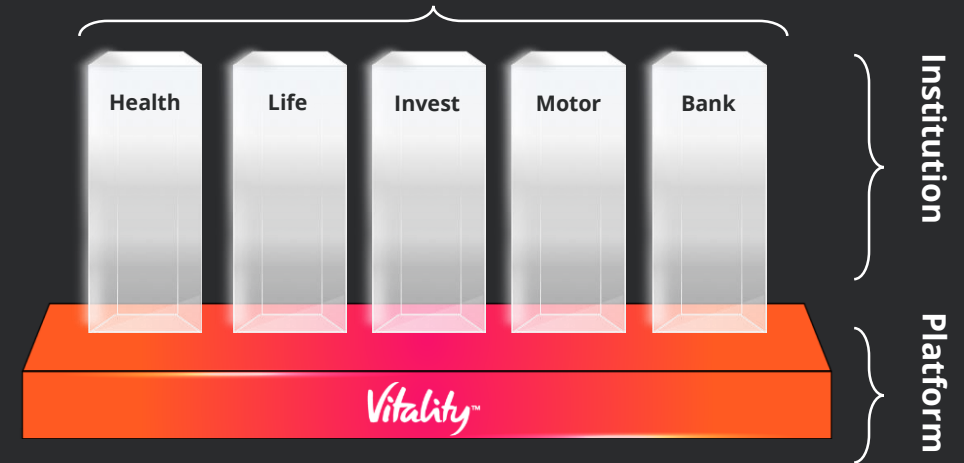


Institution

Platform

Ecosystem

Composite



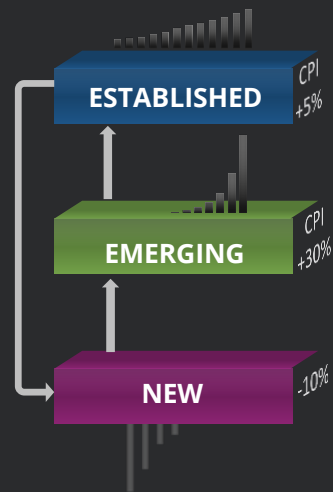
“Make people healthier”

Three dimensions of growth



1

Organic growth



- Grow organically
- Build new businesses that scale
- Achieve superior returns on capital

2

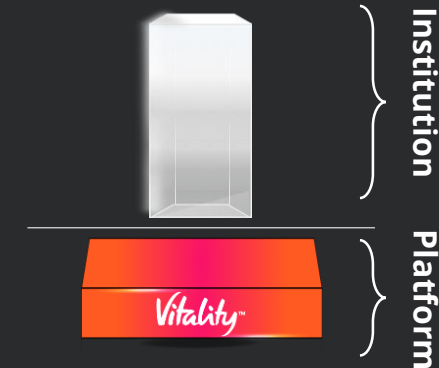
Geographic growth



- Grow globally with the ability to repeat and scale

3

Platform-led growth

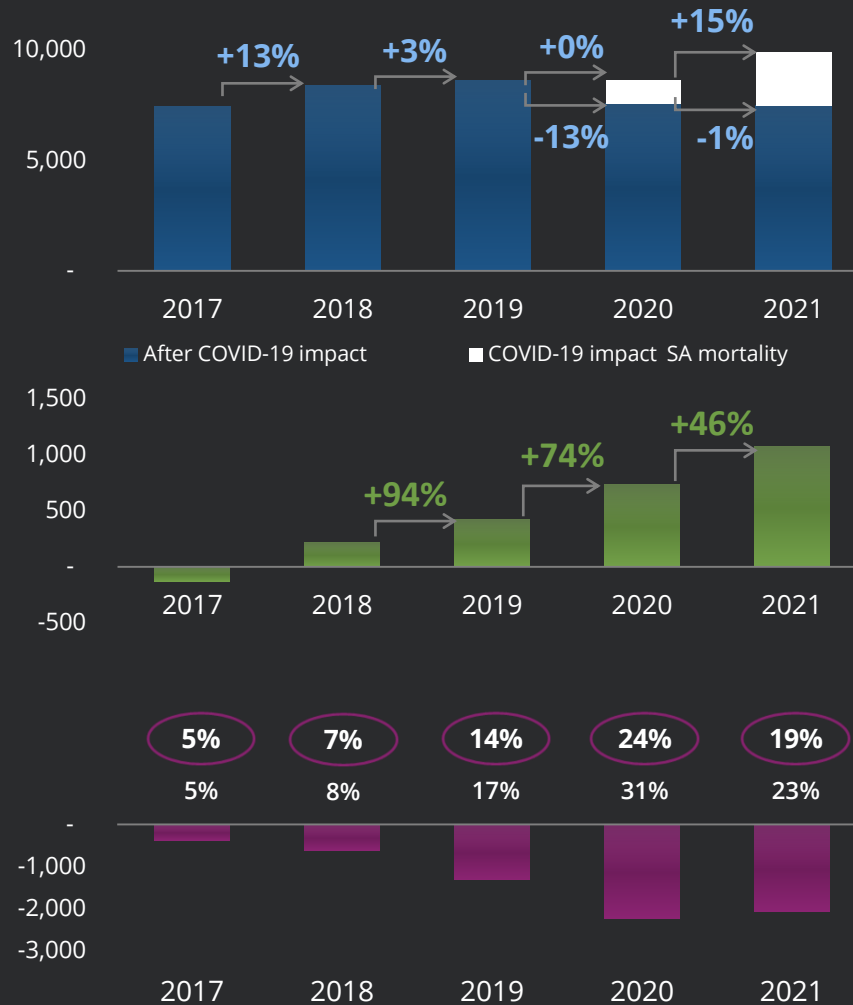


- Expand the Vitality global insurtech platform
- Create superior institutions

1 Organic growth



Operating profit



+15%
to
R9.9bn
(-1% to R7.5bn)

Established businesses remain robust

+46%
to
R1.1bn

Emerging businesses are scaling rapidly

R2.0bn

Turning point in the spend on New businesses

*Pre-COVID-19 impacts
New definition is as % of core (Established and Emerging) instead of total operating profit

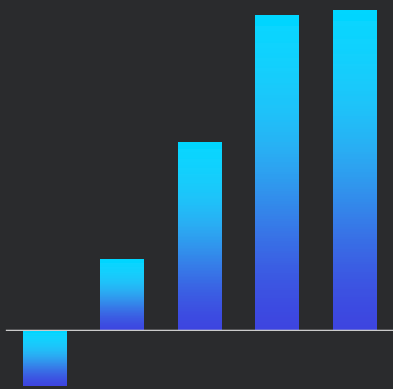
Emerging businesses are growing rapidly and achieving good returns



Insure

+2%

Operating profit



2017 2018 2019 2020 2021

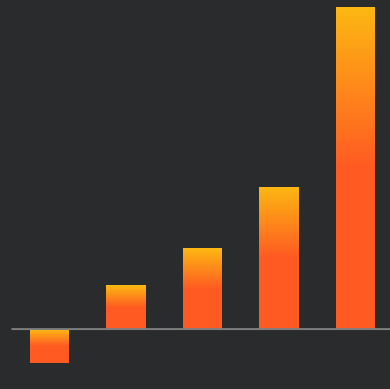
10.4%

ROE

Ping An Health

+126%

Operating profit



2017 2018 2019 2020 2021

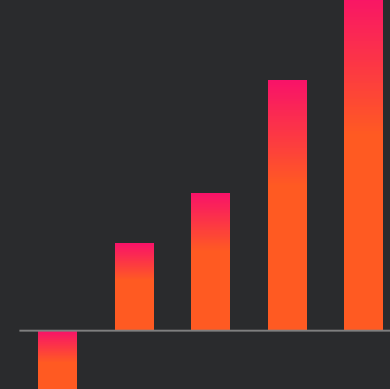
21.0%

ROE

Vitality Group

+35%

Operating profit



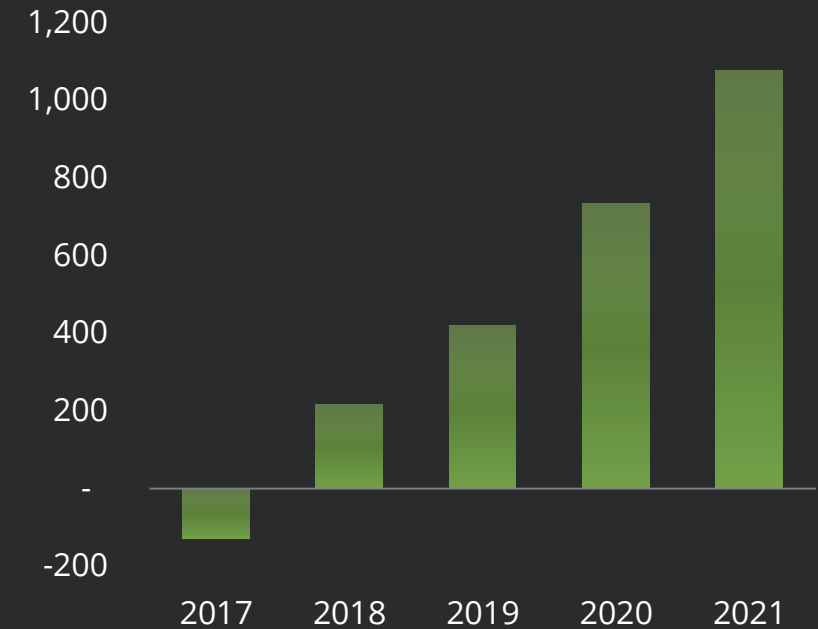
2017 2018 2019 2020 2021

13.4%

ROE

Strong growth from Emerging

Operating profit Rm



14.5%

ROE

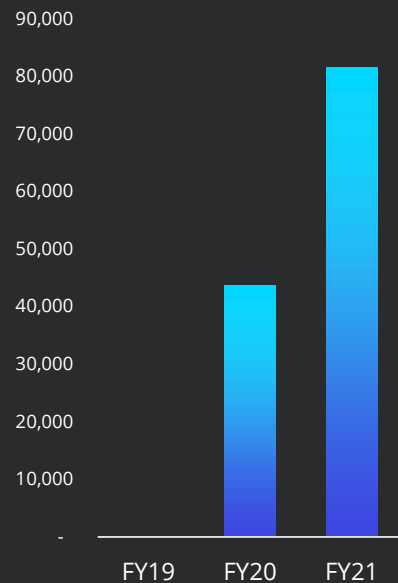
New businesses are seeing considerable traction



Bank

+86%

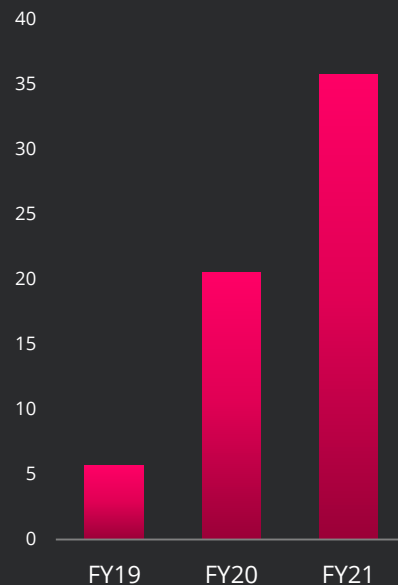
New-to-Bank Clients



Vitality Invest

+75%

New business (£m)



Vitality1

+8

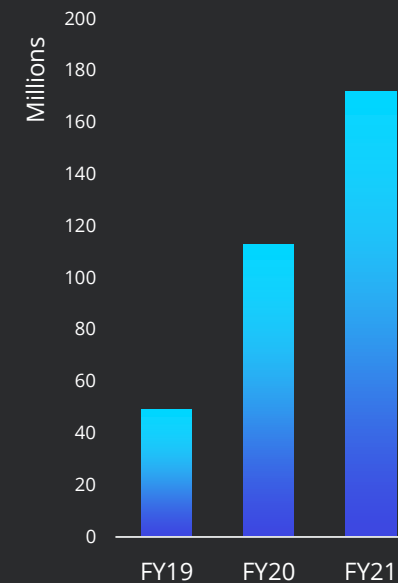
New markets launched
FY20-FY21



DBI

+52%

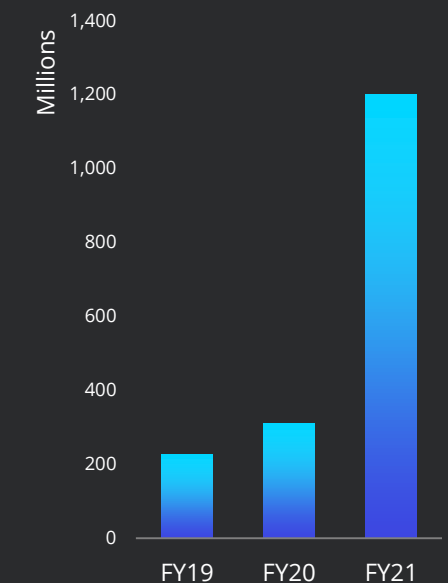
New business



Umbrella Funds

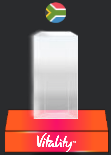
+290%

New business



2

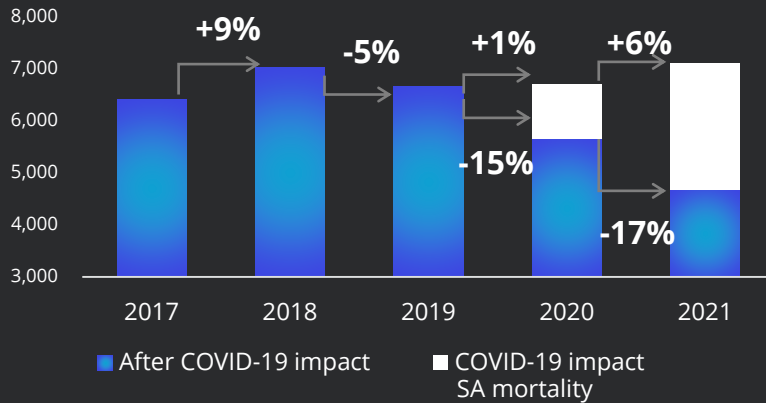
Geographic growth



Discovery

Operating profit

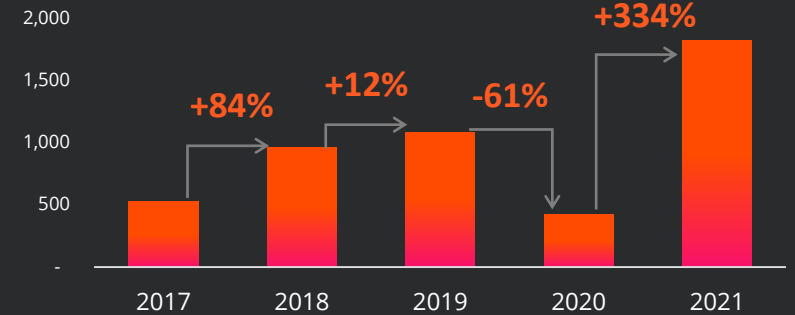
+6% to R7.1bn
(-17% to R4.7bn)



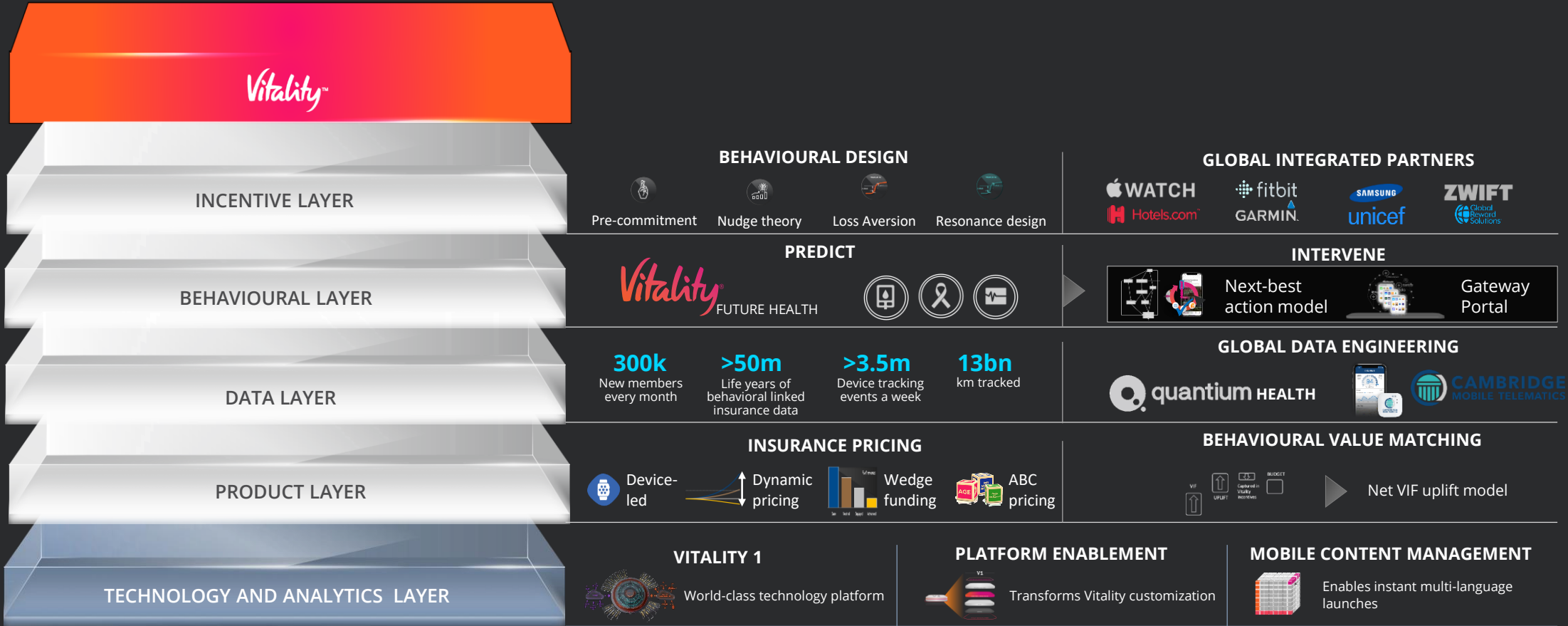
Vitality

Operating profit

+334% to R1.8bn
(28% generated offshore)



3 Platform-led growth



ENHANCED INSURANCE VALUE CHAIN



PREDICT VALUE INTERVENE



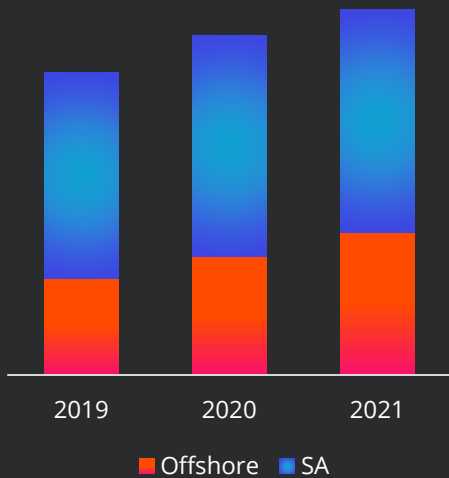
Platform seeing good engagement and growth



Platform income*

R4.0bn
+8%

Revenue through the platform (Rm)



Customer engagement

41m Impacted lives

30 Markets

12bn Average steps per day

3.5m Workouts logged per day

4k New devices registered per day

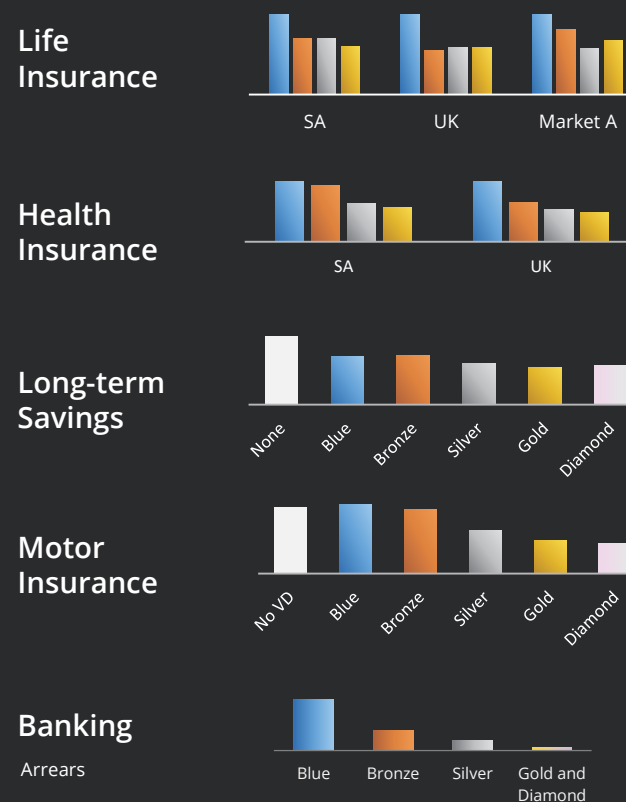
20k Health assessments per day

600k Goals achieved per week

Shared Value outcomes

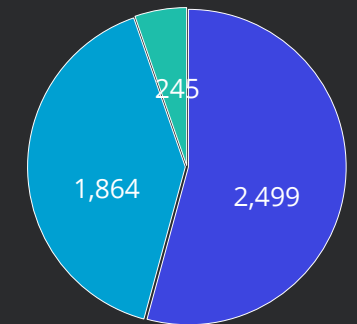
Actuarial value – initial selection, better retention, improved claims, lower prices, selective lapses

