

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

CUSTOMERS PER ENTITY



Life Policyholders

	June 2025	December 2024	June 2024	December 2023	June 2023	December 2022	June 2022	December 2021	June 2021	December 2020	June 2020	December 2019	June 2019
Individual	453,418	450,866	449,211	449,300	447,690	449,130	449,020	449,378	448,313	445,813	446,713	452,561	446,475
Invest													
Invest - DRO	137,297	137,441	137,503	137,718	137,189	135,819	134,721	133,741	132,817	131,244	129,606	127,831	124,135
Invest - Other	241,608	236,055	229,871	225,414	221,273	216,479	212,161	206,778	201,210	195,231	192,615	189,210	185,025
Umbrella (lives)	101,448	98,188	92,178										
Umbrella schemes	511	503	480										
Group (lives)	702,521	707,154	711,051	707,756	711,161	680,754	584,081	562,769	576,450	562,440	578,035	551,219	544,443
Group schemes	2,548	2,581	2,616	2,647	2,663	2,666	2,793	2,844	2,827	2,825	2,797	2,740	2,771

Life NB APE

	12 months to June 2025	6 months to December 2024	12 months to June 2024	6 months to December 2023	12 months to June 2023	6 months to December 2022	12 months to June 2022	6 months to December 2021	12 months to June 2021	6 months to December 2020	12 months to June 2020	6 months to December 2019	12 months to June 2019
Individual	2,733	1,440	2,778	1,444	2,663	1,355	2,362	1,204	2,072	1,068	2,126	1,165	2,215
Group	87	23	164	75	175	130	181	64	193	94	160	75	97
Umbrella	383	192	626										
Invest - Recurring	1,624	867	1,673	851	1,551	796	1,428	737	1,167	573	1,164	686	1,221
Invest - Single APE ¹	1,806	867	1,627	778	1,500	708	1,493	782	1,570	744	1,508	671	1,382
Total Life APE	6,633	3,389	6,868	3,148	5,889	2,989	5,463	2,786	5,001	2,478	4,958	2,597	4,915

¹ APE shown at 10% of Single premium

Health Members

	June 2025	December 2024	June 2024	December 2023	June 2023	December 2022	June 2022	December 2021	June 2021	December 2020	June 2020	December 2019	June 2019
DHMS - Keycare	189,775	204,847	207,934	226,848	225,517	232,988	232,055	234,421	235,841	230,960	232,714	243,046	240,140
DHMS - Non-Keycare	1,169,413	1,154,532	1,152,395	1,147,016	1,149,861	1,142,556	1,135,853	1,118,591	1,111,545	1,099,553	1,111,079	1,108,674	1,110,401
In-House Schemes	370,608	356,504	354,944	321,333	319,813	321,838	318,246	316,973	321,613	321,767	319,974	317,408	316,410
Total	1,729,796	1,715,883	1,715,273	1,695,197	1,695,191	1,697,382	1,686,154	1,669,985	1,668,999	1,652,280	1,663,767	1,669,128	1,666,951

Health Lives

	June 2025	December 2024	June 2024	December 2023	June 2023	December 2022	June 2022	December 2021	June 2021	December 2020	June 2020	December 2019	June 2019
DHMS - Keycare	315,406	343,648	350,038	385,906	384,759	398,397	397,595	401,307	404,984	400,108	403,392	420,869	415,436
DHMS - Non-Keycare	2,401,304	2,391,556	2,394,452	2,402,336	2,413,851	2,412,595	2,406,528	2,383,486	2,375,082	2,358,232	2,381,735	2,387,237	2,394,336
In-House Schemes	813,719	800,093	798,933	710,485	707,406	710,427	704,472	699,342	707,293	704,749	698,534	689,688	686,114
Total	3,530,429	3,535,297	3,543,423	3,498,727	3,506,016	3,521,419	3,508,595	3,484,135	3,487,359	3,463,089	3,483,661	3,497,794	3,495,886

Vitality SA

	June 2025	December 2024	June 2024	December 2023	June 2023	December 2022 ²	June 2022	December 2021	June 2021	December 2020	June 2020	December 2019	June 2019
Total Vitality Health, Vitality Drive and Vitality Money programme lives	3,157,572	3,038,785	2,922,347	2,822,972	2,652,877	2,498,048	2,348,834	2,242,401	2,163,411	2,122,453	2,065,868	2,060,011	1,987,237

² restated to include for LA wellness figures

VitalityHealth Members

	June 2025	December 2024	June 2024	December 2023	June 2023	December 2022	June 2022	December 2021	June 2021	December 2020	June 2020	December 2019	June 2019
Individual	141,822	141,014	140,400	138,278	135,117	129,568	124,395	117,007	113,189	108,955	105,915	104,997	101,702
SME	349,465	344,320	340,983	327,876	310,624	285,865	263,216	238,540	222,961	211,949	212,305	209,509	201,960
Corporate	131,885	128,241	120,685	112,941	108,191	102,823	99,578	89,881	86,149	80,514	81,124	78,050	70,583
Trust and Cost Plus	18,496	20,198	20,237	16,448	16,339	14,511	8,698	3,944	2,731	2,639	-	-	-
Total	641,668	633,773	622,305	595,543	570,271	532,767	495,887	449,372	425,030	404,057	399,344	392,556	374,245