Claims ratios by status



Shared Value to customers in FY21

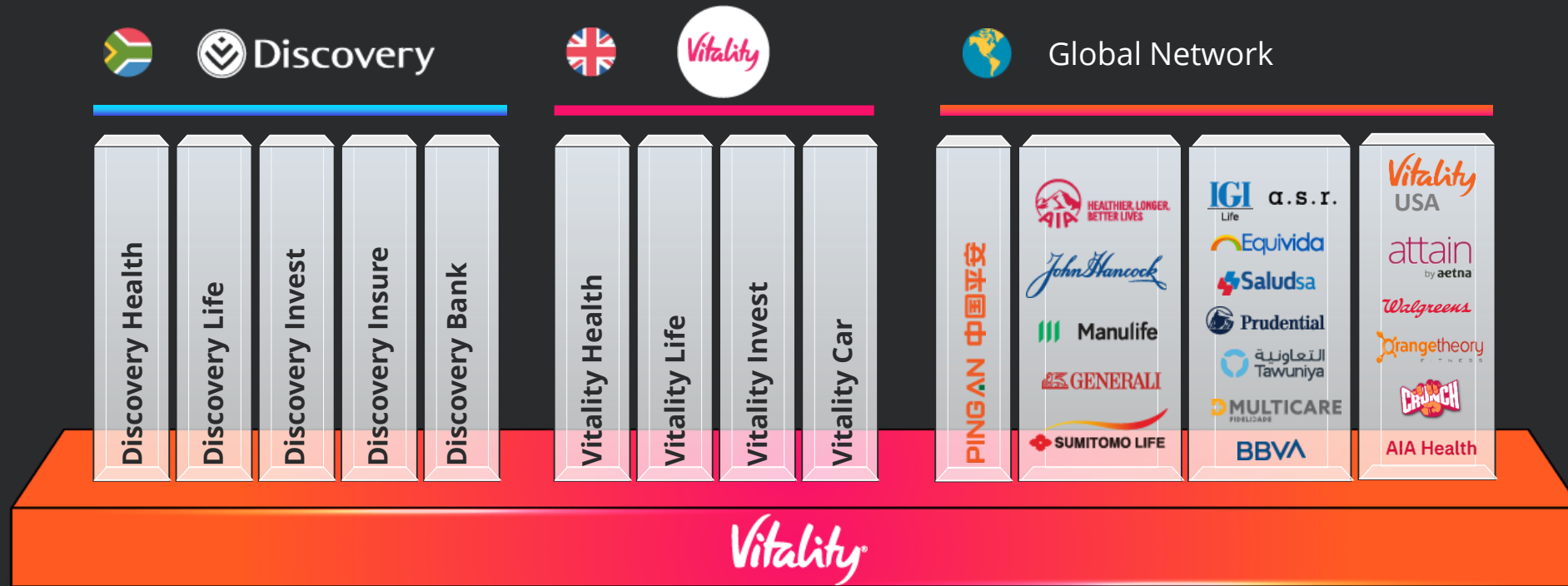
R4.6bn



■ Premium discounts
■ Cash backs
■ Boosts

*Platform income made up of Vitality membership premiums and Vitality Group revenue

Manifesting as unique composites and partnerships



- 1 Perfect composite model, #1 in every industry, and the Bank pivoting to growth as the composite-maker within SA
- 2 Best-in-breed products across businesses and operating as a fully integrated composite business with a seamless One Vitality client journey. A successful entry into motor insurance
- 3 Ping An Health delivers on its plan to become the leading health insurer in China with over 50m clients
- 4 Vitality is the world's largest and most sophisticated behavioural platform linked to financial services



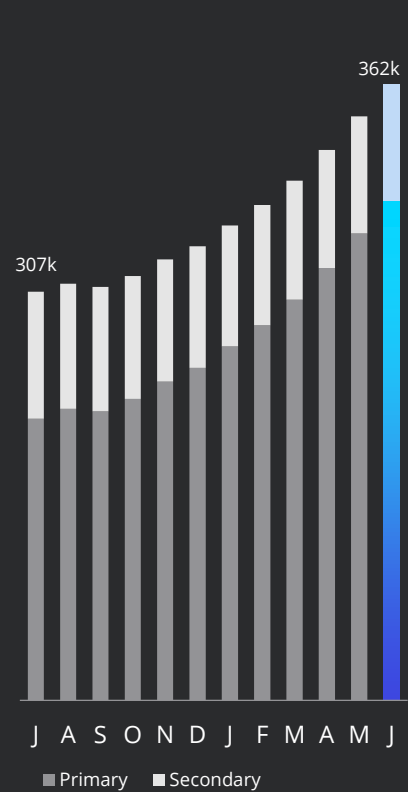
Strong high-quality client and deposit growth while deliberately pursuing a prudent, quality-focused credit strategy

Discovery Bank



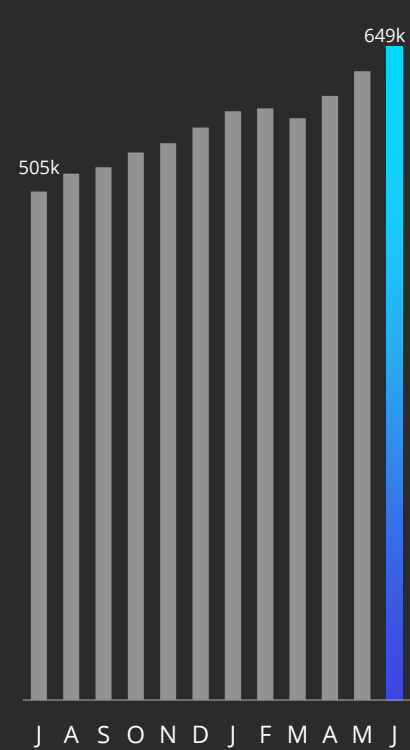
Total clients

362k



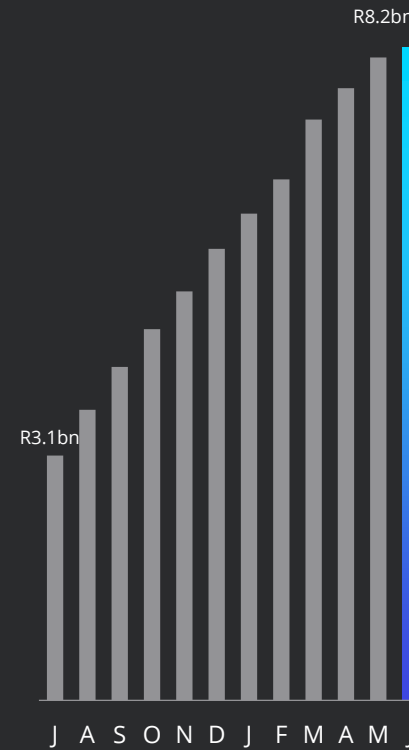
Total accounts

649k



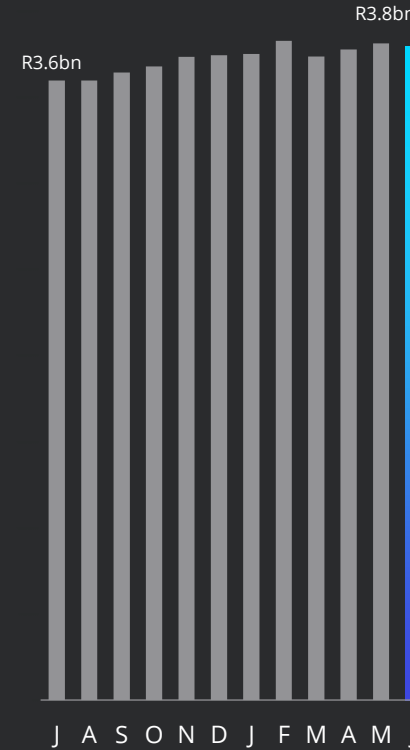
Retail deposits

R8.2bn



Advances

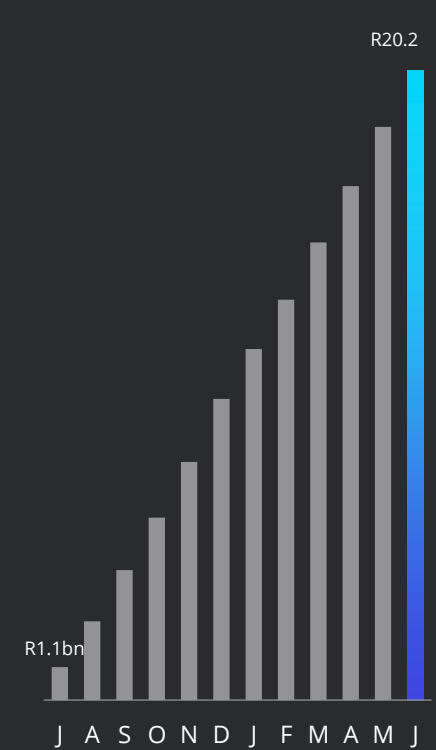
R3.8bn



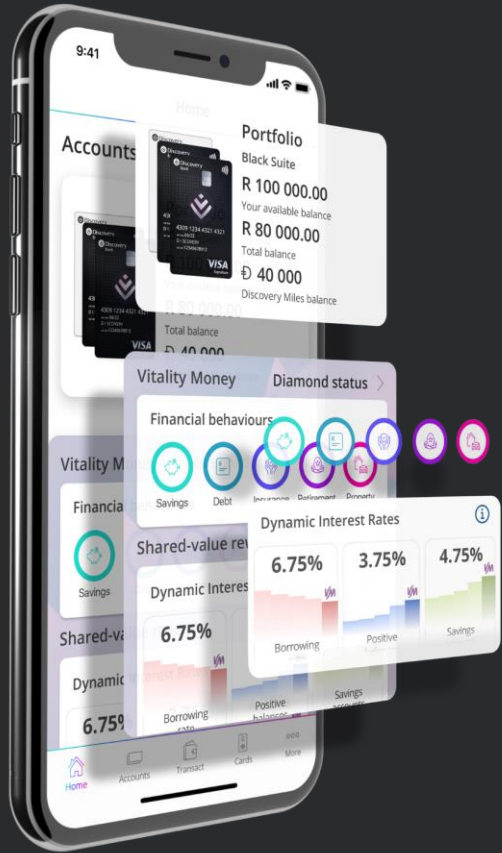
Spend

R20.2bn*

YTD spend



A full-service shared-value Bank



Vitality Money Diamond status

Interest rates: 4.25% Savings rate, 6% Credit rate

Dynamic spend discounts: 75% HealthyFood, 50% HealthyCare

Travel discounts: 15% Fuel & Uber, 75% Local flights, 50% International flights, 6 Airport lounge visits

Earn Miles for spending, exercising and driving: Earn rate 1:R15, Earn at 100% of fitness points, Earn at 100% of drive points

Miles spend discount: 5%, 10%, 15%, 20%

Additional banking features: Instant Account Opening, Instant Credit Approval, Single Credit Facility, Account Management, Apple Pay, Discovery Pay, Health Pay, Virtual Card, Smart Vault, Smart Search, Apple benefit, Relationship Banker

Banking ecosystem

Behavioural

Functionality

Strategic focus areas

- 1 High-quality client growth ●
- 2 Attracting deposits ●
- 3 Growing quality advances ●
- 4 Powerful shared-value fundamentals and currency ●
- 5 Market-leading functionality ●

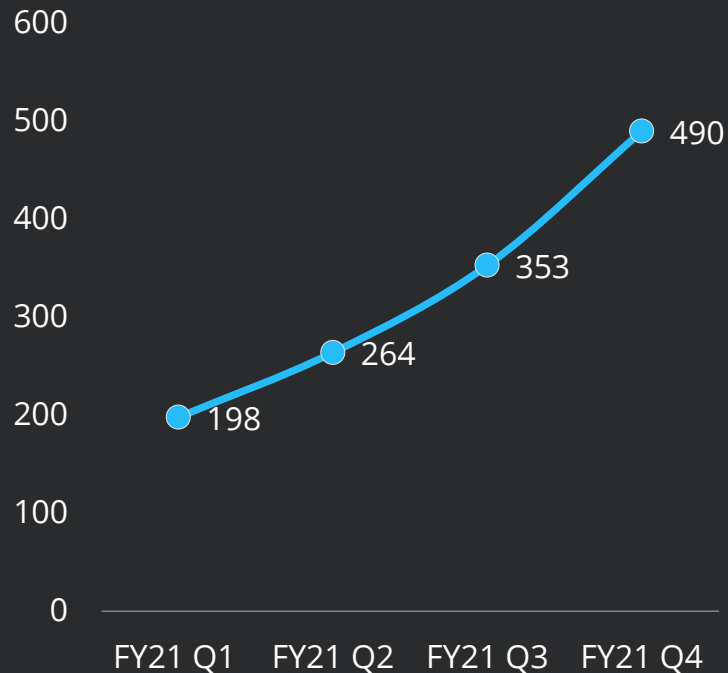
1. Strong growth to ±500 average daily sales with high-quality growth



New-to-Bank daily sales

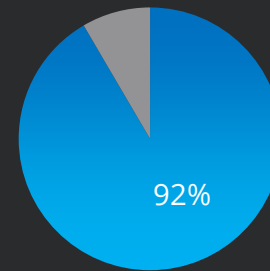
±500 average daily new-to-Bank sales

Achieved the medium-term targets



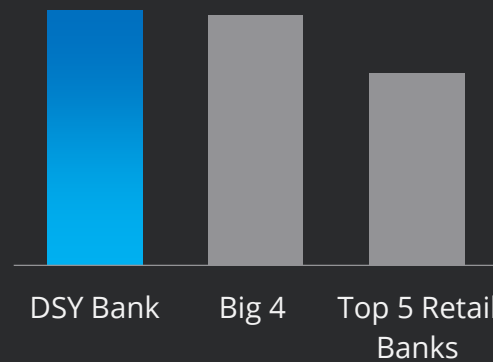
Quality client growth

Primary versus secondary clients



■ Primary ■ Secondary

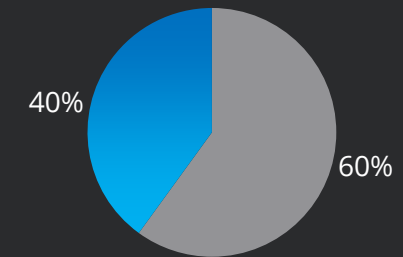
Average NIR per client per month



Big 4 and Top 5 NIR is the client-weighted average
 Big 4 include Standard Bank, FNB, ABSA and Nedbank
 Top 5 Retail Banks include Standard Bank, FNB, ABSA, Nedbank and Capitec

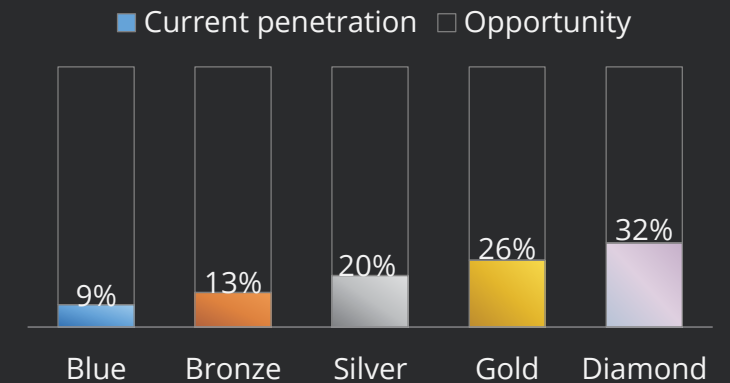
Opportunity within DSY and non-DSY client base

DSY product uptake – Bank new business



■ Bank client with DSY products ■ Bank only

Vitality penetration



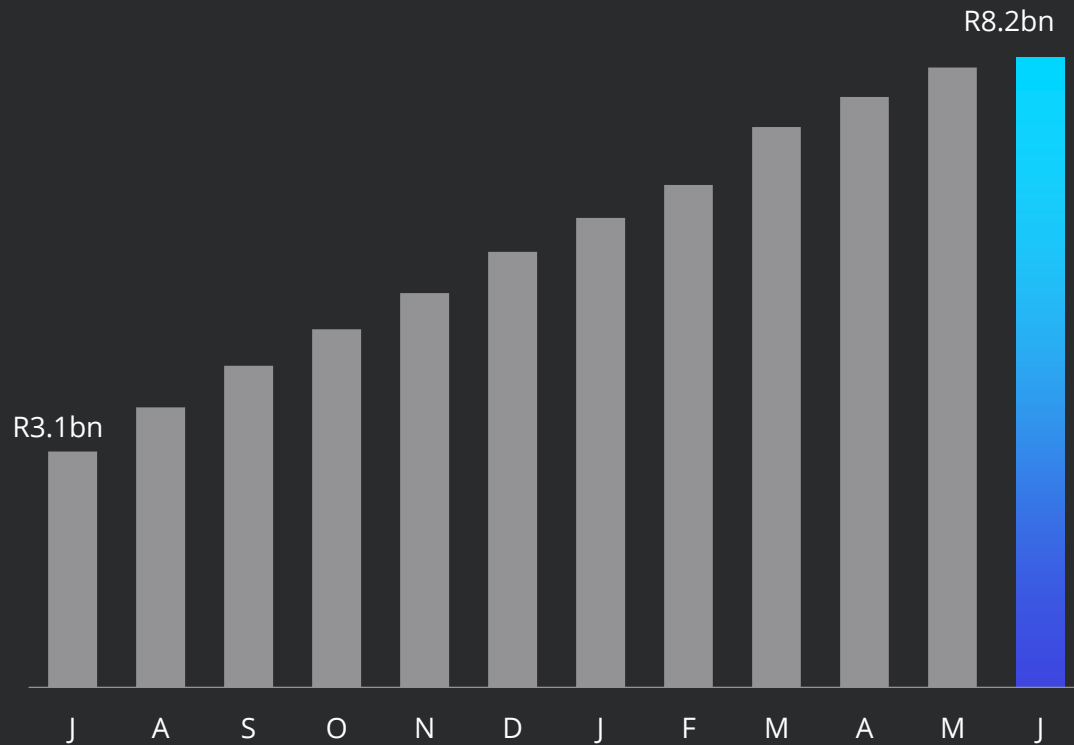
2. Deposits have continued their strong growth trajectory



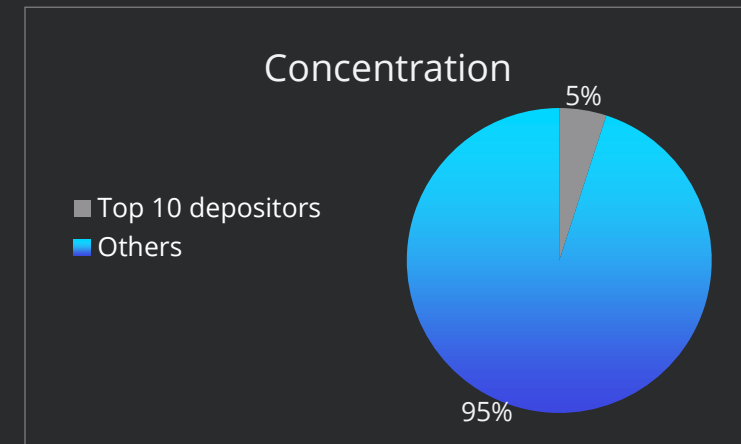
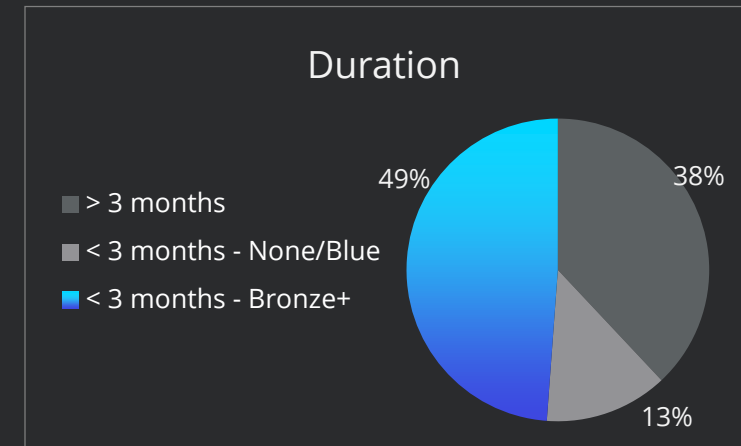
Consistent growth in retail deposits