VitalityHealth Lives

	June 2025	December 2024	June 2024	December 2023	June 2023	December 2022	June 2022	December 2021	June 2021	December 2020	June 2020	December 2019	June 2019
Individual	262,888	261,481	260,210	256,527	250,551	238,629	227,684	212,896	204,890	188,976	195,996	186,559	179,811
SME	550,925	545,424	541,111	522,753	496,299	460,442	429,110	395,777	374,179	357,768	356,907	353,763	342,431
Corporate	210,225	191,015	171,163	171,163	171,364	158,890	148,654	143,905	143,905	135,218	135,440	131,991	120,157
Trust and Cost Plus	32,739	35,214	35,163	27,349	26,854	22,673	15,903	6,509	4,066	3,956	-	-	-
Total	1,056,777	1,044,270	1,027,499	984,792	945,068	884,864	831,587	763,836	727,040	692,938	681,323	672,313	642,399

VitalityLife Policies

	June 2025	December 2024 ³	June 2024	December 2023	June 2023	December 2022	June 2022	December 2021	June 2021	December 2020	June 2020	December 2019	June 2019
Policies	781,548	723,213	679,382	646,564	622,451	593,322	565,778	535,281	517,913	493,970	474,890	458,675	434,678

³ December 2024 has been restated

VitalityLife Lives

	June 2025	December 2024	June 2024	December 2023	June 2023	December 2022	June 2022	December 2021	June 2021	December 2020	June 2020	December 2019	June 2019
Lives ⁴	903,996	852,154	810,050	782,296	764,699	735,137	702,105	669,139	647,020	617,051	594,799	577,965	549,526

⁴ restated to include unique lives only

Discovery Insure Policies

	June 2025	December 2024	June 2024	December 2023	June 2023	December 2022	June 2022	December 2021	June 2021	December 2020	June 2020	December 2019	June 2019
Policies	208,192	213,762	214,297	215,297	211,223	214,315	213,453	212,570	202,335	191,936	178,517	169,920	159,171

Discovery Bank

	June 2025	December 2024	June 2024	December 2023	June 2023	December 2022	June 2022	December 2021	June 2021	December 2020	June 2020	December 2019	June 2019
Primary Clients	1,246,817	1,092,386	958,055	825,069	702,131	581,457	470,220	385,177	331,088	287,183	206,810	61,731	1,476
Total Accounts	2,995,078	2,608,023	2,271,703	1,933,839	1,625,912	1,312,970	1,023,790	793,215	648,546	521,081	357,416	141,660	3,740

VALUE OF NEW BUSINESS AT POINT OF SALE VS VALUATION DATE

June 2025

VNB at Point of Sale

R million	Health and Vitality	Life and Invest	VitalityHealth	VitalityLife	Total
Acquisition Costs and Initial strain	(537)	(2,937)	(1,653)	(3,622)	(8,749)
Value of In Force	1,632	3,472	2,324	3,775	11,203
Cost of Capital	(45)	(74)	(62)	(119)	(300)
	1,050	461	609	34	2,154

New business contribution to value of in force at valuation date

R million	Health and Vitality	Life and Invest	VitalityHealth	VitalityLife	Total
Value of In Force	1,597	2,449	2,210	3,404	9,660
Cost of Capital	(43)	(74)	(63)	(110)	(290)
	1,554	2,375	2,147	3,294	9,370

December 2024

VNB at Point of Sale

R million	Health and Vitality	Life and Invest	VitalityHealth	VitalityLife	Total
Acquisition Costs and Initial strain	(264)	(1,446)	(808)	(1,685)	(4,203)
Value of In Force	757	1,721	1,015	1,788	5,281
Cost of Capital	(21)	(36)	(26)	(42)	(125)
	472	239	181	61	953

New business contribution to value of in force at valuation date

R million	Health and Vitality	Life and Invest	VitalityHealth	VitalityLife	Total
Value of In Force	755	1,277	982	1,642	4,656
Cost of Capital	(21)	(36)	(26)	(42)	(125)
	734	1,241	956	1,600	4,531

June 2024

VNB at Point of Sale

R million	Health and Vitality	Life and Invest	VitalityHealth	VitalityLife	Total
Acquisition Costs and Initial strain	(550)	(2,833)	(1,560)	(1,132)	(6,075)
Value of In Force	1,653	3,393	2,051	1,074	8,171
Cost of Capital	(52)	(79)	(63)	(70)	(264)
	1,051	481	428	(128)	1,832

New business contribution to value of in force at valuation date

R million	Health and Vitality	Life and Invest	VitalityHealth	VitalityLife	Total
Value of In Force	1,615	2,454	1,906	909	6,884
Cost of Capital	(51)	(79)	(60)	(68)	(258)
	1,564	2,375	1,846	841	6,626

December 2023

VNB at Point of Sale

R million	Health and Vitality	Life and Invest	VitalityHealth	VitalityLife	Total
Acquisition Costs and Initial strain	(253)	(1,452)	(754)	(635)	(3,094)
Value of In Force	659	1,739	999	535	3,932
Cost of Capital	(21)	(45)	(53)	(35)	(154)
	385	242	192	(135)	684