R8.18bn

Growth of 167% from July 2020 to June 2021 vs 7% for the market



Deposits are sticky and diverse

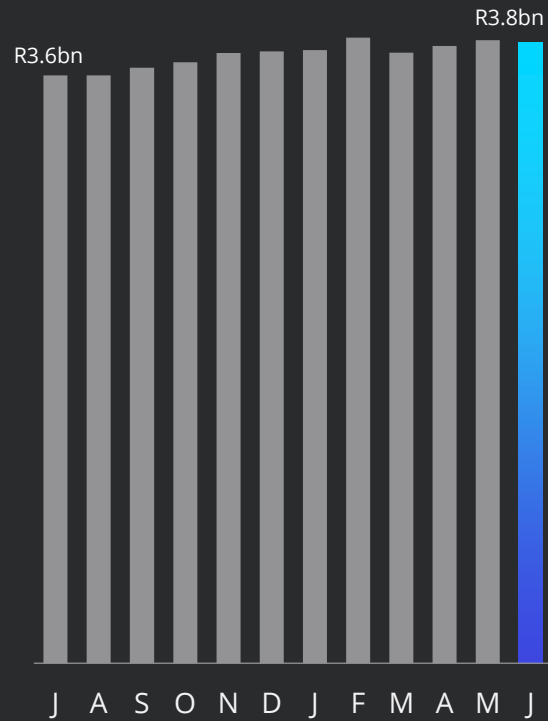


3. Deliberate decision to pursue a prudent, quality-focused credit strategy

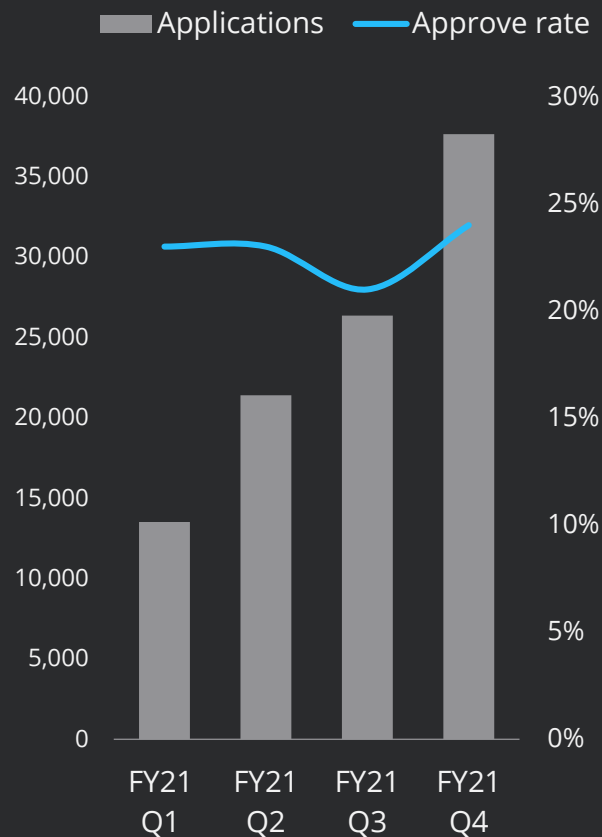


Retail advances

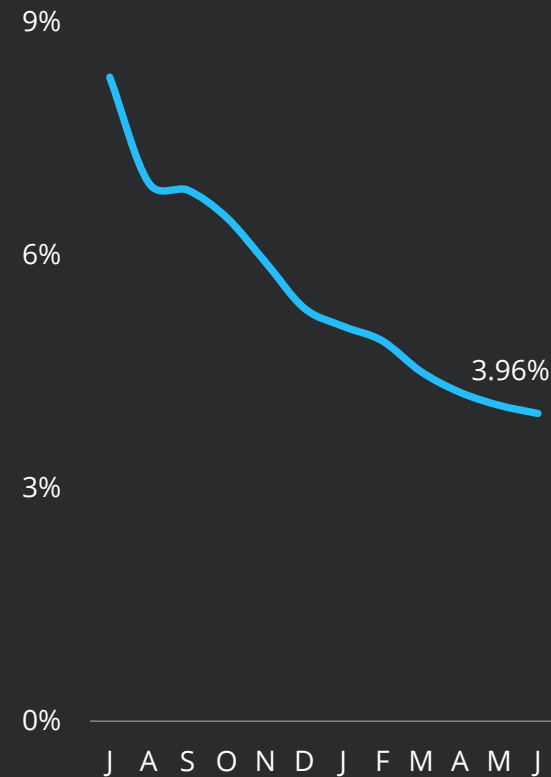
Growth of 5% from July 2020 to June 2021 – above market growth of 4.5%



New-to-Bank credit application metrics

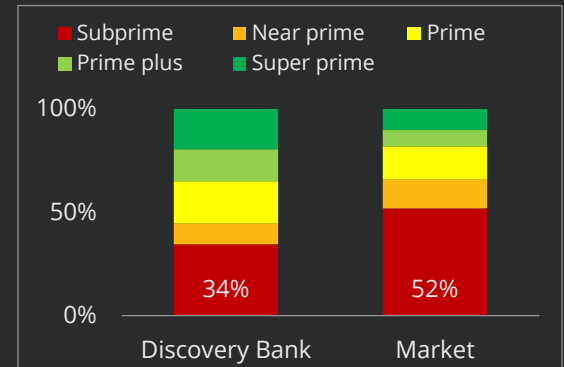


Credit loss ratio (excl. COVID-19 overlay)

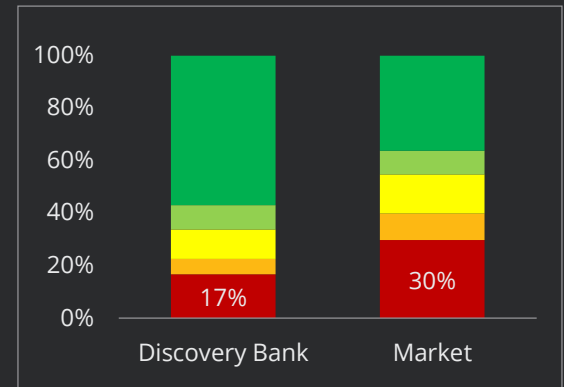


Superior credit risk metrics

NEW CLIENTS RISK DISTRIBUTION
JAN - MAR 2021



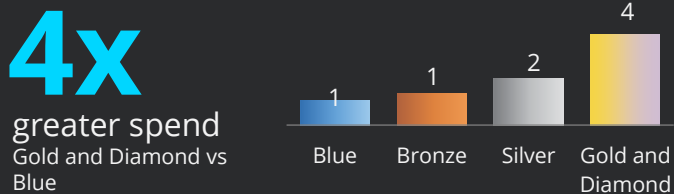
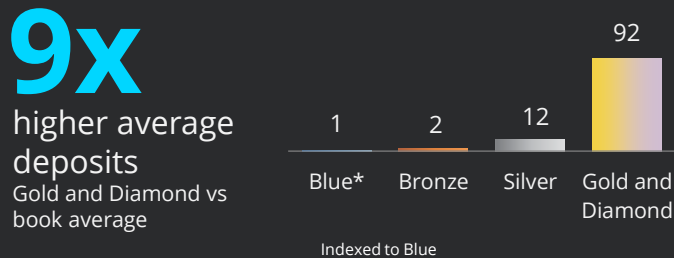
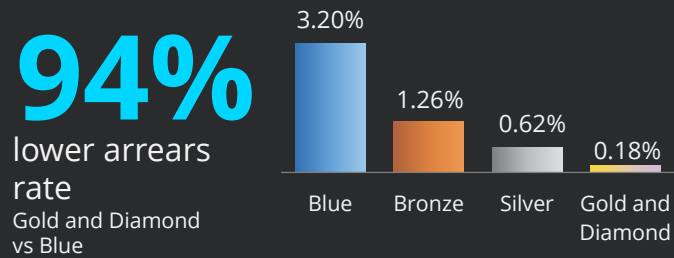
EXISTING CLIENTS RISK DISTRIBUTION
JAN - MAR 2021



4. Shared-value fundamentals emerging as expected with Discovery Miles as a powerful currency



Shared-value fundamentals



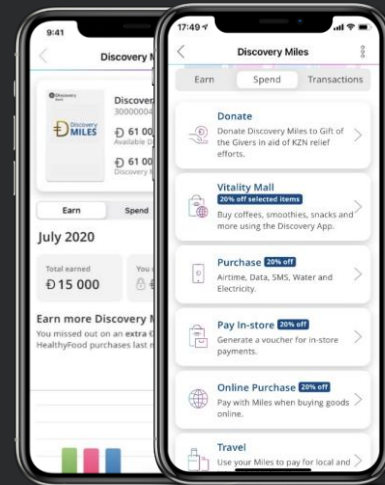
The Discovery Miles currency is central to the Bank's ecosystem and the SA composite

Earn Miles



Spend Miles

- Physical activity
- Drive
- Spend
- Healthy living



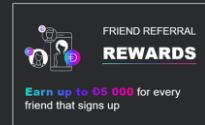
- Online and in-store
- Prepaid products and services
- Travel
- Transfer and convert

Get up to **20% discount** when you spend Discovery Miles in the Vitality Mall, online and on prepaid products and services

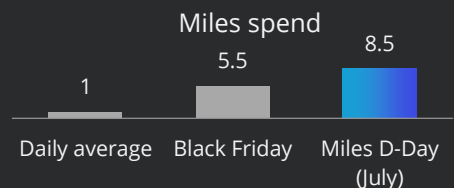


Continuous innovation

New ways to earn Miles




New ways to spend Miles




5. Differentiated, market-leading functionality with a focus on digital sophistication




Continued innovation Innovations successfully rolled out

- 


Account origination

 - ✓ Sign up 24/7/365 in <5 mins
 - ✓ Transact immediately with a Virtual Card
- 


Payments

 - ✓ Apple Pay
 - ✓ Discovery Pay
- 


Account management

 - ✓ Seamless account setup
 - ✓ Manage accounts and cards in-App
- 


Service

 - ✓ Live Assist
 - ✓ 24/7/365 online
- 

Rewards

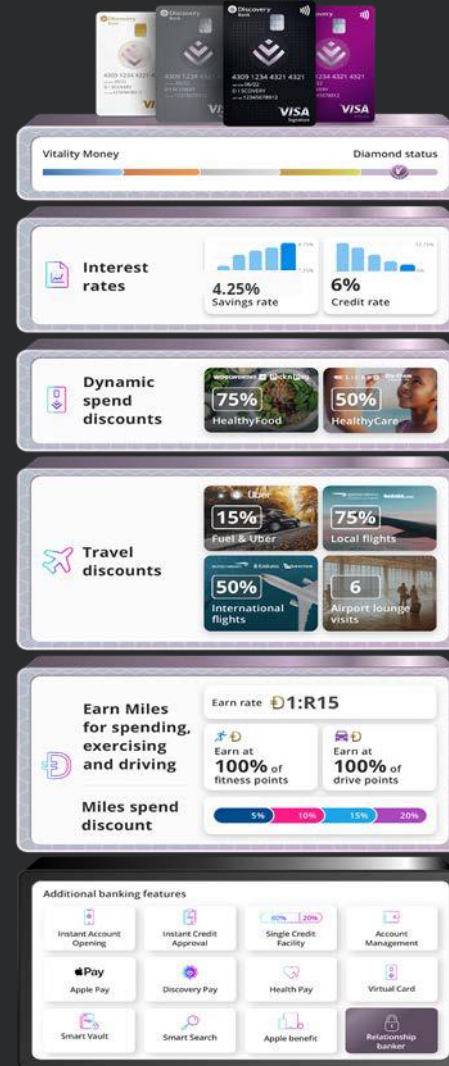
 - ✓ Shared-value stack: Interest rates, shopping & retail discounts
 - ✓ Miles more valuable than cash at a broad partner network
- 

Travel

 - ✓ Discounts on local and international flights
 - ✓ Lounges
 - ✓ FastTrack
- 

Security

 - “Four-Factor protection”:
 - ✓ Smart delays: Geo-fencing and AI account monitoring, hard daily transfer caps, distressed facial recognition

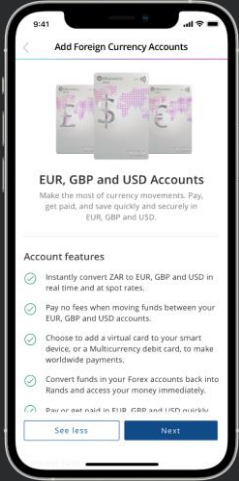


Continued innovation

Several enhancements being rolled out in September

Examples; not exhaustive

Forex proposition

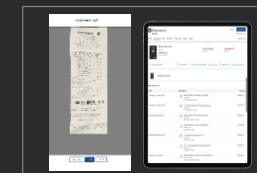


- 1 Simple account opening in under two minutes
- 2 Real-time exchange rates and transactions
- 3 Easily manage foreign currency allowances

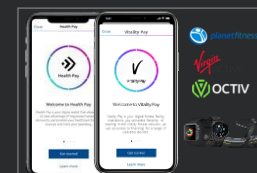
Financial Analyser



Smart Vault



Health Pay and Vitality Pay





Continued operational excellence, growth in DHMS lives and providing significant support to members and society

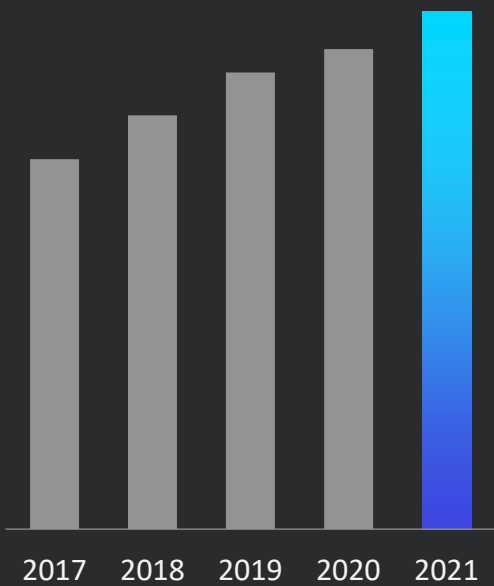
Discovery Health



Normalised operating profit

+7%

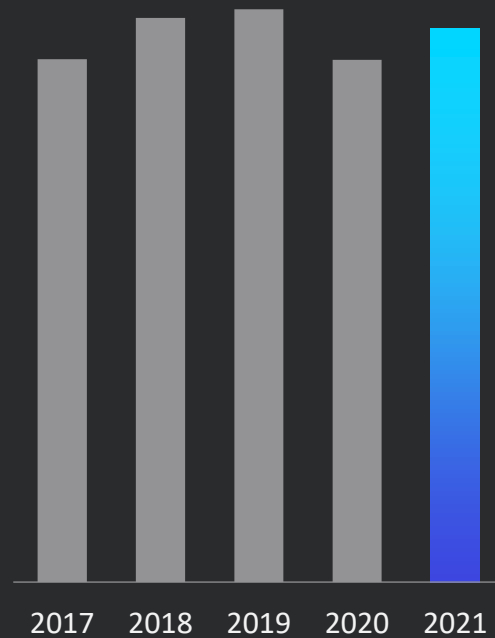
to R3 423m



New business

+6%

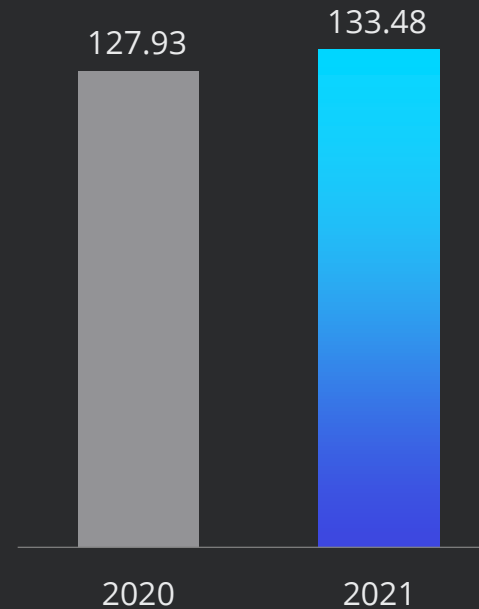
to R6 453m



Direct manex

Rm (plpm)

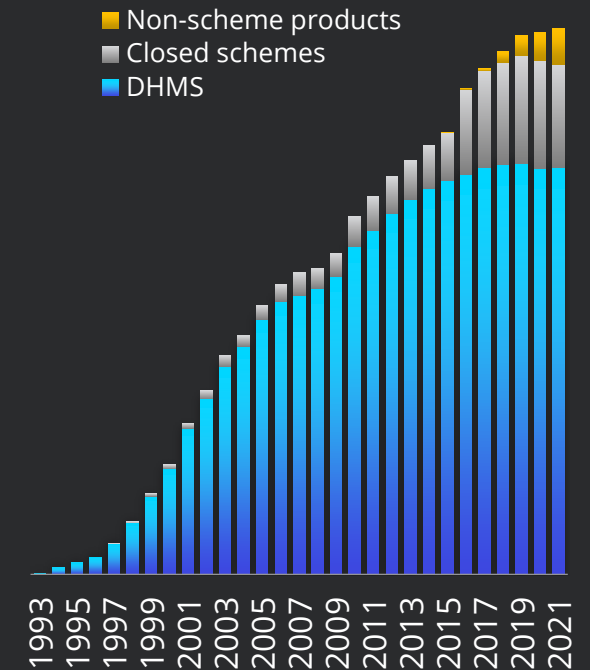
+3%



Membership

>3.7m

lives under administration



Discovery Health Medical Scheme performance summary



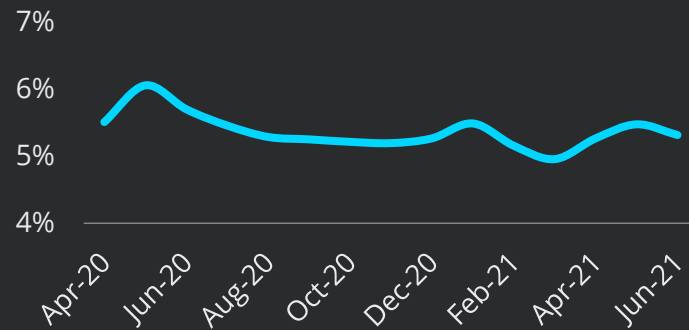
Growth and stability

>2.75m lives¹

57% market share²

5.2% lapse rate¹

Debit order rejections



Value

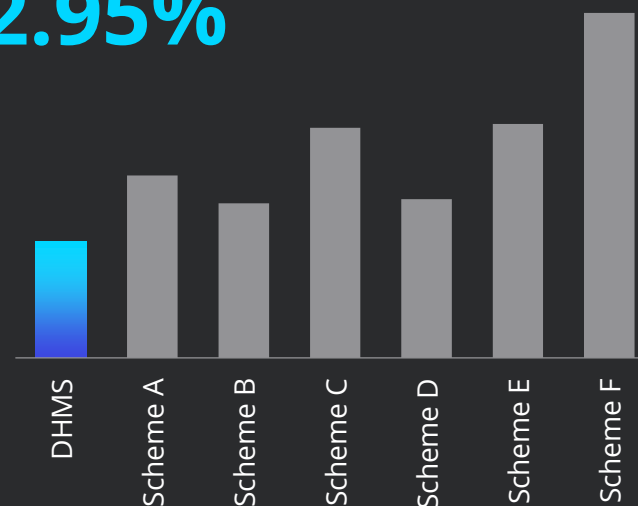
Delayed contribution increase

R2.2bn

Contribution savings for DHMS members

2021 weighted average increases

2.95%



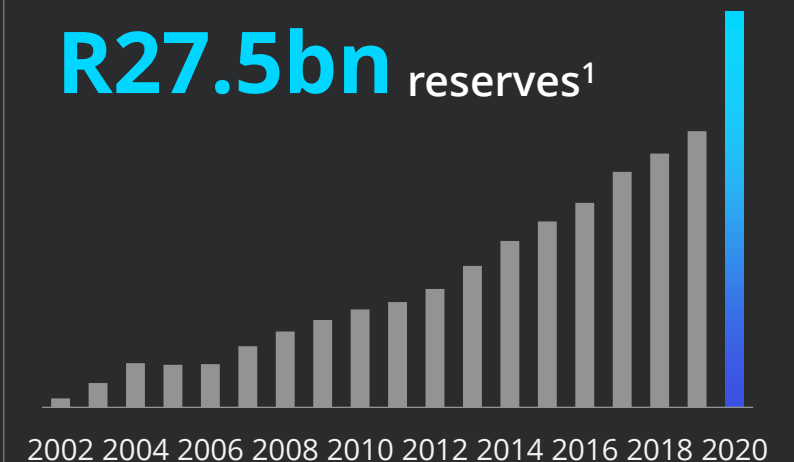
Security

36.9% Solvency¹

AAA GCR credit rating¹

Reserve build-up

R27.5bn reserves¹



Source: Discovery Health Medical Scheme and the Council of Medical Schemes

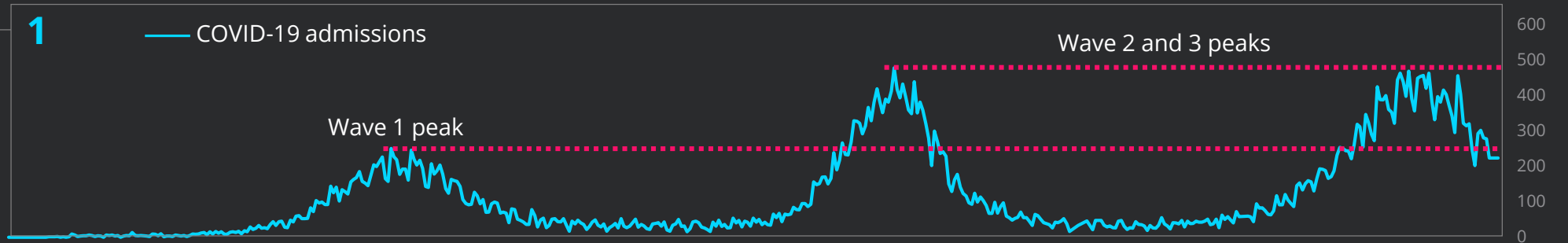
¹ As at 31 December 2020

² Based on beneficiaries, according to the Council for Medical Schemes Quarterly Report for the period ended 30 September 2020

Utilisation patterns, which are the main driver of medical inflation, have been disrupted



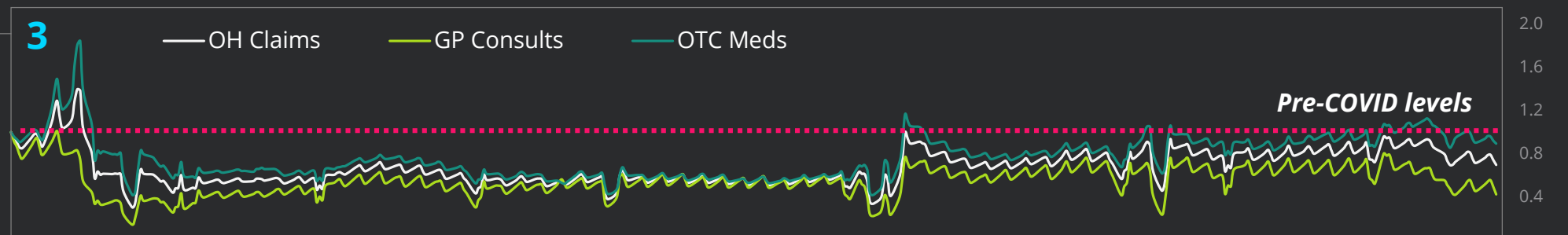
COVID-19 ADMISSIONS



IN-HOSPITAL CARE



OUT-OF-HOSPITAL CARE



Mar - 20 May - 20 Jul - 20 Sep - 20 Nov - 20 Jan - 21 Mar - 21 May - 21 Jul - 21

Emerging non-COVID-19 utilisation patterns over the period



2 IN-HOSPITAL CARE

Reduced across the board, with a shift from large acute hospitals to smaller day surgery type facilities



3 OUT-OF-HOSPITAL CARE

Starting to increase, with increased care at home and changes in health-seeking behaviour



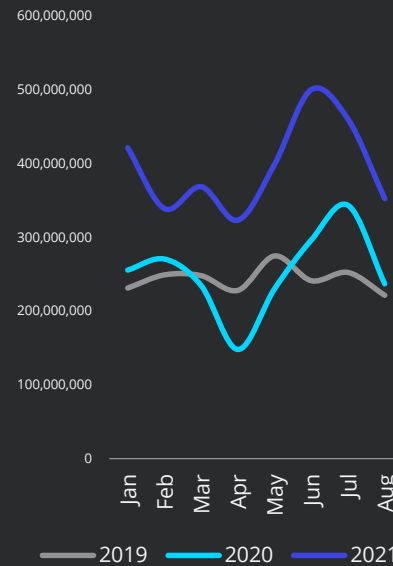
Decline in discretionary medical admissions

- Cardiac catheterisation Admissions ↓**21%**
- Endoscopies Claimants ↓**27%**
- Tonsillectomy and adenoid Admissions ↓**61%**
- Spinal medical procedures Admissions ↓**29%**

Decline in maternity-related utilisation

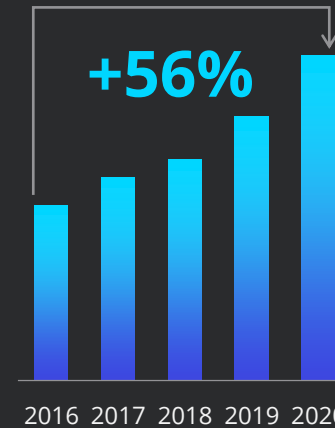
- Admissions average LOS ↓**6%**
- Neonatal admissions ↓**14%**
- % Pre-38 week births ↓**14%**
- NICU admissions ↓**3.2%**

Spike in pathology claims



Move to care outside large hospitals

Proportion of admissions occurring in a day clinic



Decline in preventative and screening care

- Depression registrations ↓**20%**
- Breast cancer screening ↓**55%**
- Diabetes management ↓**27%**

Accelerated digitisation of the healthcare system | DH ideally positioned

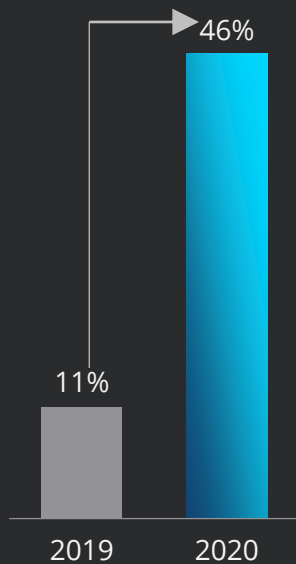


Global expansion of digital healthcare

Evidenced by telemedicine use

Growth in provider remote consults 2019 to 2020
~ 50 - 175 x

% of US consumers using telehealth

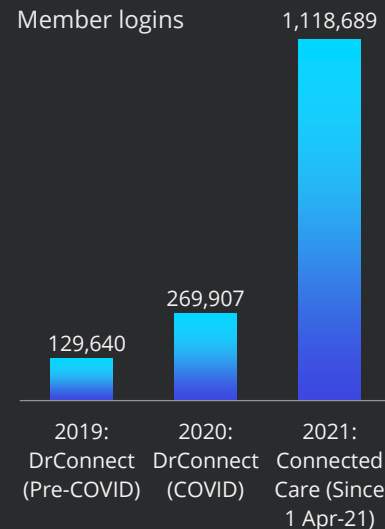


Discovery Health has a fully integrated digital healthcare platform

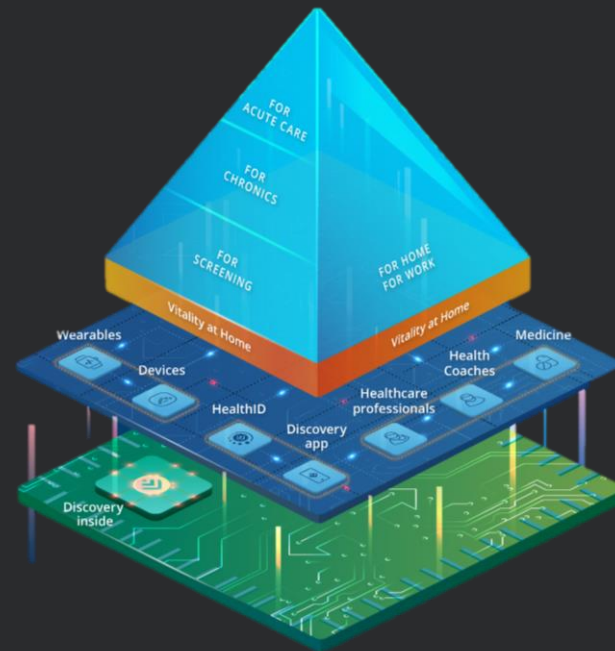
Platform achieved scale through vaccination journey

Ecosystem has a comprehensive patient record, and connects the communities of doctors, members and case managers across a common platform with integration to various parts of the medical system

DH is already deploying AI and digitisation for homecare and enhanced quality



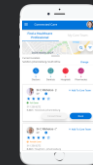
Connected Care **1.01m** logins
 Vaccine Navigator **3.68m** logins



Detailed medical examinations and advanced virtual consultations



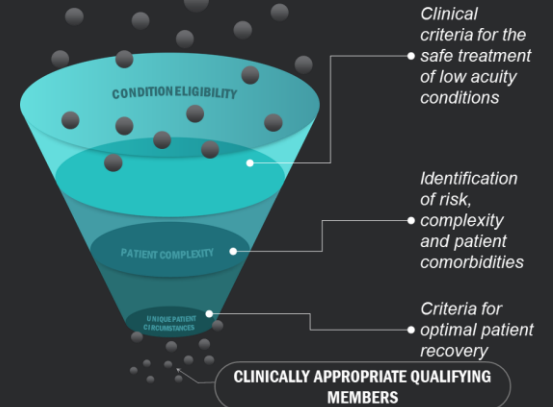
24/7 doctor support



End-to-end digital experience



Convergence of clinical and data insights to offer high quality care at home





Significant **negative COVID-19 mortality impact** but delivering **excellent retention experience** and **maintaining financial strength**

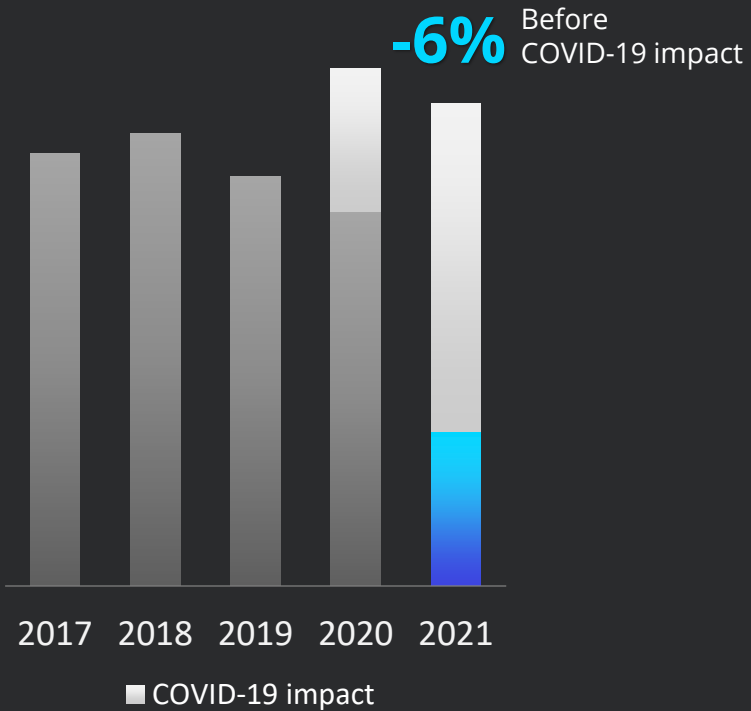
Discovery Life



Normalised operating profit

-55%

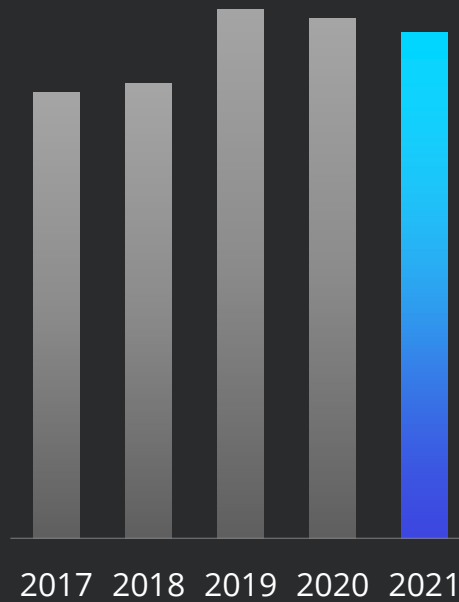
to R1 341m



New business API

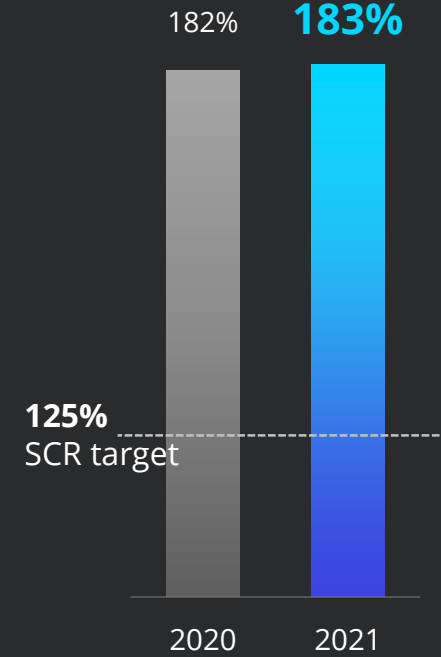
-1%

to R2 264m



Strong capital and liquidity position

SCR coverage



Liquidity coverage

7x FY21 net cash outflow



Discovery Life gross COVID-19 claims



FY 2020

Individual (Rm)	31
Group (Rm)	24
Total (Rm)	55

FY 2021

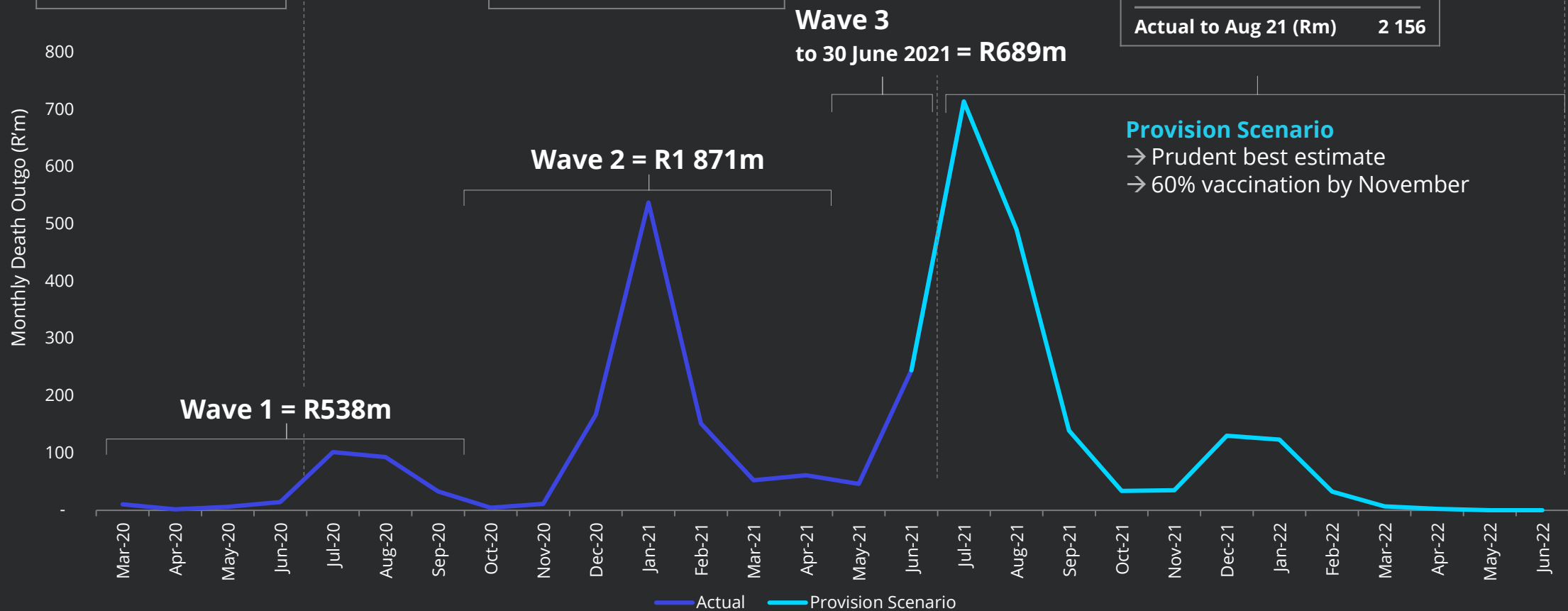
Individual (Rm)	2 207
Group (Rm)	835
Total (Rm)	3 042

FY 2022*

Individual (Rm)	2 253
Group (Rm)	866
Total (Rm)	3 119
Actual to Aug 21 (Rm)	2 156

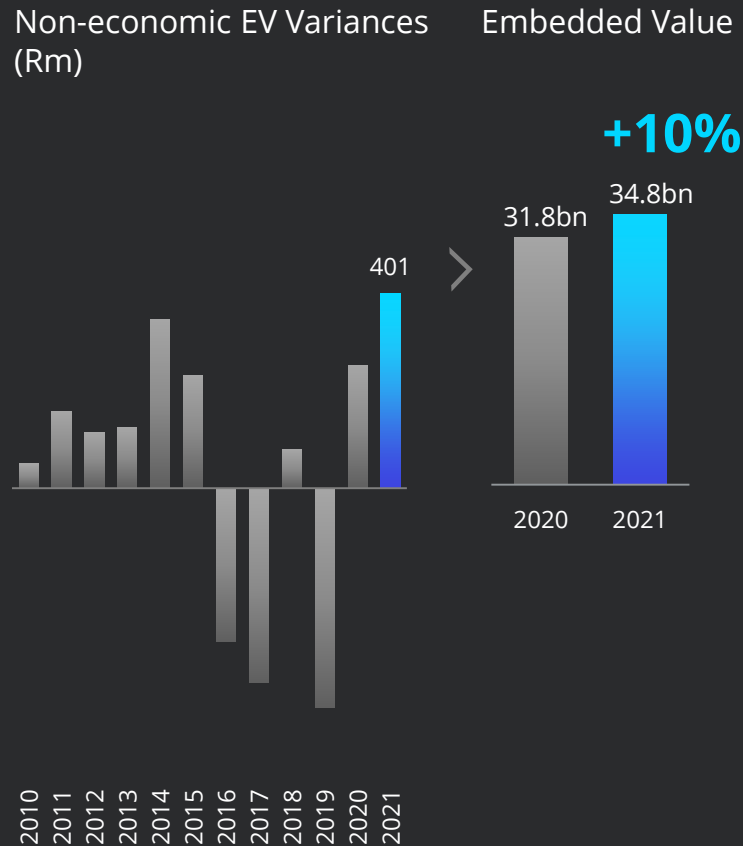
Total (Rm)