New business contribution to value of in force at valuation date

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

EV RECONCILIATION TO INCOME STATEMENT

for the year ended 30 June 2025

R million	Embedded Value Earnings	Value of In-Force	Cost of required Capital	Impact on Income Statement	Adjustment to Shareholders Funds	Statement of Changes in Equity
Total profit from new business (at point of sale)	2,154	9,063	(300)	(6,609)		
- Health and Vitality	1,050	1,521	(45)	(426)	-	-
- Life	461	2,394	(74)	(1,859)	-	-
- VitalityHealth	609	2,021	(62)	(1,350)	-	-
- VitalityLife	34	3,127	(119)	(2,974)	-	-
Profit from existing business						
* Expected return	10,878	2,047	(25)	8,856		
- Health and Vitality	4,018	591	7	3,420		
<i>Expected transfer from VIF to net worth</i>	-	(3,420)	-	3,420		
<i>Unwinding of the risk discount rate</i>	4,018	4,011	7	-		
- Life	4,662	2,378	-	2,284		
<i>Expected transfer from VIF to net worth</i>	-	(2,284)	-	2,284		
<i>Unwinding of the risk discount rate</i>	4,662	4,662	-	-		
- VitalityHealth	1,011	(989)	(28)	2,028		
<i>Expected transfer from VIF to net worth</i>	-	(2,028)	-	2,028		
<i>Unwinding of the risk discount rate</i>	1,011	1,039	(28)	-		
- VitalityLife	1,187	67	(4)	1,124		
<i>Expected transfer from VIF to net worth</i>	-	(1,124)	-	1,124		
<i>Unwinding of the risk discount rate</i>	1,187	1,191	(4)	-		
* Change in methodology and assumptions	(404)	(4,735)	162	4,169		
- Health and Vitality	(1,623)	(1,659)	36	-		
- Life	687	(136)	216	607		
- VitalityHealth	487	566	(79)	-		
- VitalityLife	45	(3,506)	(11)	3,562		
* Experience variances	2,905	2,461	113	331		
- Health and Vitality	251	79	3	169		
- Life	1,120	663	-	457		
- VitalityHealth	1,435	1,539	119	(223)		
- VitalityLife	99	180	(9)	(72)		
Increase in goodwill and intangibles	(382)	-	-	-	(382)	-
Other initiatives	2,537	-	-	2,537	-	-
Non-recurring expenses	(355)	-	-	(355)	-	-
Acquisition costs	(45)	-	-	(45)	-	-
Finance costs	(3,125)	-	-	(3,125)	-	-
Other	(8)	-	-	(1)	(7)	-
Foreign Exchange Rate Movements	1,550	1,720	(57)	(774)	(200)	861
Intangibles	(200)	-	-	-	(200)	-
Other	1,750	1,720	(57)	(774)	-	861
Return on shareholders' funds	1,669	-	-	1,632	-	37
Unrealised gain on investments and realised gain on investments transferred to income statement	1,136	-	-	1,099	-	37
Health and Vitality investment income	84	-	-	84	-	-
Life investment income	449	-	-	449	-	-
VitalityHealth investment income	-	-	-	-	-	-
VitalityLife investment income	-	-	-	-	-	-
Amortisation of Intangibles	(62)	-	-	(484)	422	-
Amortisation of intangibles from business combinations	(62)	-	-	(89)	27	-
Amortisation of systems intangibles	-	-	-	(395)	395	-
VitalityHealth and VitalityLife DAC and unemployment reserve	-	-	-	630	(630)	-
Reversal of 1 Discovery Place IFRS 16 financial lease accounting	-	-	-	(88)	88	-
Life assets under insurance contracts	-	-	-	3,620	(4,736)	1,116
VitalityLife net assets under insurance contracts	-	-	-	(439)	(349)	788
VitalityHealth Insurance Acquisition Cash Flow (IACF) asset	-	-	-	138	(138)	-
VitalityHealth FinRe	-	-	-	631	(631)	-
Equity settled share based payment mark-to-market adjustment	-	-	-	(435)	435	-
Embedded value earnings	17,312	10,556	(107)	9,558	(5,497)	2,802

Adjustment to Shareholders' Funds:

Change in: *

VitalityHealth Insurance Acquisition Cash Flow (IACF) asset	(769)
Intangibles & Goodwill	(166)
Life net assets under insurance contracts	(4,736)
VitalityLife net assets under insurance contracts	(349)
1 DP IFRS 16 financial lease accounting	88
Equity settled share based payment mark-to-market adjustment	435

* The total change in the net assets under insurance contracts consists of the change in the Negative Rand Reserve (NRR), which is zeroised in the embedded value. The change in the NRR is split between the Income Statement and the change in Other Comprehensive Income (OCI) which flows through the Statement of Changes in Equity (SOCIE).

EV BUILD-UP PER ENTITY

for the year ended 30 June 2025

R million	Health and Vitality	Life and Invest	VitalityHealth	VitalityLife	Other	Total
Value of in-force business at 30 June 2024	26,914	35,813	13,904	14,435	-	91,066
Expected return (in-force business)	3,938	4,531	925	1,081	-	10,475
Release of profits (in-force business)	(3,420)	(2,284)	(2,028)	(1,124)	-	(8,856)
Value of new business	1,587	3,398	2,262	3,656	-	10,903
Expected return (new business)	80	131	86	106	-	403
Release of profits (new business)	(111)	(1,078)	(303)	(648)	-	(2,140)
Experience variances	82	663	1,658	171	-	2,574
Methodology changes	(1,623)	80	487	(3,517)	-	(4,573)
Other	-	1	878	784	-	1,663
Value of in-force business at 30 June 2025	27,447	41,255	17,869	14,944	-	101,515
Shareholders' funds per Balance Sheet	1,686	32,242	10,636	5,002	16,133	65,699
Adjustment to shareholders' funds	-	(21,333)	(5,120)	(11,670)	(2,537)	(40,660)
Embedded value at 30 June 2025	29,133	52,164	23,385	8,276	13,596	126,554