4 491
1 725
6 216

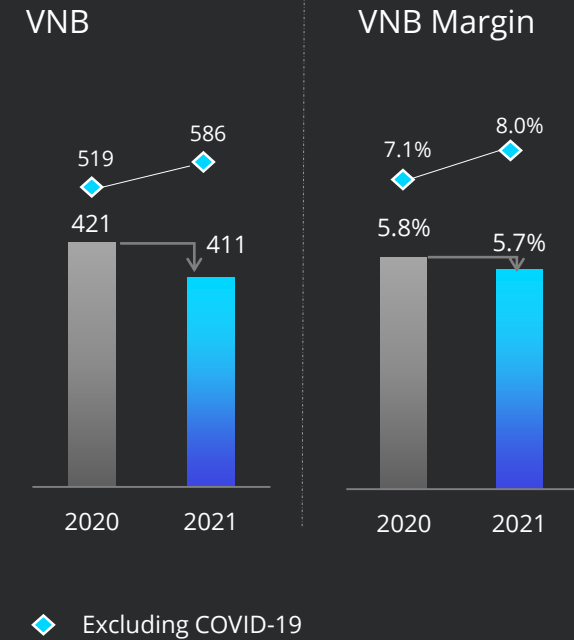


Robust embedded value growth driven by positive operating variances with continued exceptional persistency experience

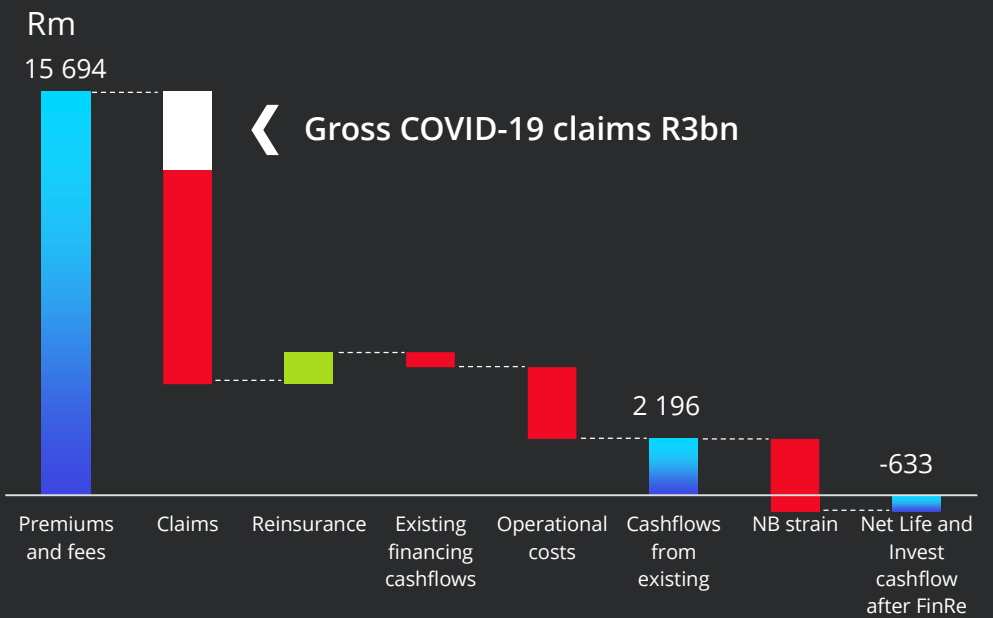
Maintained strong positive operating variances



VNB impacted by lower volumes and COVID-19 provision strengthening



Cashflow impacted by COVID-19 claims

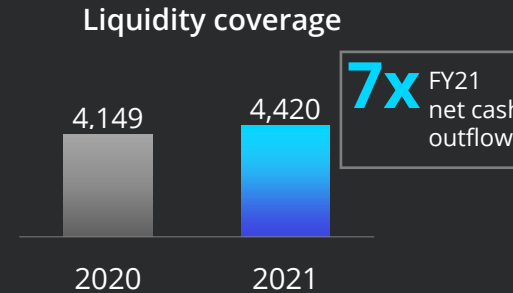
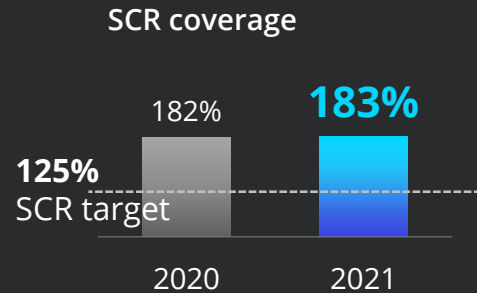


Overall COVID-19 impact on cashflow of cR1.5bn net of all risk and financial reinsurance

Looking ahead and optimising Life insurance post the 3rd wave



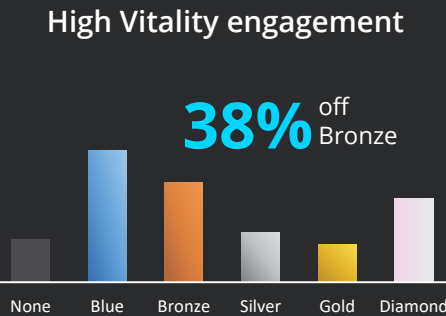
1 Well capitalised and highly liquid



Back book cash generation

Supported strong back book cash generation: **>R15bn premium income**

2 Highly engaged and vaccinated client base



Actively driving vaccinations

% Life book vaccinated to date	Count basis	Sum assured basis
% of total book	57%	62%
% of 60+ years	73%	77%
% of 50+ years	69%	71%
% of 35+ years	63%	66%

3 Products adjusted for COVID-19

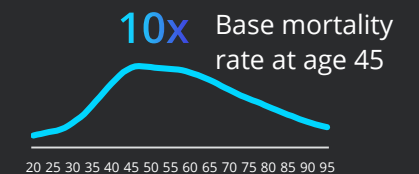
Differentiate between vaccinated/unvaccinated lives



Product features

VACCINATION MAX
PAYBACK
OFFER

Understanding relative COVID-19 risk across age bands





Strong earnings growth, retention and excellent investment returns for customers. New business growth curtailed by lower guaranteed plan sales

Discovery Invest

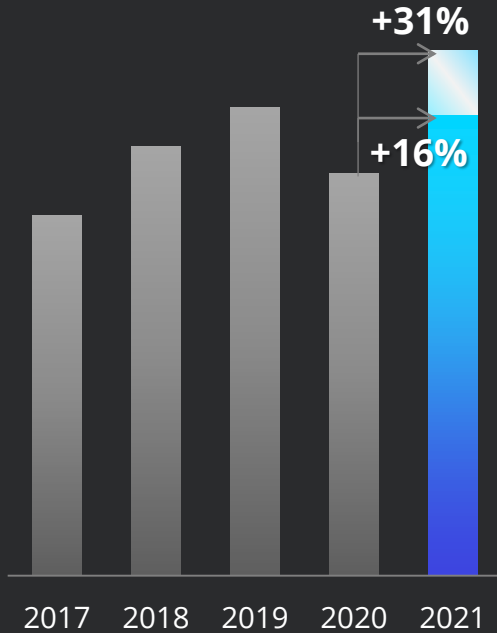


Normalised operating profit

Rm

+31%

to R1 084m

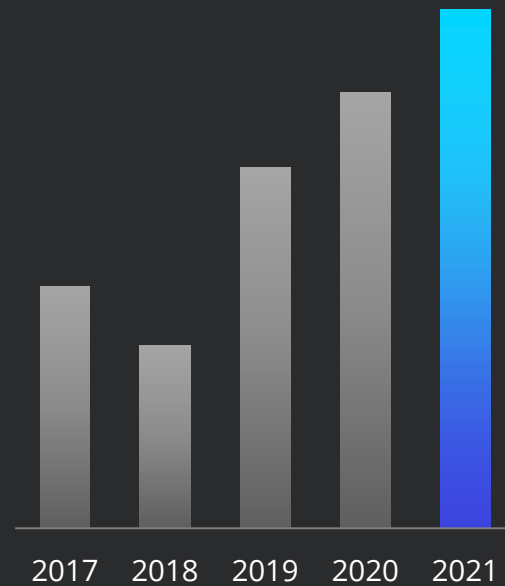


New business

Rm

+3%

to R2 737m

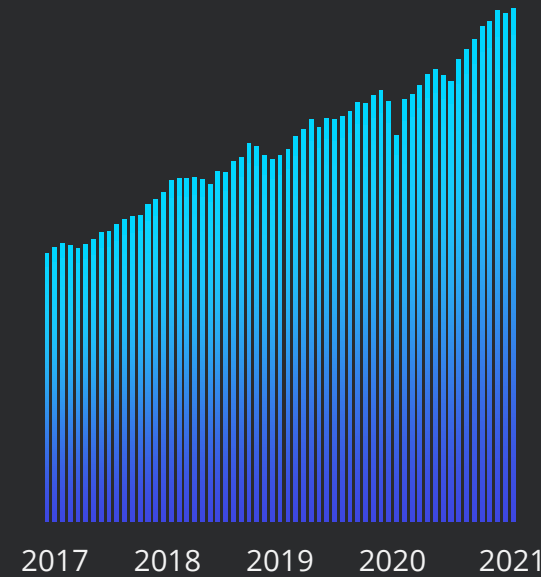


Assets under administration

Rbn

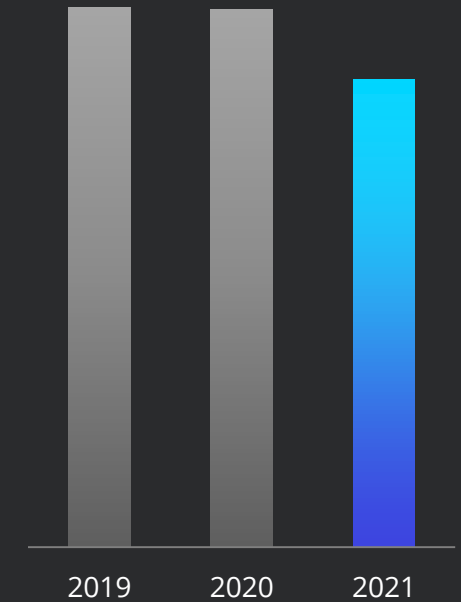
+18%

to R117bn



Lapse rates

-13%



■ Non-recurring profit contributions, include release of COVID lapse provisions and GILF matching profits

Key highlights over the past financial year



12% increase in linked product sales

More profitable business sold over the last financial year, with offshore sales up **81%**

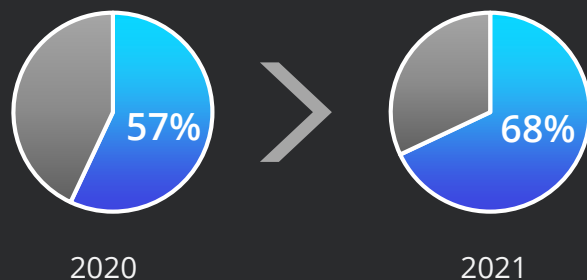
BlackRock

Goldman Sachs
Asset Management

Ninety One



Linked products as proportion of new business



Strong investment performance

Multi-asset

	One year	Three year	Five years
Discovery Dynamic Asset Optimisers			
Conservative	Q1	Q1	Q1
Moderate	Q2	Q1	Q1
Aggressive	Q1	Q1	Q1
Discovery Balanced Funds			
Balanced	Q2	Q2	Q2
Moderate Balanced	Q2	Q2	Q1
Cautious Balanced	Q2	Q1	Q1

Local single-asset*

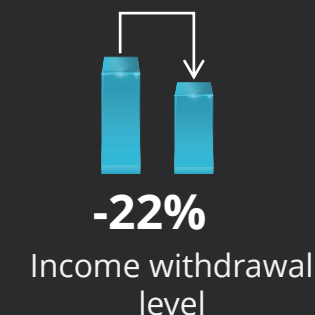
- 22%** Equity
- 26%** Flexible Property

Global equity*

- 16%** Equity Feeder
- 34%** Value

*Growth over one year

Shared value continues to drive good outcomes





Strong top-line growth and robust underwriting performance with earnings impacted by lower investment yields

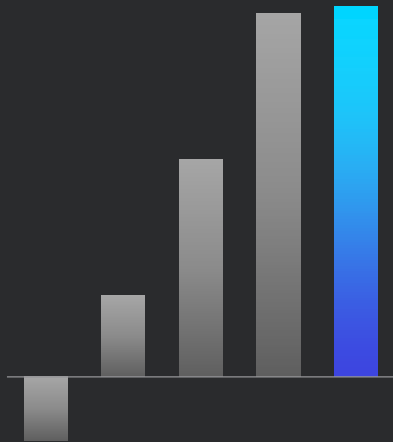
Discovery Insure



Normalised operating profit

+2%

to R250m
(excl. Commercial)

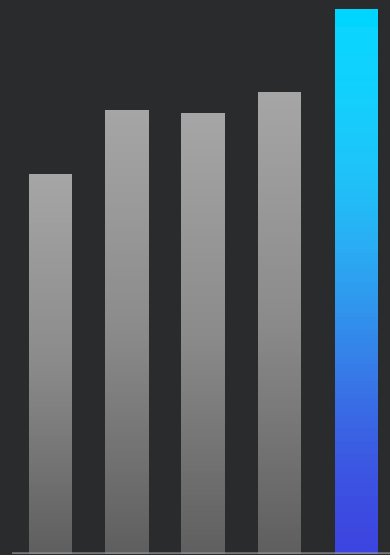


2017 2018 2019 2020 2021

New business

+18%

to R1 287m*

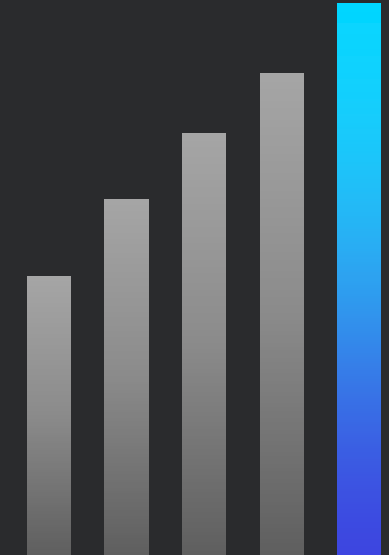


2017 2018 2019 2020 2021

Gross written premium

+15%

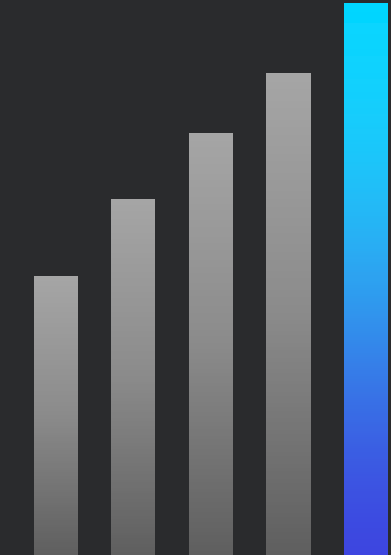
to R4 205*



2017 2018 2019 2020 2021

Market share in GWP

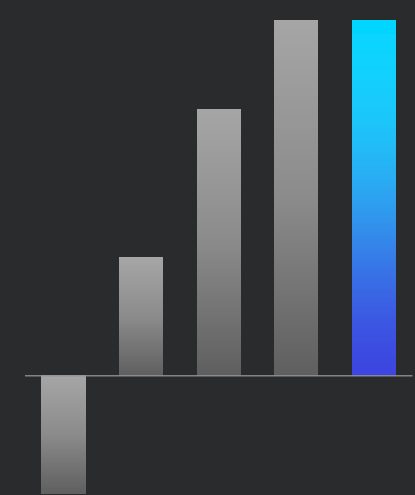
7%



2017 2018 2019 2020 2021

Operating margin*

6%



2017 2018 2019 2020 2021

*Personal Lines only

Personal Lines only. Assumes 6% in GWP market growth since 2018

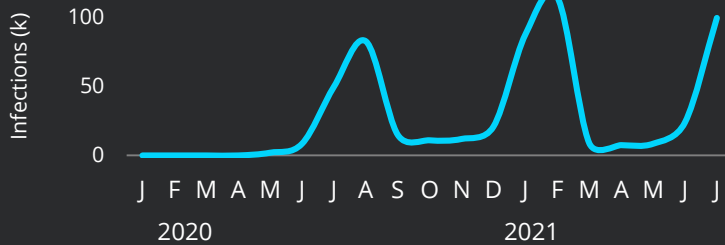
Analysing the profit dynamics



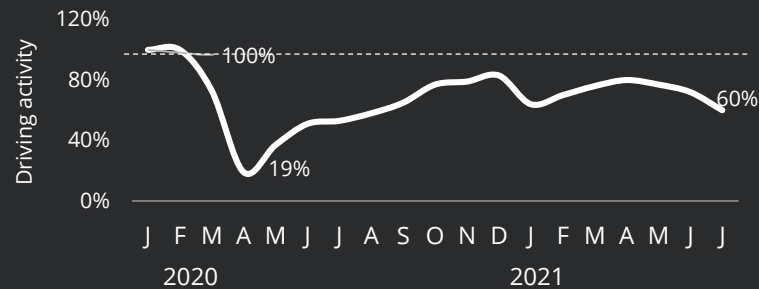
COVID-19 had an impact on driving, claims and profit in FY21

$$\begin{array}{rcl}
 \mathbf{R114m} & - & \mathbf{R58m} & = & \mathbf{R56m} \\
 \text{additional} & & \text{additional} & & \text{additional} \\
 \text{profit} & & \text{rewards given} & & \text{actual profit} \\
 & & & & \text{(R59m in FY20)}
 \end{array}$$

Infections

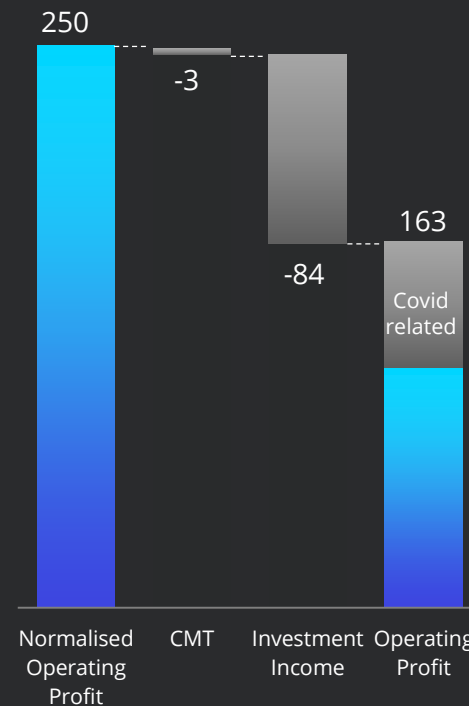


Driving Activity v regular levels

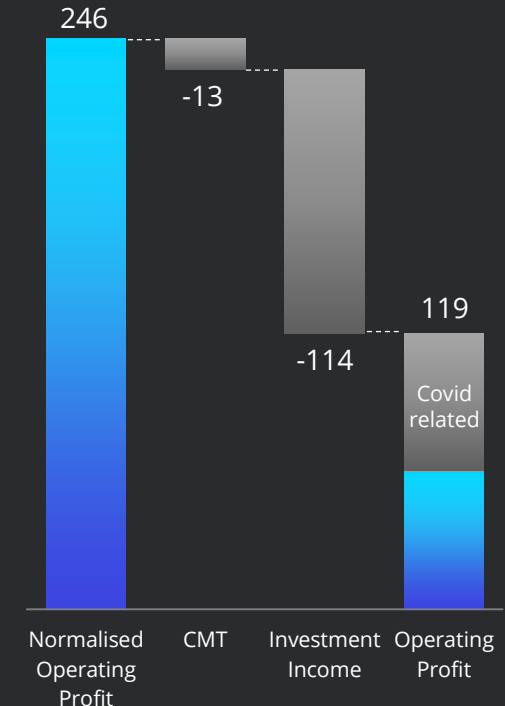


Profit composition reveals a strong increase in core operating profit (Rm)