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

R million	June 2025	June 2024
1. Assets under insurance contracts		
Discovery Life positive liabilities not netted off with negative liabilities:	571	627
Discovery Life long term reserves in respect of policies with net negative liabilities:	(31,656)	(27,448)
Working capital	210	148
Discovery Life liability for incurred claims (LIC)	7,873	7,619
Total Assets under insurance contracts:	(23,002)	(19,054)
2. Negative liabilities not included under assets under insurance contracts		
Negative reserve in respect of Invest business	(7,617)	(7,011)
DAC and DRL in respect of Invest business	(811)	(769)
	(8,428)	(7,779)
3. Components to be zeroised based on the Method of Distributable Cashflows:		
Discovery Life long term reserves in respect of policies with net negative liabilities:	(31,656)	(27,448)
Liabilities under reinsurance contracts*	432	258
Negative reserve in respect of Invest business	(7,617)	(7,011)
DAC and DRL in respect of Invest business	(811)	(769)
Adjust for reduction on Deferred Tax Liability as a result of reduction in earnings	6,705	6,165
Liabilities off set against Negative reserve before zeroisation	11,614	12,208
	(21,333)	(16,597)
<i>* This amount is the liability under reinsurance contracts, net of CSM, in respect of the portion of the gross assets under insurance contracts zeroised based on the method of distributable cashflows.</i>		
4. Other adjustments to published Shareholders' funds		
VitalityLife net assets under insurance contracts	(11,663)	(11,314)
VitalityHealth Insurance Acquisition Cash Flow (IACF) asset	(5,120)	(4,351)
VitalityLife receivable relating to the Unemployment Cover benefit (net of deferred tax)	(7)	(8)
Goodwill	(3,012)	(2,855)
Intangible assets (net of deferred tax) relating to the acquisition of Standard Life Healthcare and the Prudential Assurance Company joint venture	(813)	(803)
Net preference share capital	(779)	(779)
Reversal of 1 Discovery Place IFRS 16 financial lease accounting	1,550	1,462
Equity settled share based payment mark-to-market adjustment	517	82
Adjustment to Shareholders' funds from published basis	(40,660)	(35,163)

For June 2024, the "Adjustments to Shareholders' funds from published basis" have been restated as a result of prior period errors - refer to section D1.1 for more detail. The restatements do not affect the Group Embedded Value at 30 June 2024 as they relate to Life net assets under insurance contracts, which are eliminated on a consolidated embedded value basis.

RECONCILIATION TO THE REQUIRED CAPITAL

for the year ended 30 June 2025

R million	Health and Vitality	Life and Invest	VitalityHealth	VitalityLife	Total
Opening - 30 June 2024	1,238	27,935	4,138	11,299	44,610
- Methodology and Basis Changes	-	(809)	-	(834)	(1,643)
- Expected release on in-force at start of period	0	(507)	(145)	(431)	(1,083)
- Impact of new business written	119	916	429	2,331	3,795
- Other changes*	(71)	1,814	125	44	1,912
- Exchange rate movements	-	-	214	641	855
Change in Required Capital	48	1,414	623	1,751	3,836
Closing - 30 June 2025	1,286	29,349	4,761	13,050	48,446

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

BREAKDOWN OF INVEST AND UMBRELLA ASSETS UNDER ADMINISTRATION

R million	Invest	Umbrella
December 2021	127,632	
June 2022	121,737	
December 2022	130,830	
June 2023	140,378	
December 2023	144,810	
June 2024	154,653	17,074
December 2024	166,915	18,196
June 2025	178,744	22,487