FY21



FY20

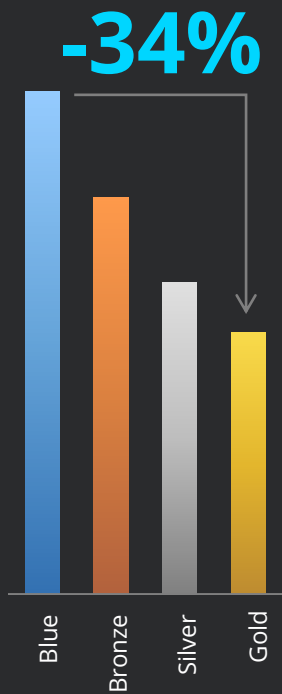


The Vitality Drive model improves each year

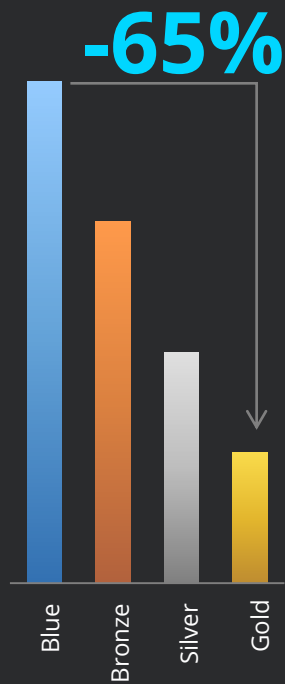


Status correlations well established

Loss ratio by status



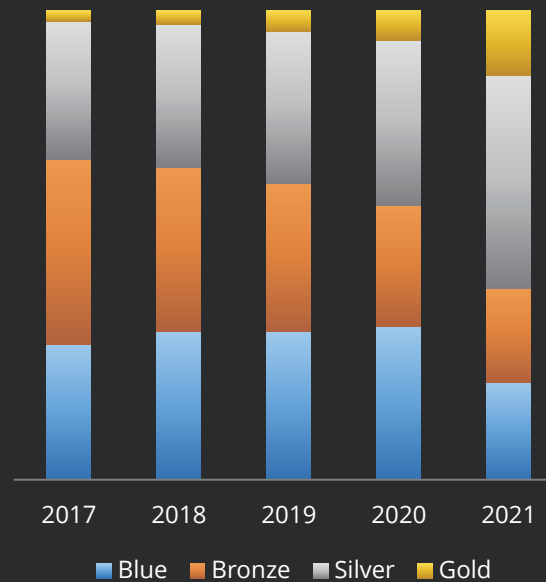
Lapse ratio by status



Improved status distribution leverages these dynamics

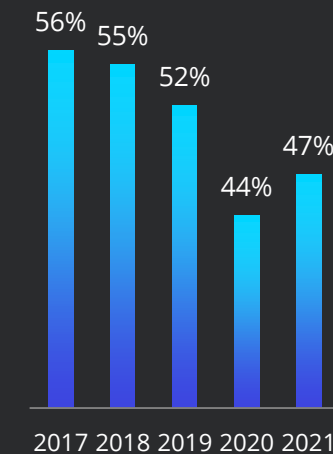
28%

proportion of book shifted over 4 years to Silver and up

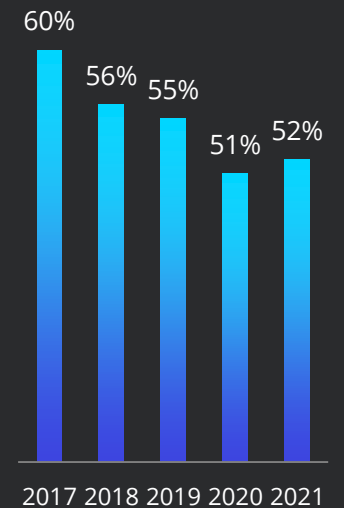


This manifests iteratively in an improving claims ratio

Motor claims ratio

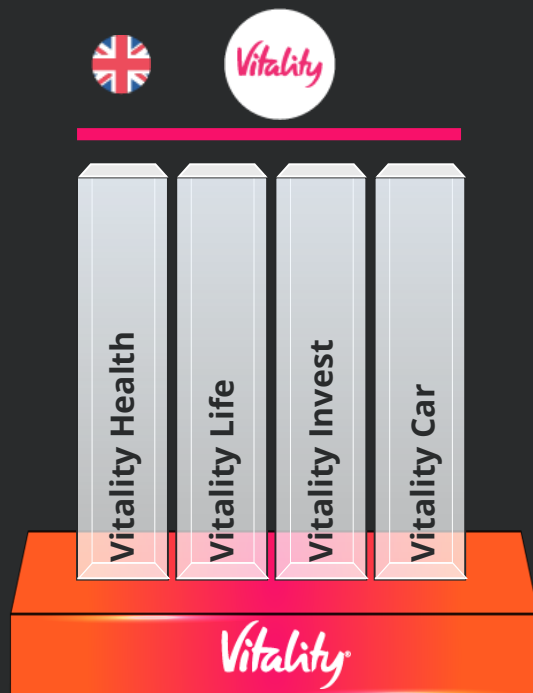


Total claims ratio





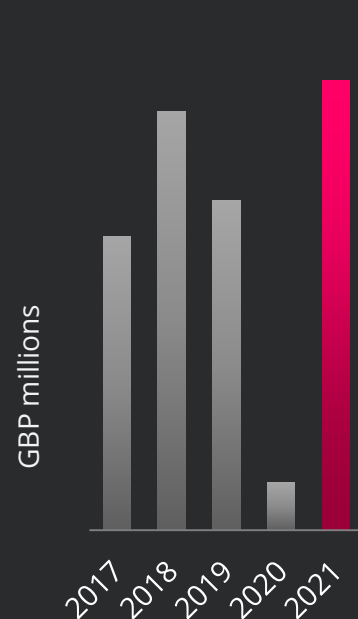
UK Composite



Best-in-breed products across businesses and operating as a fully integrated composite business with a seamless One Vitality client journey. A successful entry into motor insurance

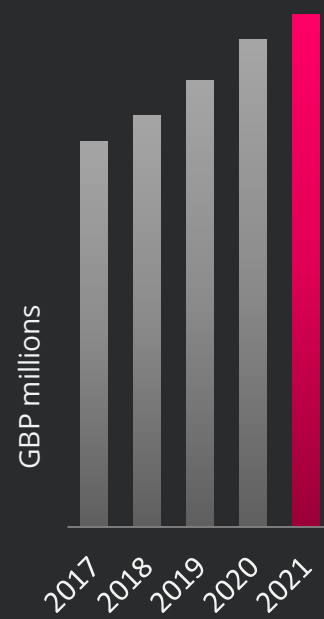
Normalised operating profit

+844%
to £68.5m



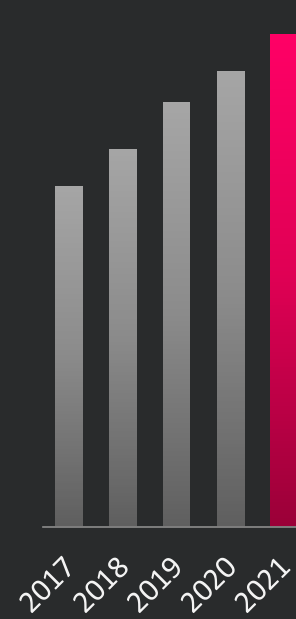
Earned premiums¹

+5%
to £827.4m



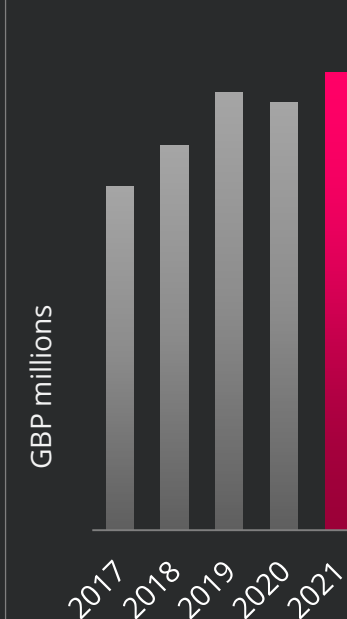
Lives covered

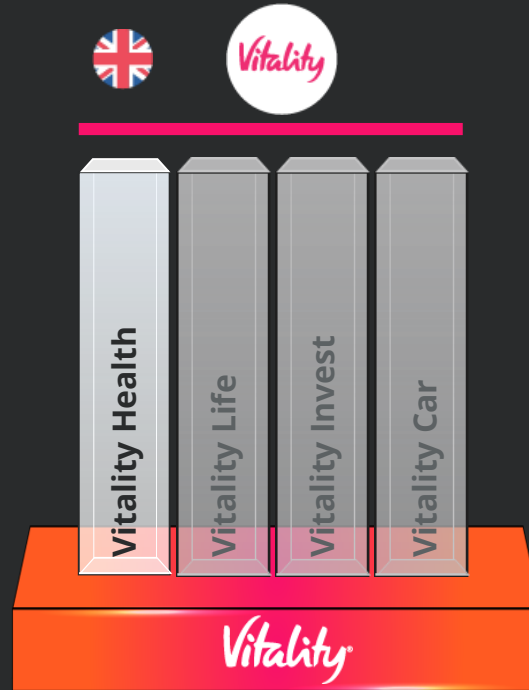
+8%
to 1.4m lives



New business

+7%
to £156.7m



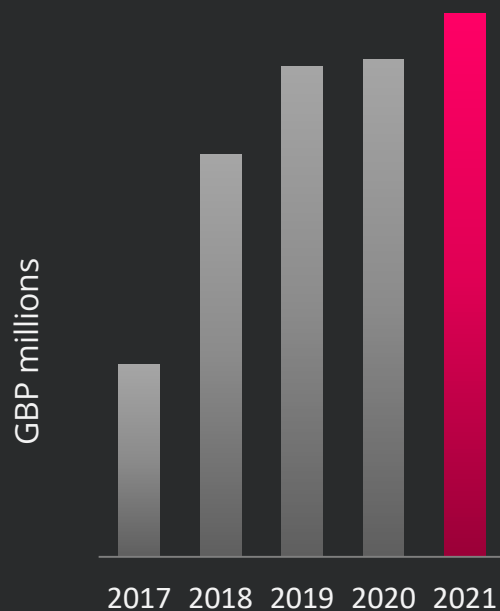


Robust operating performance driven by continued **good retention**. Careful management of **delay of elective healthcare** in the COVID-19 environment

Normalised operating profit

+9%

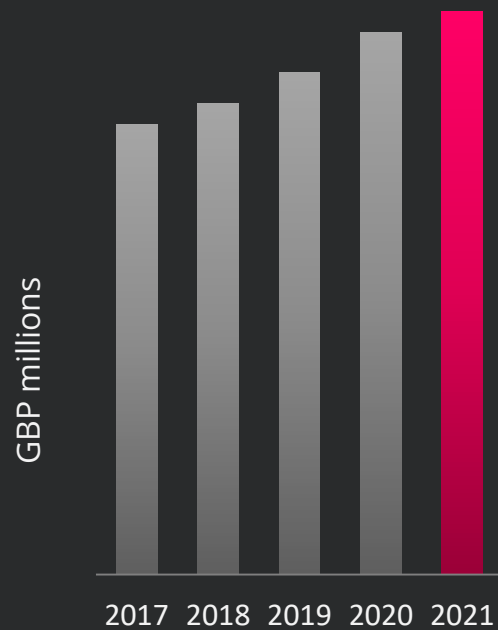
to £46.0m



Earned premiums

+4%

to £515.6m



Lives covered

+6%

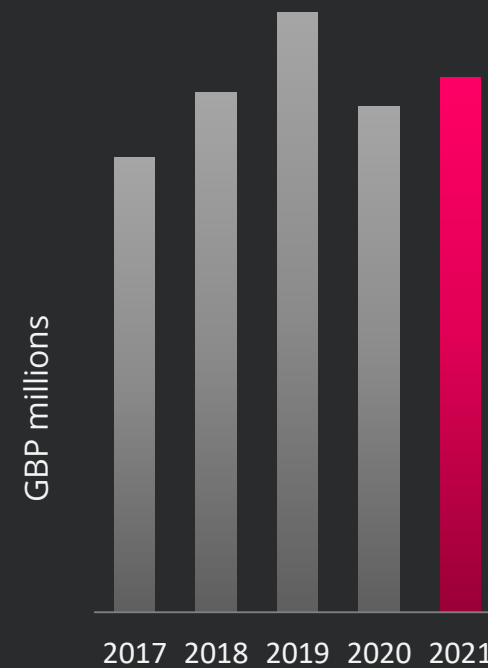
to 723k lives



New business

+5%

to £65.9m

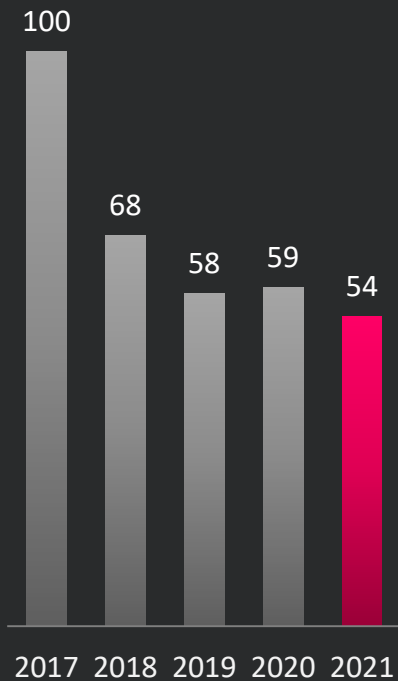


Operational performance continues to be outstanding and business well prepared for the coming period



Stronger and better retention

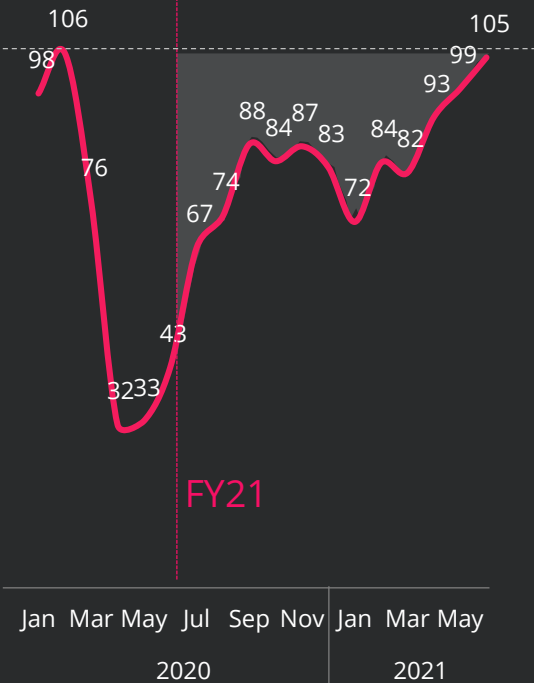
Lapse Rate



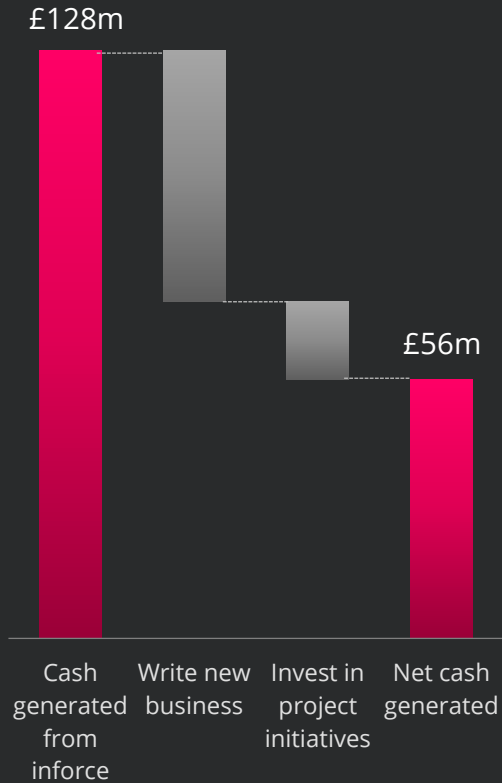
Low loss ratios, but returning to prior levels

Actual v Pre-COVID expected loss ratio has precipitated a surplus

Pre-COVID expectation = 100

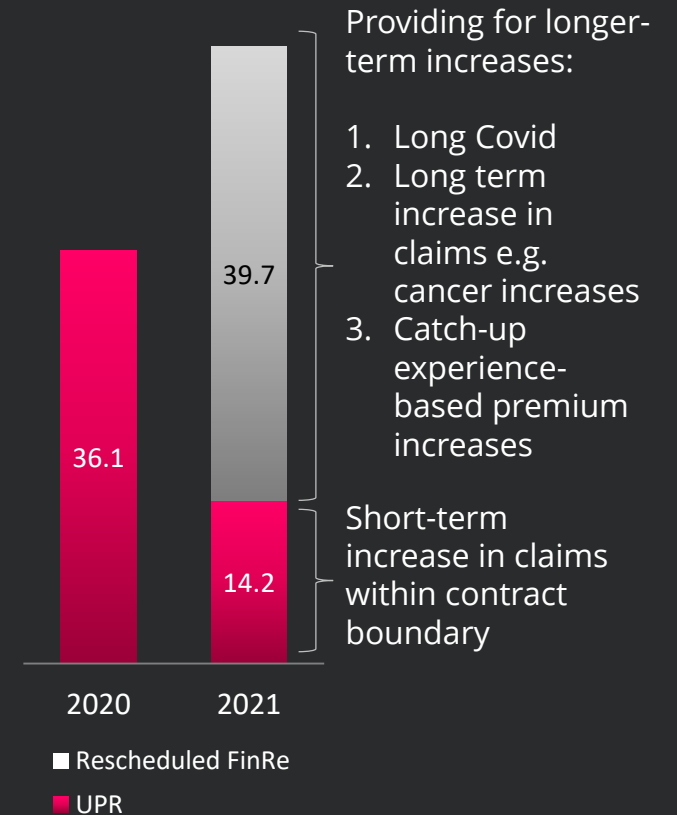


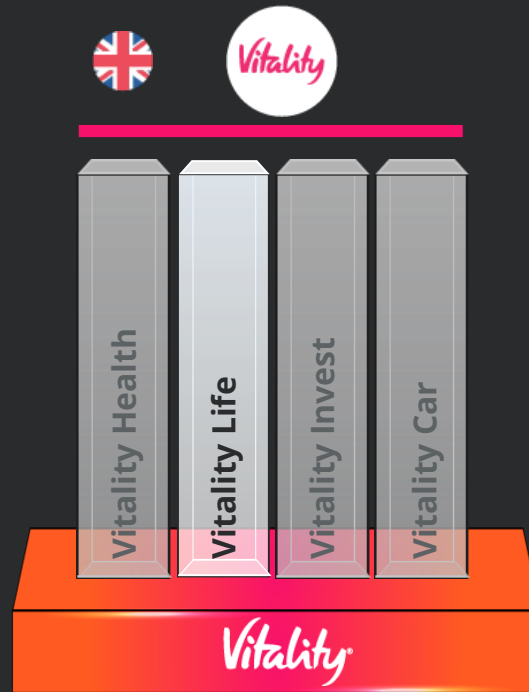
Good cash generation



Provided for uncertain future claims through UPR and rescheduled FinRe

£m



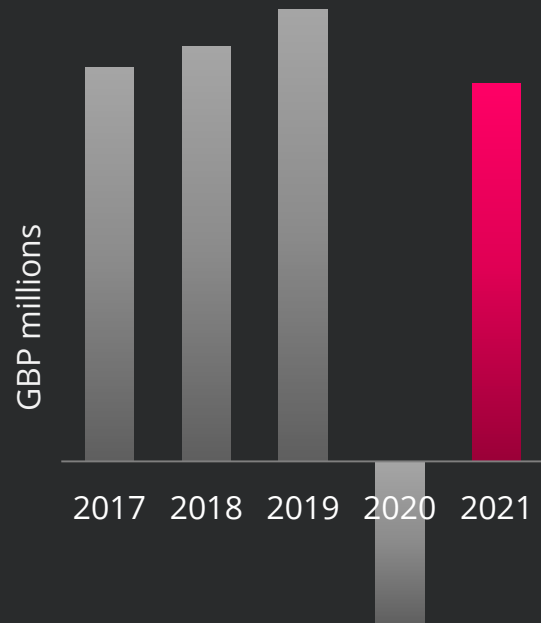


Strong recovery, strengthening of underlying actuarial basis and successful execution of management plan. New business slowed with lockdowns and the focus on quality business