Segment information

	SA HEALTH	SA LIFE	SA INVEST	SA INSURE	SA BANK	UK HEALTH	UK LIFE	ALL OTHER SEGMENTS	SEGMENT TOTAL	IFRS REPORTING ADJUSTMENTS	IFRS TOTAL
R million											
30 June 2025											
Income statement											
Insurance revenue	518	19 149	4 560	6 217	-	19 124	8 050	95	57 713	-	57 713
- Contracts measured under the General measurement model/Variable fee approach	-	15 419	4 560	-	-	-	8 050	-	28 029	-	28 029
- Contracts measured under Premium allocation approach	518	3 730	-	6 217	-	19 124	-	95	29 684	-	29 684
Insurance service expenses	(362)	(15 512)	(2 676)	(5 499)	-	(17 292)	(7 595)	(92)	(49 028)	-	(49 028)
- Claims and benefits	(216)	(11 375)	(608)	(3 000)	-	(11 300)	(3 681)	(51)	(30 231)	-	(30 231)
- Insurance service expense and other	(66)	(1 795)	(1 057)	(1 597)	-	(3 981)	(879)	(37)	(9 412)	-	(9 412)
- Insurance acquisition cash flows	(80)	(2 342)	(902)	-	-	(2 011)	(3 035)	(4)	(9 385)	-	(9 385)
Tax specific to policyholder tax funds	-	-	(97)	-	-	-	-	-	(97)	97	-
Insurance service result (pre-reinsurance)	156	3 637	1 787	718	-	1 832	455	3	8 588	97	8 685
Net expenses from reinsurance contracts	(1)	(1 021)	-	(112)	-	(3)	(165)	(4)	(1 306)	-	(1 306)
- Reinsurance expense	(2)	(3 838)	-	(130)	-	(5)	(8 839)	(34)	(12 848)	-	(12 848)
- Insurance claims recovered from reinsurers	1	2 817	-	18	-	2	8 674	30	11 542	-	11 542
Insurance service result	155	2 616	1 787	606	-	1 829	290	(1)	7 282	97	7 379
Net financial result from insurance finance income and expense	-	2 466	(15 831)	(20)	-	-	417	-	(12 968)	(120)	(13 088)
- Net finance income/(expense) from insurance contracts	-	2 590	(15 831)	(20)	-	-	716	-	(12 545)	(120)	(12 665)
- Net finance expense from reinsurance contracts	-	(124)	-	-	-	-	(299)	-	(423)	-	(423)
Investment income using the effective interest rate method	11	15	75	268	-	179	81	17	646	352	998
Net fair value gains on financial instruments at fair value through profit or loss	29	3 537	17 058	11	52	70	-	-	20 757	5 061	25 818
Fair value adjustments to liabilities under investment contracts	-	(2 961)	(905)	-	-	-	-	-	(3 866)	56	(3 810)
Third party interest: fair value adjustments to liabilities under investment contracts	-	-	-	-	-	-	-	-	-	(4 394)	(4 394)
Intersegment funding	-	362	(362)	-	-	-	-	-	-	-	-
Other losses on financial instruments	-	-	-	-	(9)	-	-	-	(9)	-	(9)
Net insurance and investment results	195	6 035	1 822	865	43	2 078	788	16	11 842	1 052	12 894
Fee income from administration businesses	9 766	188	1 260	-	-	35	-	3 185	14 434	(108)	14 326
Vitality income	-	-	-	-	-	31	267	5 575	5 873	(551)	5 322
Net banking fee and commission income	-	-	-	-	1 373	-	-	(77)	1 296	399	1 695
- Banking fee and commission income	-	-	-	-	2 238	-	-	-	2 238	-	2 238
- Banking fee and commission expense	-	-	-	-	(865)	-	-	(77)	(942)	399	(543)
Net banking interest and similar income	-	-	-	-	965	-	-	-	965	1	966
- Banking interest and similar income using the effective interest rate	-	-	-	-	2 203	-	-	-	2 203	-	2 203
- Banking interest and similar expense using the effective interest rate	-	-	-	-	(1 238)	-	-	-	(1 238)	1	(1 237)
Other income	1 838	119	1	79	69	19	-	14 591	16 716	(14 884)	1 832
Non-insurance revenue and income	11 604	307	1 261	79	2 407	85	267	23 274	39 284	(15 143)	24 141
Net income	11 799	6 342	3 083	944	2 450	2 163	1 055	23 290	51 126	(14 091)	37 035
Non-insurance acquisition costs	-	-	(395)	-	-	-	-	(294)	(689)	305	(384)
Expected credit losses	-	-	-	-	(279)	-	-	-	(279)	-	(279)
Marketing and administration expenses	(7 540)	(817)	(701)	(213)	(2 239)	(975)	(424)	(23 305)	(36 214)	14 449	(21 765)
Share of net profits from equity-accounted investments	-	-	-	86	-	-	6	1 174	1 266	(51)	1 215
Normalised profit/(loss) from operations	4 259	5 525	1 987	817	(68)	1 188	637	865	15 210	612	15 822
Investment income earned on shareholder investments and cash	98	31	13	7	-	-	-	203	352	(352)	-
Intercompany investment income	-	-	-	-	-	-	-	1 351	1 351	(1 351)	-
Net fair value gains on financial instruments at fair value through profit or loss	-	51	54	-	-	-	-	-	105	(105)	-
Loss from dilution of equity accounted investments	-	-	-	(32)	-	-	-	-	(32)	-	(32)
Impairment of goodwill	(20)	-	-	-	-	-	-	-	(20)	-	(20)
Amortisation of intangibles from business combinations	-	-	-	(51)	-	-	-	(71)	(122)	122	-
Market rentals related to Head Office building adjusted for finance costs and depreciation	-	-	-	-	-	-	-	(72)	(72)	72	-
Restructuring costs	-	-	-	-	-	-	-	(80)	(80)	80	-
Interest expenses on borrowings and lease liabilities	(2)	(1)	-	-	-	(18)	(201)	(1 588)	(1 810)	(277)	(2 087)
Intercompany finance expenses on borrowings	(447)	-	-	-	-	-	(444)	(460)	(1 351)	1 351	-
Foreign exchange (losses)/gains	(5)	(14)	(5)	-	-	-	1	(13)	(36)	-	(36)
Profit/(loss) before income tax	3 883	5 592	2 049	741	(68)	1 170	(7)	135	13 495	152	13 647
Income tax expense	(1 046)	(1 508)	(793)	(216)	25	(311)	(62)	(26)	(3 937)	(152)	(4 089)
Profit/(loss) for the year	2 837	4 084	1 256	525	(43)	859	(69)	109	9 558	-	9 558
Profit attributable to:											
Ordinary shareholders	2 843	4 084	1 256	525	(43)	859	(69)	16	9 471	-	9 471
Preference shareholders	-	-	-	-	-	-	-	93	93	-	93
Non-controlling interest	(6)	-	-	-	-	-	-	-	(6)	-	(6)
Material items of expenses											
Depreciation and amortisation	(174)	(1)	(24)	(1)	(368)	-	(58)	(1 273)	(1 899)	-	(1 899)
Derecognition of intangible assets and property and equipment	-	(43)	-	(52)	-	-	(1)	(45)	(141)	-	(141)
Impairment of intangible assets and property and equipment	(20)	(28)	-	(18)	-	(79)	-	-	(145)	-	(145)
Staff costs	(3 038)	(284)	(262)	(95)	(984)	-	-	(8 062)	(12 725)	-	(12 725)
Other expenses	(4 308)	(461)	(415)	(47)	(887)	(896)	(365)	(13 925)	(21 304)	-	(21 304)
	(7 540)	(817)	(701)	(213)	(2 239)	(975)	(424)	(23 305)	(36 214)	-	(36 214)

For notes to the Segment Information, please refer to section 1.1 in the Audited Results and cash dividend declaration for the year ended 30 June 2025.