Normalised operating profit

+325%

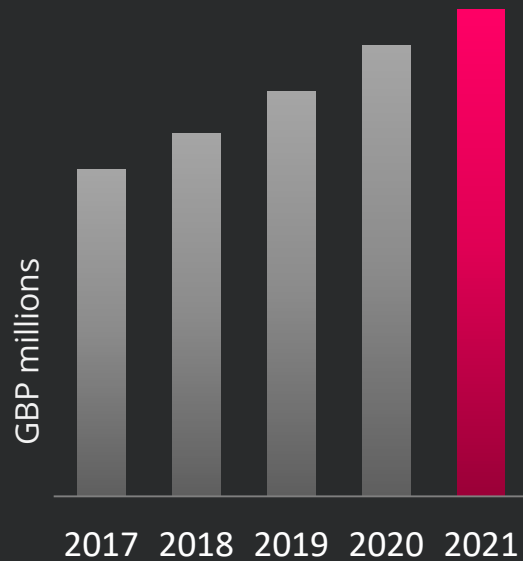
to £31.0m



Earned premiums

+8%

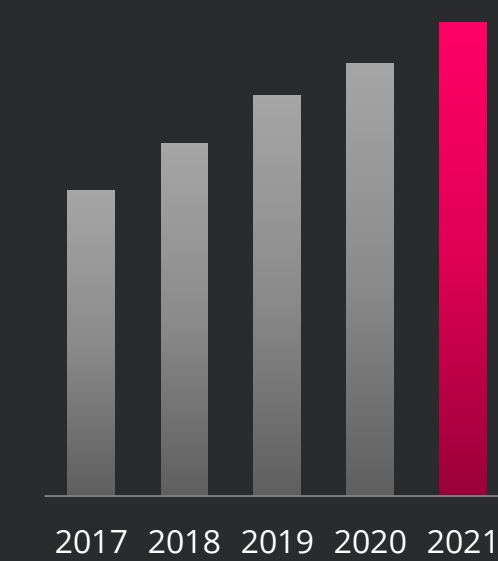
to £311.8m



Lives covered

+10%

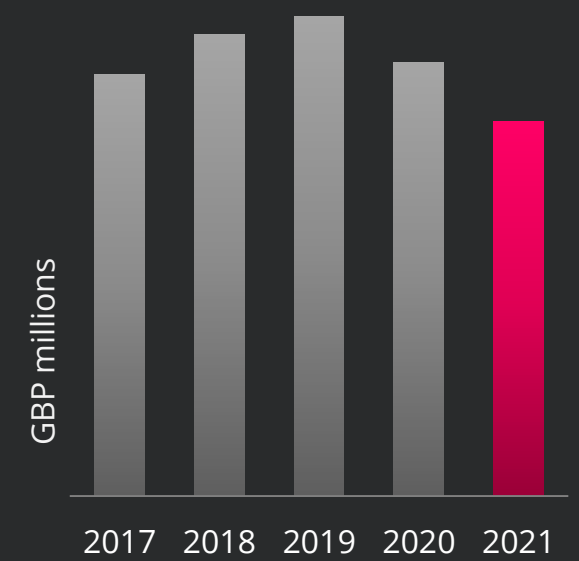
to 680k lives



New business

-14%

to £55.0m

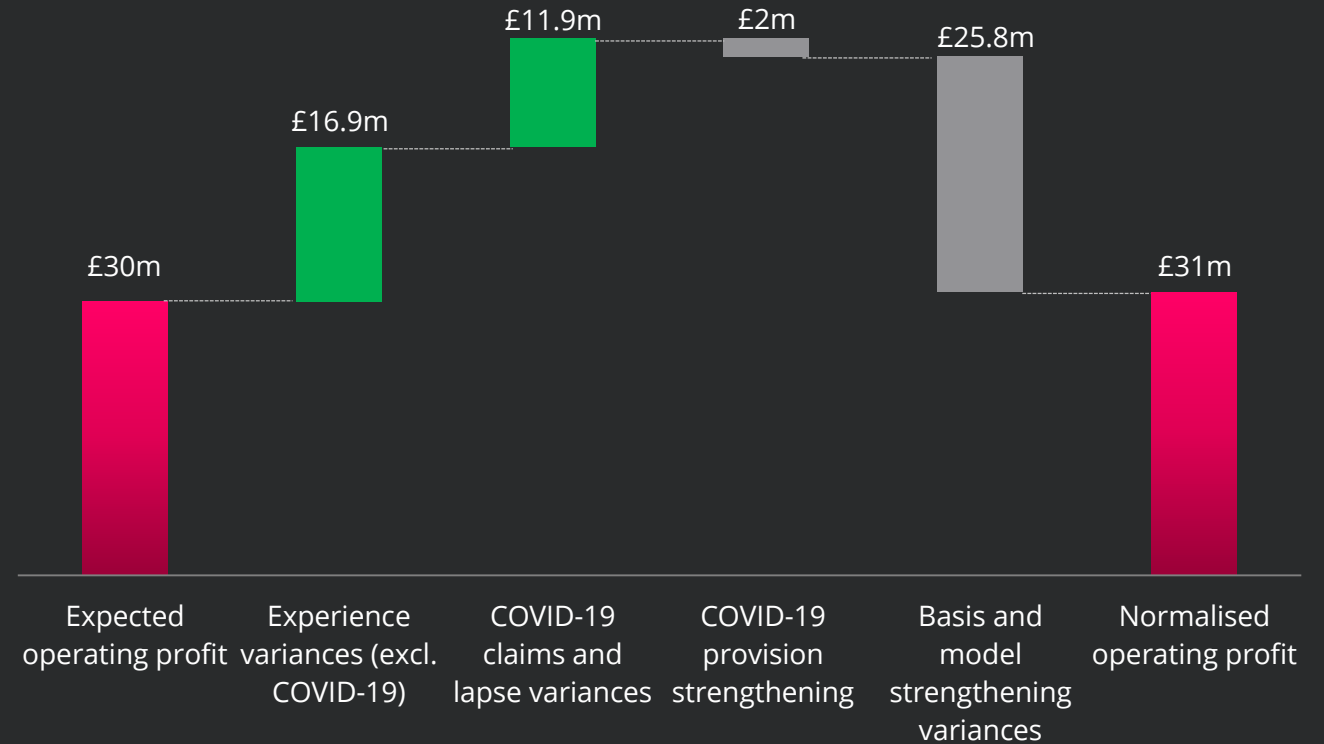


Favourable lapse and COVID-19 experience drove strong profit, but offset by new business shortfall and assumption changes

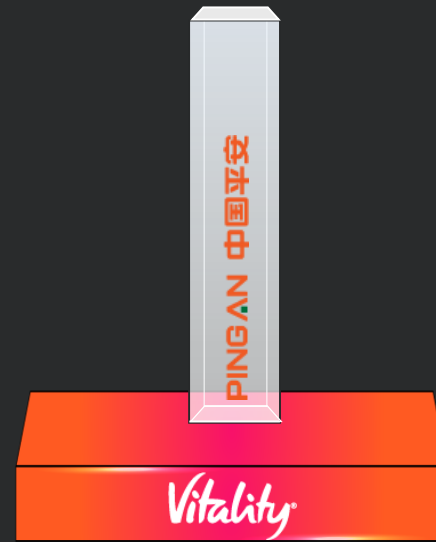
Addressed the 10 point plan

Area	Management actions		
OPERATIONS	1	Intervened against 'high lapse' brokers	✓
	2	Restructured franchise channel	✓
	3	Consolidated ops and service at Group level	✓
	4	Enhanced retention capabilities	✓
	5	Strengthened actuarial bases and set up COVID-19 provisions	✓
CAPITAL	6	Entered into interest rate hedge	✓
	7	Deferred Part VII transfer	✓
	8	Changed Group legal entity structure	✓
	9	Adapted elements of actuarial methodology	✓
LIQUIDITY	10	Sourced liquidity funding in the UK	✓

Operating profit recon





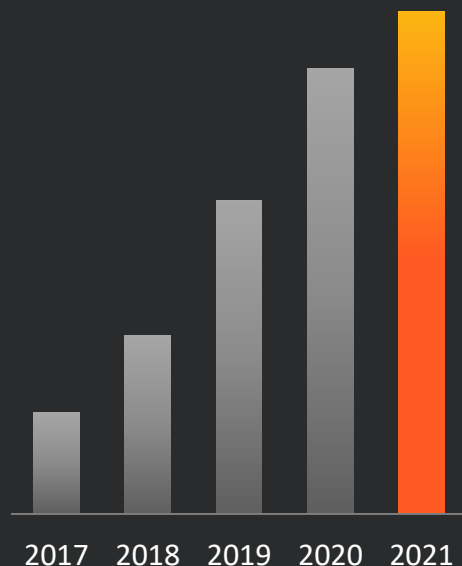


Focus on profit quality and scale through both distribution channels and product diversification.
 Capital injection to support long-term growth

New business¹

+10%

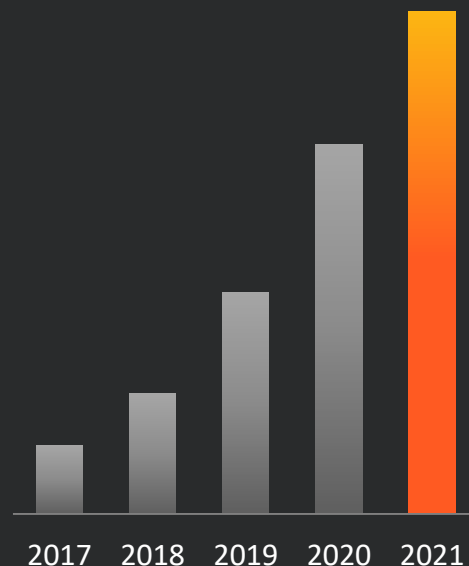
to R15.8bn



Written premium¹

+36%

to R40.6bn

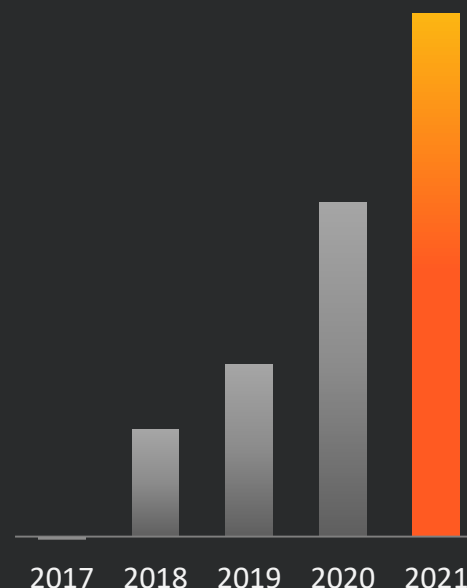


PAH's operating results pre-tax

+57%

to R2.9bn

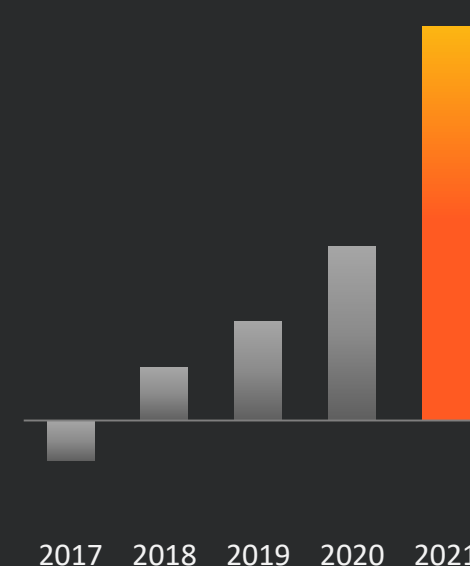
(DSY's share is R727m)



Discovery's operating result after tax

+126%

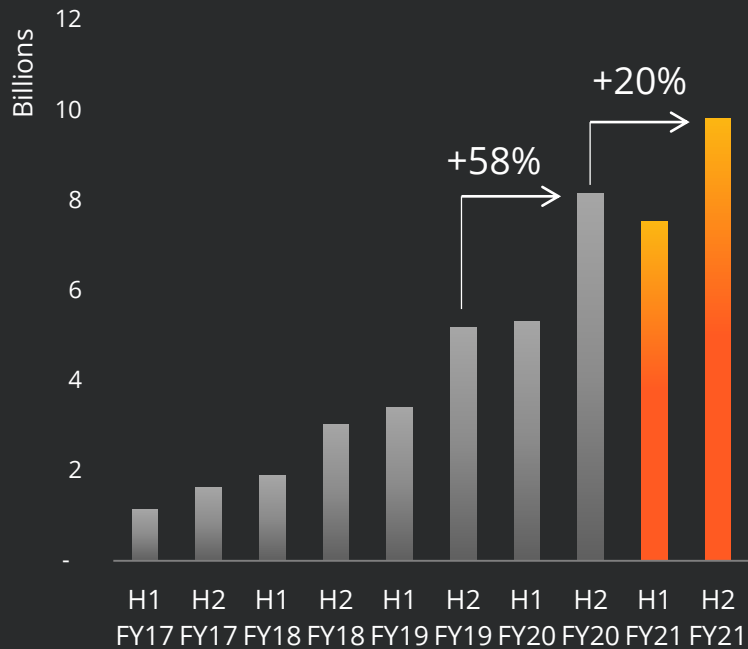
to R411m



The quality of the book and profits have improved

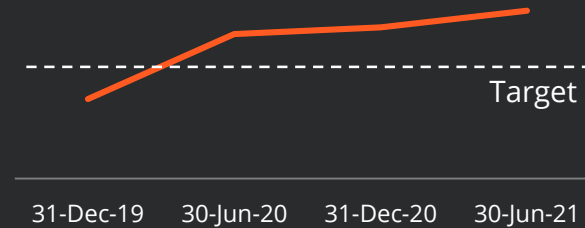
Revenue growth surged in H2 20, growth moderating in FY21

Written premiums RMB



Renewal rates continue to increase and COR is reducing

Renewal rates



Combined operating ratio



Focused on quality, as seen by highest margins in industry

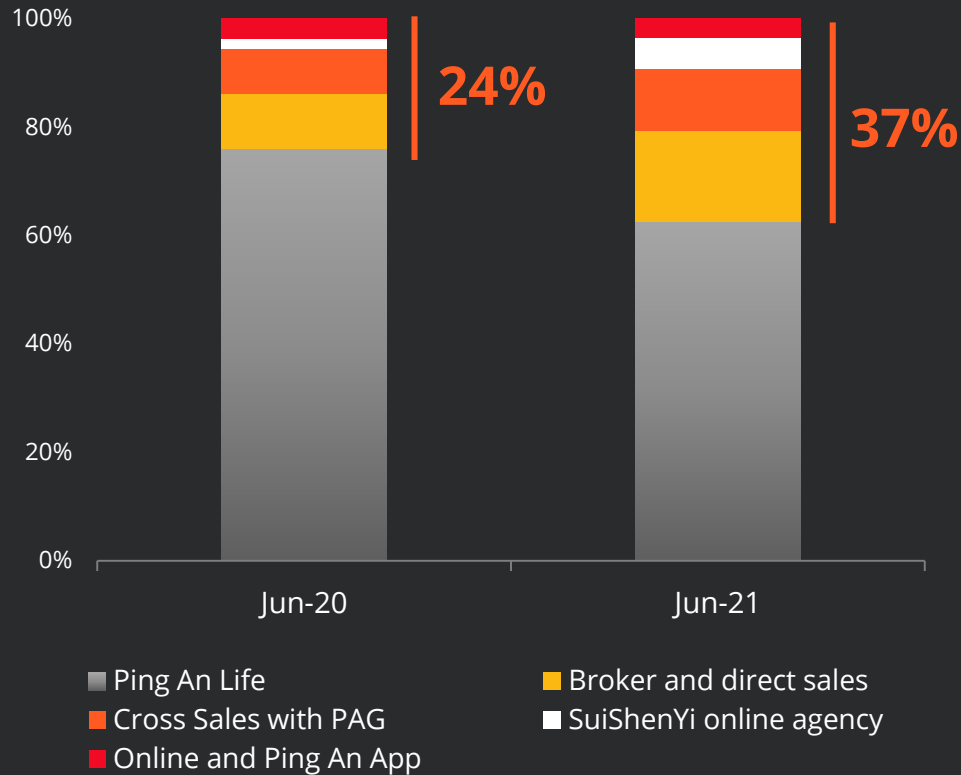
Net margin post tax, Jan - Dec 20

Company	Margin
PING AN HEALTH INSURANCE COMPANY OF CHINA, LTD	5.40%
KUNLUN HEALTH INSURANCE CO LTD	2.70%
CPIC HEALTH	2.30%
PICC HEALTH INSURANCE COMPANY LIMITED	0.10%
FOSUN UNITED HEALTH INSURANCE COMPANY LTD	-3.40%
RUIHUA HEALTH ASSURANCE CORPORATION	-28.90%

Continue to pursue scale through diversified distribution channels and products

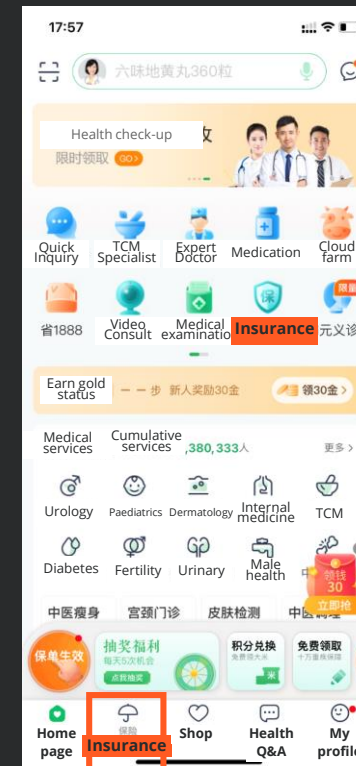


New business split by channel

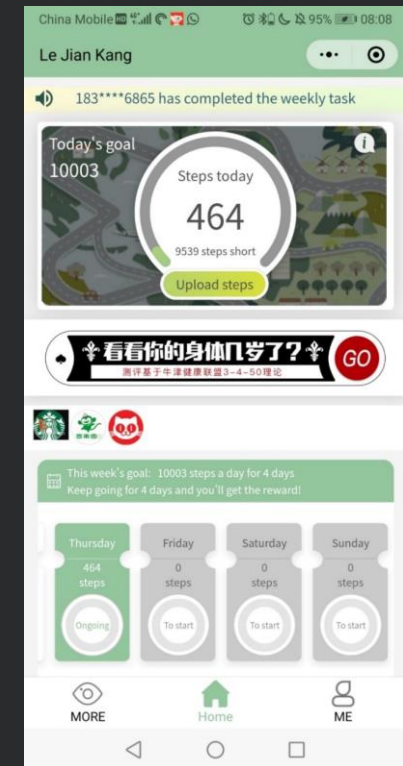


Increasing digital presence to unlock the online market

Ping An Good Doctor App



Le Jian Kang WeChat mini-program



Access to
*400m users

Integrated
products

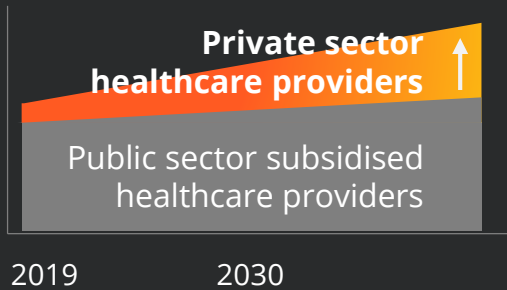
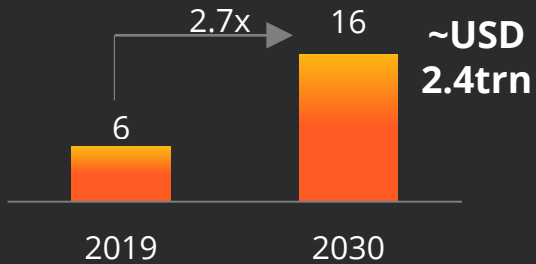
Integrated
services

*As at June 2021

China's market and strong economic growth trajectory provide an excellent long-term opportunity

Continued growth in healthcare expenditure, increased participation from private health insurance

(RMB Trillion)



Policies emphasise developing healthcare and private health insurance supported by mature regulations

14th five-year plan provides support in four main areas (2020-2025):

- Social development: Promote development of private health insurance
- Digitisation: Develop AI healthcare capability, online hospitals & digitise health
- International Collaboration: Attract foreign investment and technology in medicine, telecom, internet and education
- Healthy China 2030 target: Increase the number of people exercising

CBIRC formed in 2018 to combine and strengthen financial supervision of insurance and banking sectors

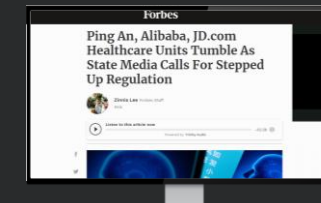
Recent regulatory developments in education, technology and online pharmacy sectors, to align with policy goals



Education & housing regulation address low birth rate



Technology sector regulation change address anti-competitive practices, consumer protection and prudent capital requirements



Online pharmacy regulations address online prescription drug safety

PAH requires additional capital to support business growth and product diversification