VIF, APE AND VNB SPLIT BETWEEN LIFE AND INVEST

R million	June 2025	December 2024	June 2024	December 2023	June 2023	December 2022	June 2022
VIF¹							
Life	27,910	27,082	24,138	22,859	22,244	23,133	22,059
Invest	13,346	12,715	11,675	10,429	9,393	9,521	8,505
APE²							
Life	735	355	804	426	823	463	837
Invest	2,535	1,234	2,411	1,150	2,142	1,033	2,158
VNB¹							
Life	113	94	225	136	162	169	364
Invest	349	145	256	106	267	160	341

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

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

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

Group Shareholder Free Cash Movement

R millions	FY2025	H1 FY2025	FY2024	H1 FY2024	FY2023
Cash Generated from In-Force Before Financing and Tax	17,655	8,319	14,617	7,567	14,425
New Business Net of External Financing	(6,791)	(3,506)	(6,823)	(3,528)	(7,243)
Tax Paid	(1,867)	(758)	(1,522)	(792)	(1,839)
Operating Cash Flow	8,997	4,055	6,272	3,247	5,343
New Initiatives	(615)	(727)	(1,025)	(776)	(1,671)
Business Development and Other	(1,243)	(595)	(1,580)	(864)	(1,274)
Finance Cost Paid	(1,691)	(899)	(1,566)	(802)	(1,501)
Dividends Paid	(1,708)	(1,073)	(1,270)	(783)	(69)
Financing and Matching Initiatives	(539)	(236)	(496)	(332)	166
Transactions with Borrowers (Excl. Finance Costs)	(1,572)	(491)	1,130	(80)	(597)
Movement in Shareholder Free Cash	1,629	35	1,465	(390)	397
Remove ordinary dividends paid in period	1,614	1,026	1,179	740	-
Add ordinary dividends payable in respect of period	(1,954)	(588)	(1,465)	(439)	(740)
Movement in Shareholder Free Cash – Dividend Accrual Basis (1)	1,289	473	1,179	(89)	(343)
Movement in Shareholder Free Cash - Excl Transactions with Borrowers and Financing and Matching Initiatives	3,740	762	831	22	828
Operating Cash Flow	8,997	4,055	6,272	3,247	5,343
IFRS Normalised Operating Profit net of Tax Expense (2)	11,734	5,529	9,650	5,161	8,406
Cash Conversion Ratio (2)	77%	73%	65%	72%	64%

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

R millions	FY2025	H1 FY2025	FY2024 (3)	H1 FY2024 (3)	FY2023
Profit for the period	9,558	4,329	7,549	3,361	6,572
Reverse non-cash profit items:					
Share of net (profits)/losses from equity accounted investments	(1,266)	(425)	(1,031)	(302)	(561)
Losses/(gains) from dilution of equity accounted investments	32	26	(22)	-	5
Depreciation and amortisation	2,177	1,074	2,160	1,040	1,972
Impairment of intangible assets	131	21	45	4	61
Deferred acquisition costs (Excl. Invest DAC and exchange rate movements)	-	-	-	-	(42)
Movement in contract assets	(359)	(462)	(640)	(252)	52
Amortisation of intangibles from business combinations	-	-	-	-	56
Non cash impact of Vitality Health DAC	(510)	(217)	(411)	(206)	(753)
Non-cash fair value gains on financial assets	(21)	(47)	(87)	(56)	(214)
Non-cash forex gains / losses	20	-	-	-	9
Bank interest income incurred to cash	(152)	(277)	-	-	-
Other non-cash adjustments to profit	54	(22)	(151)	(65)	(178)
Adjustments from IFRS to EV ANW:					
Increase in Negative Reserves and Invest DAC (Net of tax)	(3,181)	(1,487)	(4,733)	(1,784)	(5,393)
Exchange rate movements on Vitality Life Negative Reserves	481	206	(385)	(137)	1,900
Other adjustments to arrive at EV ANW	(279)	404	1,644	137	196
Incurred to Cash basis:					
- Rent Paid	(580)	(329)	(511)	(286)	(328)
- Finance Costs Paid	(2,877)	(1,494)	(2,603)	(802)	(1,501)
- Finance Costs Accrued	3,324	1,711	3,097	1,025	1,941
- Taxation paid	(1,867)	(758)	(1,522)	(792)	(1,839)
- Taxation Accrued	2,049	654	1,093	810	1,495
Investing Activities:					
Purchase of property and equipment	(294)	(120)	(414)	(246)	(551)
Proceeds from disposal of property and equipment	3	3	28	-	2
Purchase of intangible assets	(1,682)	(875)	(1,789)	(800)	(1,760)
Increase in investment in associate	463	(11)	287	(176)	(75)
Acquisition of business net of cash required	(316)	-	-	-	(3)
Cash proceeds from CMT transaction	-	(304)	-	-	-
Financing Activities:					
Increase in borrowings	3,264	1,765	2,005	500	7,441
Repayment of borrowings	(4,836)	(2,257)	(874)	(580)	(8,038)
Dividends paid to ordinary shareholders	(1,614)	(1,026)	(1,179)	(739)	-
Dividends paid to preference shareholders	(93)	(47)	(91)	(44)	(69)
Movement in Shareholder Free Cash	1,629	35	1,465	(390)	397

Notes

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

1) This view of the movement in shareholder free cash flow aligns the dividend paid to the period against which the cash flow was generated to fund it. For the year ended 30 June 2025, the interim declared dividend of R588m, per the interim financial results, and the final declared dividend of R1 366m, per the annual financial results, are used as the total dividend accrued in respect of the twelve-month period.

2) Cash conversion is calculated as Operating Cash Flow per the Group shareholder free cash movement, divided by Normalised profit from operations (IFRS total) net of Income tax expense (IFRS total) per A.1 Segment Information. "IFRS Normalised Operating Profit net of Tax Expense" and "Cash Conversion" for H1 FY2024 and FY2024 have been restated as a result of prior period errors related to movements in Life net assets under insurance contracts - refer to section D1.1 for more detail.

3) Related to note 2 above, "Profit for the period" for H1 FY2024 and FY2024 has been restated. The restatements do not affect the net Movement in Shareholder Free Cash Flow for those periods as they relate to movements in Life net assets under insurance contracts, which are non-cash flow movements. The offsetting adjustment has been included in "Increase in Negative Reserves and Invest DAC (Net of tax)" in the build-up above.