RMB2.6bn

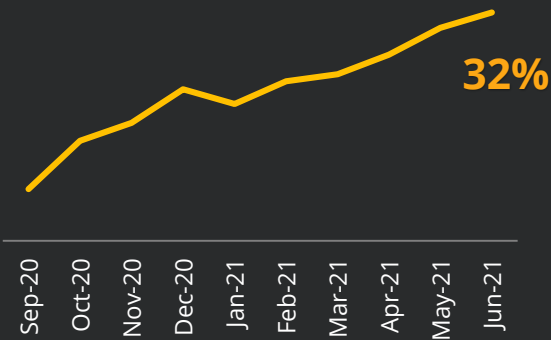
Total capital injection for PAH to develop additional capabilities and fund new business growth

Capital requirement driven by 2 factors

70%

PAH growth imperatives along with 200% solvency requirement

Cumulative new business portion of 20 year product



PAH’s projected solvency ratio reduces without a capital injection, due to **sales of more capital-intensive 20-year product**

- Strong market demand for renewal guarantee
- Premium increase flexibility for PAH
- More sustainable and profitable product
- Lower average commission over term
- More capital-intensive
- Higher upfront commission

30%

Change in solvency rules

Chinese C-ROSS Phase II regulations implemented in 2021 aim to **strengthen the effectiveness of insurance regulatory system**

New requirements **increase minimum capital requirements** for insurance, market, credit and other quantitative risk factors

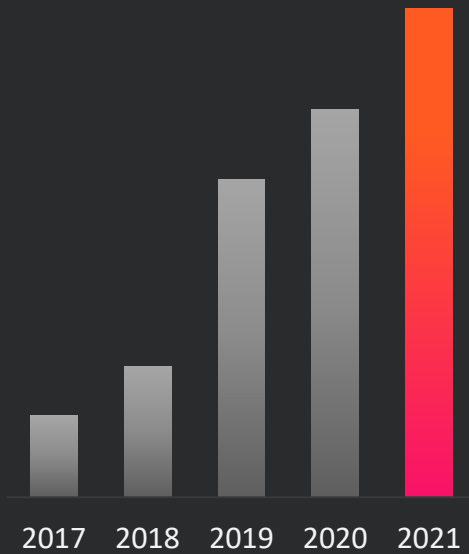


Strong growth due to **increasing integration and traction** with existing partners and **accelerating roll-out to new markets and adjacencies**

Integrated API by insurance partners

+26%

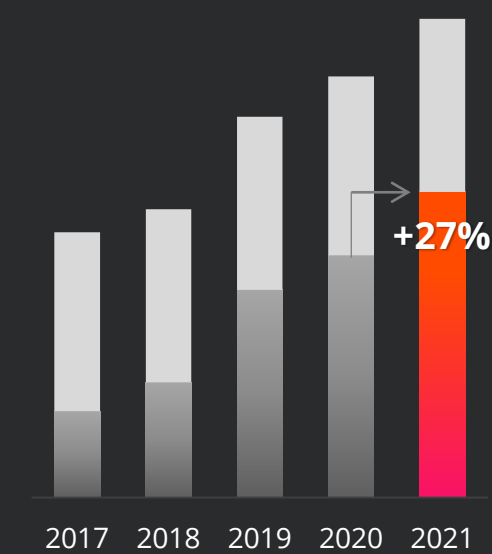
to \$1.3bn
R19.9bn



Revenue¹

+14%

to \$82.4m
R1.3bn

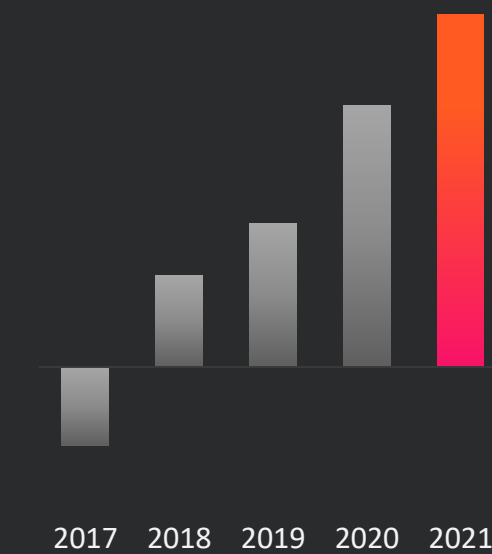


■ Insurance partners ■ Vitality USA

Operating result

+38%

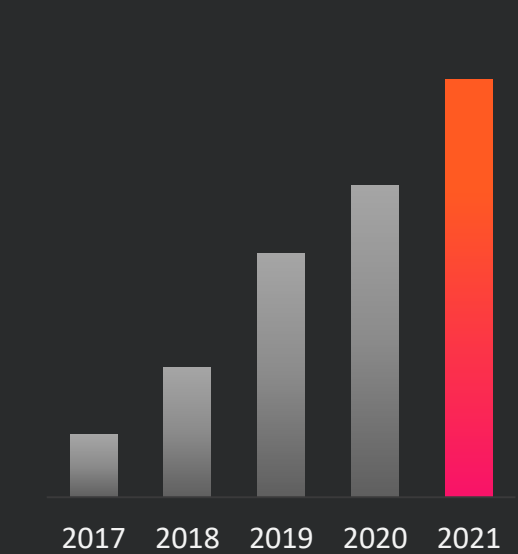
to \$27.1m
R417m



Insurance and franchise partners membership

+33%

to 2.4m



All numbers exclude new VG initiatives, i.e. myOwn and Vitality
 1 Excludes services related to system implementation and other cost recoveries and rewards

Deepened adoption of SVI model has been transformational for our partners



Engagement

% of members earned a point



Lapses



Claims

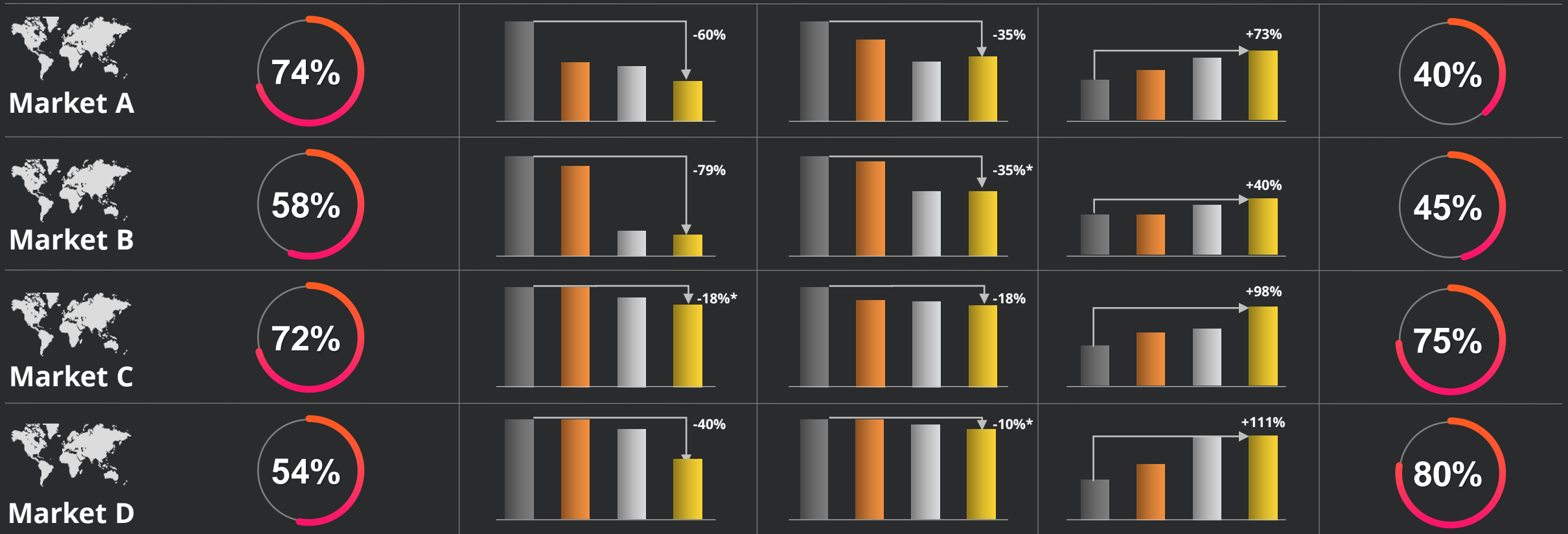


Up-sales



Latent value

Attachment rates



Non-Vitality
 Bronze
 Silver
 Gold & Platinum

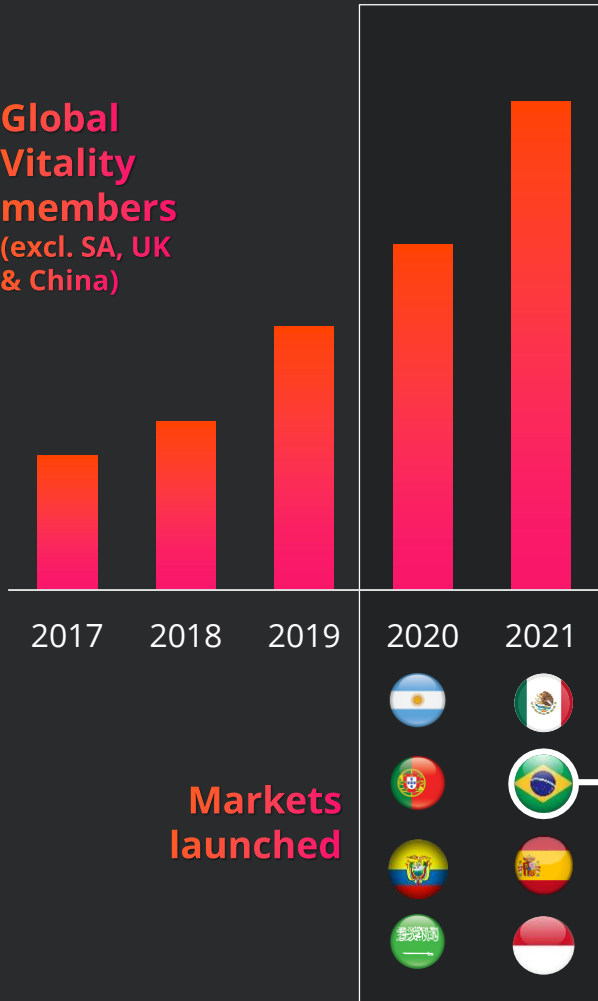
*Pricing assumption in lieu of credible experience

Broadening reach and scale through a repeatable framework



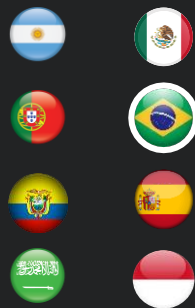
Accelerated roll-out despite COVID

Global Vitality members (excl. SA, UK & China)

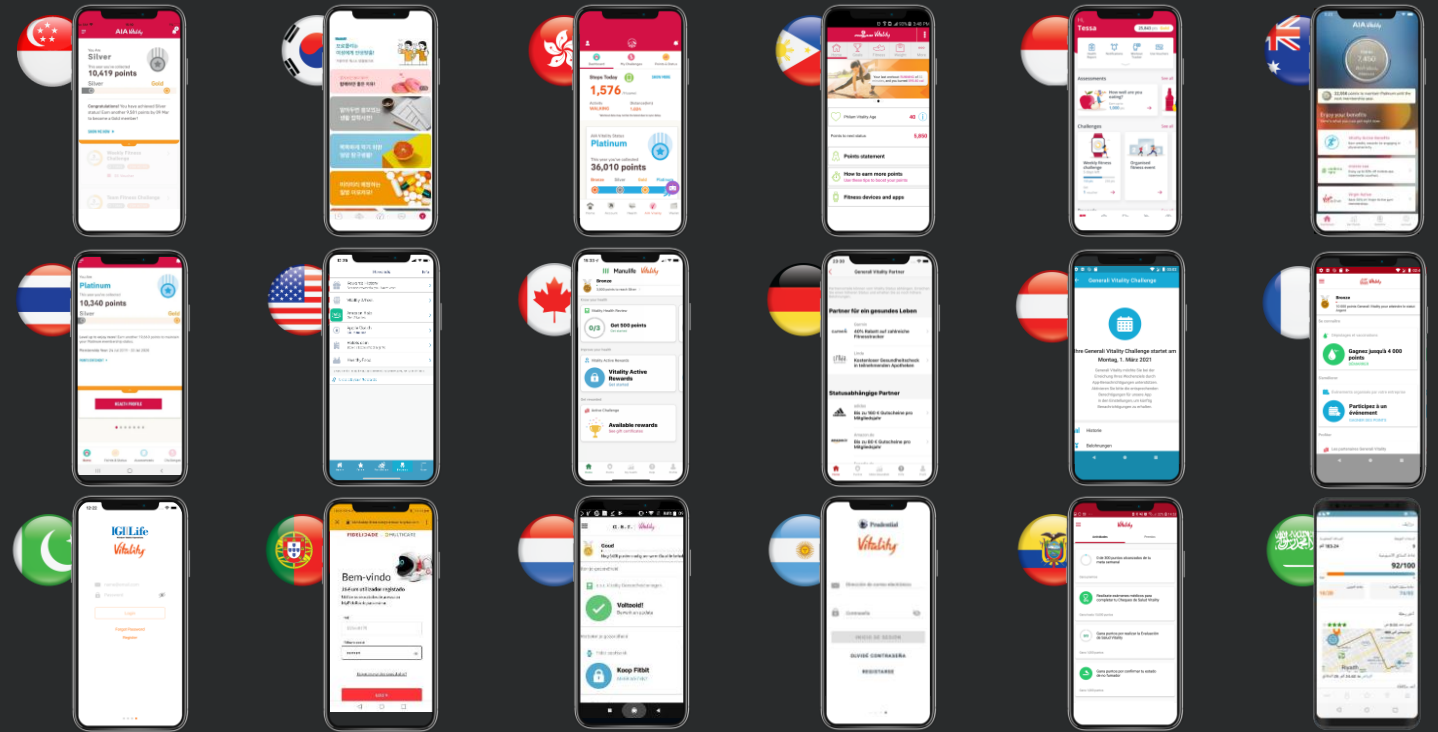


>4.5m lives

Markets launched



Enabled by unified repeatability strategy



Fully remote 9-month implementation period to launch

High-quality 2-version launch with increased functionality



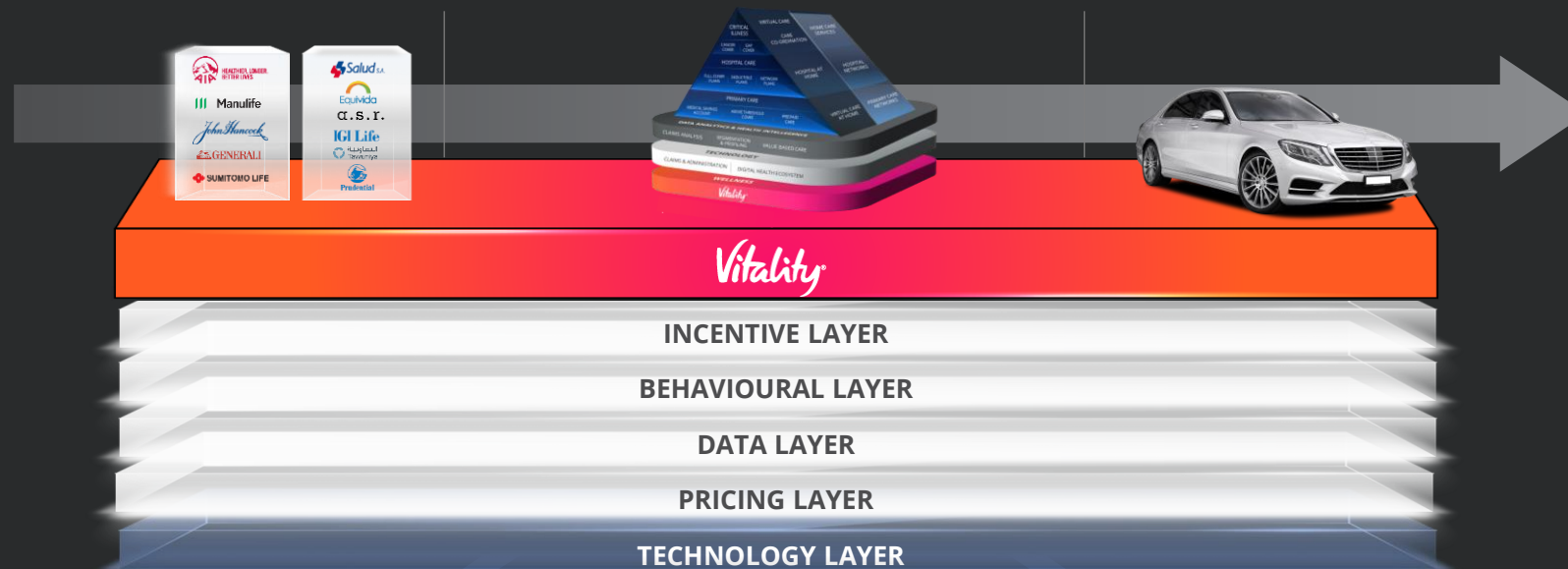
The platform allows an expansion from 1 ecosystem to 3



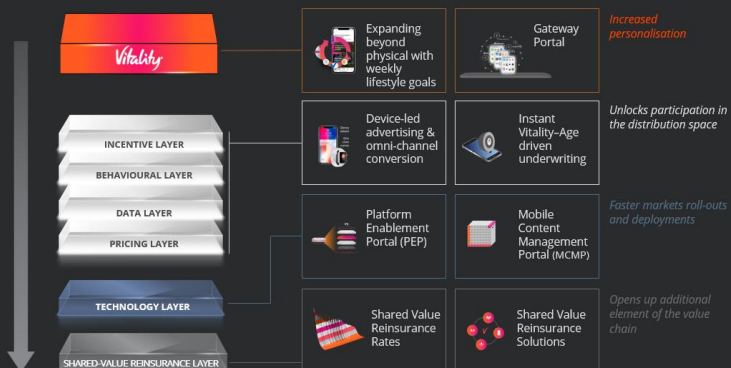
ENHANCED TRADITIONAL OFFERING

HEALTH ECOSYSTEMS

NASCENT DRIVE ADJACENCY

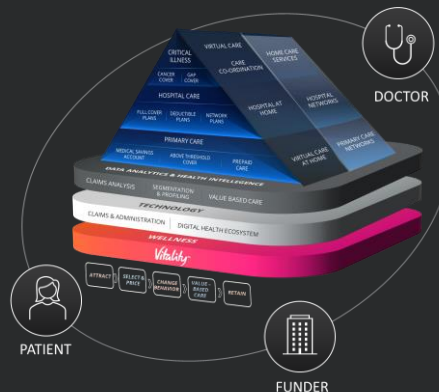


ENHANCED TRADITIONAL OFFERING

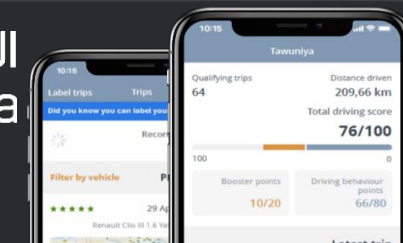


Comprehensive Digital Health Ecosystem

Shared value health insurance approach underpinned by a sophisticated technology stack, assets & expertise



Tawuniya Drive, Get the Most Out of Your Car Insurance



Forward-looking focus areas

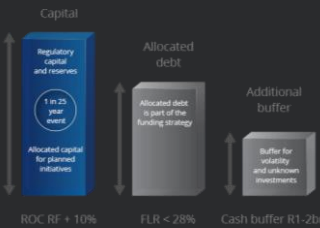


1 Navigating COVID-19



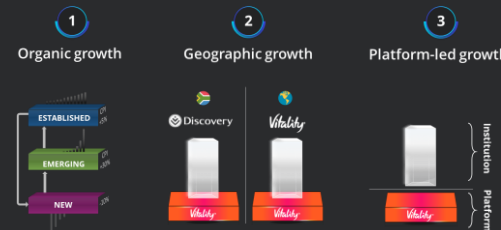
Implement employee vaccine mandate, structural and pricing changes to products for our customers and play a central role in state-led COVID-19 response

2 Capital strength and liquidity



Capital strength and liquidity remain a focus Injecting capital into Ping An Health to support business growth and product diversification

3 Actively pursue the three dimensions of growth



Grow businesses organically, scale businesses offshore and expand the Vitality global insurtech platform

4 Execute on the four strategic strands



Create unique shared-value composites that offer superior value



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