Reconciliation of operating profit to normalised operating profit

for the year ended 30 June 2025

R million	Group Year ended June 2025	Group Year ended June 2024	% change
Operating profit	14,587	11,390	28%
Share of net profits from equity accounted investments	1,215	975	
Impairment of goodwill	20	-	
Normalised profit from operations per Segment information (IFRS total)	15,822	12,365	28%
Normalised profit adjustments	(612)	(604)	
Investment income earned on shareholder investments and cash	(352)	(318)	
Difference between market related rental and depreciation and finance costs (Head office)	(205)	(181)	
Tax specific to policyholder tax funds	(152)	(96)	
Net fair value gains on financial assets at fair value through profit or loss	(105)	(162)	
Amortisation of intangibles from business combinations	122	105	
Restructuring costs	80	48	
Normalised profit from operations	15,210	11,761	29%

Discovery Bank additional performance metrics

for the six months ended 30 June 2025

	2025 H2	2025 H1	2024 H2	2024 H1	2023 H2	2023 H1
Profitability and Efficiency						
Retail Net Interest Margin (NIM)*	8.85%	9.65%	10.19%	10.06%	9.53%	9.37%
Asset Quality						
Non-Performing Loan (NPL) Ratio	4.79%	4.92%	5.41%	5.84%	5.02%	4.16%
Capital Adequacy						
Common Equity Tier 1 (CET1) Ratio	16.31%	16.67%	17.63%	17.07%	16.82%	16.47%
Liquidity						
Loan-to-Deposit Ratio (LDR)	39.37%	37.05%	35.72%	34.48%	36.08%	23.46%

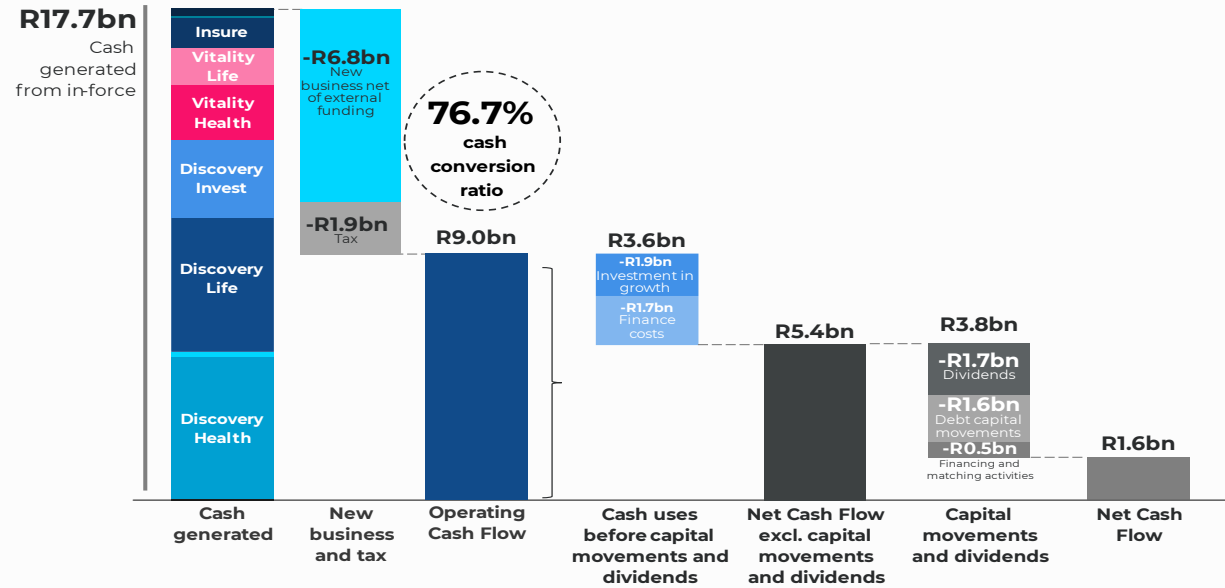
*Excludes interest on bonds

NAV PER ENTITY

for the year ended June 2025

Covered businesses	June 2025
NAV before adjustment to shareholder funds	
Health and Vitality	1,686
Life and Invest	32,242
VitalityHealth	10,636
VitalityLife	5,002
Non-covered businesses	
Bank, including DCS intangible asset and goodwill	8,516
Insure	2,705
PAHI	7,331
CMT	1,338
Limited	(10,517)
Other	6,760
Total NAV	65,699

Robust cash generation lifts cash conversion ratio



Adjusted Net Cash Flow (Rbn)

Before ordinary dividends, capital movements and one-offs



Cash conversion ratio is calculated as Operating Cash Flow (R8 997m at 30 June 2025, from the 'Additional Analyst Information' document) over the IFRS normalised profit/(loss) from operations (R15 822m at 30 June 2025, from section A.1 Segment Information of the 'Audited Results') net of IFRS income tax expense (R4 089m at 30 June 2025, from section A.1 Segment Information of the 'Audited Results')

PAHI performance metrics

RMB million (100% PAHI unless otherwise stated)	Full years (DSY reporting cycle)			Half-years (calendar year)		
	June 2025	June 2024	%change	2025	2024	%change
New business PAHI Own Licence	4,807	3,842	25%	3,064	2,251	36%
New business PAHI Own Licence (25%)	1,201	960	25%	766	563	36%
PAHI Own Licence written premium	18,824	16,118	17%	11,372	9,583	19%
PAHI Own Licence earned premium	17,807	14,747	21%	9,521	7,617	25%
PAHI profit before investment income and gains	1,398	1,470	-14%	1,092	1,114	-2%
PAHI investment income and gains	1,146	621	84%	547	419	30%
PAHI pre-tax profit	2,544	2,092	22%	1,638	1,533	7%
PAHI profit before income and gains (25%)	636	523	22%	409	383	7%
Investible assets	26,247	23,328	13%			

Value generation of business under IFRS 17

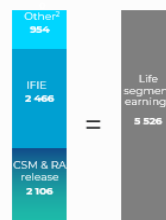
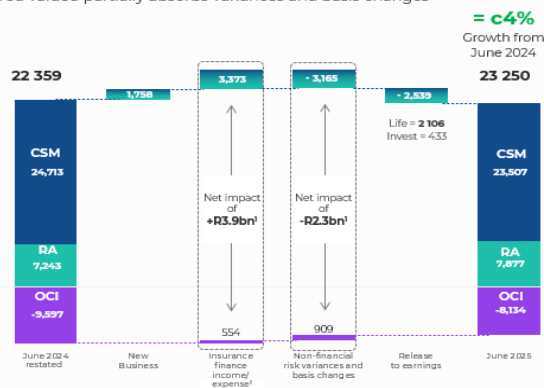


Store of value partially absorbs variances and unwind into earnings

ZARm

IFRS 17 Life and Invest General Measurement Model (GMM) business stored value partially absorbs variances and basis changes

Components of Life segment earnings (incl. Premium Allocation Approach (PAA) business such as Group Life)



- Total up c4% from R22.4bn in June 2024 to R23.3bn in June 2025
- Other Comprehensive Income (OCI) movements driven by lower interest rates at June 2025 vs June 2024
- Favourable claims experience offsets reduction in current period IFIE due to June 2024 systematic rate movements

1 includes changes to assumptions related to financial risk; 2 "Other" includes largely PAA business earnings and variances such as the favourable claims experience variance in the period.

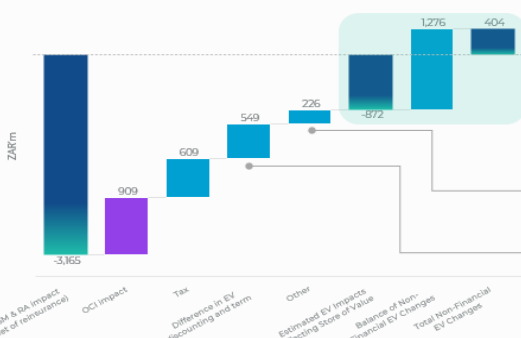
Non-financial risk variances and basis changes

Illustrative walk between the impact on the GMM store of value and EV



Context: IFRS 17 stored value (CSM + RA + OCI) partially absorbs variances and basis changes. The purpose of this slide is to illustrate key differences between the impact of non-financial risk variances and basis changes on the SA Life GMM store of value and the embedded value. The reconciliation broadly captures the key individual Life considerations on an approximate basis within the limitations of disclosed values.

- Estimated EV impact**
The overall impact of non-financial risk variances and basis changes improved EV by R404m. Positive impacts, such as the strong in-period claims experience variance reflect in earnings and cash flow; store of value relates to future service and is unaffected by such items which are ignored here. The table shows the EV impacts which most materially affect Life GMM store of value resulting in an approximate R872m EV reduction, noting that they would include Invest and Group Life values in some instances. The remaining non-financial risk impacts, largely claims experience related, result in a R1276bn increase in EV.



ZAR'm	Value-in-force	Net worth	EV
Experience Variances			
Lapse and surrenders	227		227
Mortality and morbidity	-68		-68
Policy alterations	-27	-562*	-589
Premium and fee income	179		179
Methodology and assumptions			
Lapses	-345		-345
Premium and fee income	-276		-276
Estimated EV Impacts Affecting Store of Value	-310	-562	-872
Balance of non-financial risk EV changes	-437	1,713	1,276
Total Non-Financial Risk EV Changes	-747	1,151	404**

* The impact of policy alterations on PVFCF and related acquisition costs are incorporated into CSM.
** R404m is the sum of the EV experience variances (R1,320m) and methodology and assumption changes (R687m) less inflation-linked indexation (-R231m), economic variances (R518m) and economic assumption changes (R9,161m).

Other
This reconciling item relates primarily to **internal replacement policies**, which are seen as part of existing book variances for EV purposes, but reflect as new contracts under IFRS (and hence included in the new business CSM).

Estimated impact of differences in discounting and projection term
A factor is applied to the store of value net of tax to approximate the impact of moving from risk free to the RDR and a different projection term in the embedded value calculations. This factor is influenced by items such as the durational impact of changes in estimates. An approximate method to derive the ratio is to consider the net of reinsurance and tax individual Life GMM PVFCF net of RA to the Life VIF. This implies a factor of c1.21. **A factor of 1.51 was used in the illustration** to allow for known differences such as the Group Life VIF.

Non-financial risk variances and basis changes

Commentary on observed strain on store of value due to variances and basis changes



- The IFRS store of value on GMM business increased by 4% (cR900m) over the period under consideration to R23.3bn, benefitting from new business, interest unwind and changes in assumptions related to financial risk.
- IFRS variance and basis changes related to non-financial risk resulted in a strain of R2.3bn net of reinsurance and gross of tax.
- EV variances were positive in the period and include significant positive variances related to current service, particularly related to claims experience within the Life businesses which reflect directly in cash flow and earnings.
- Another key difference between IFRS and EV relates to internal replacement policies which are recognised as part of existing business variances for EV purposes, but reported as new contracts for IFRS purposes. A portion of CSM generated on new policies therefore relates to existing customers.
- Negative experience in the period primarily relates to policy alterations experience. Policy alterations experience is a key focus for business with various material initiatives being phased in over FY26. Strong in period claims experience positively impact longer-term observed claims experience with the 5-year claims experience levels reflecting below expected levels (normalising for the impact of COVID-19).
- Whilst deviations could occur in the short term, the store of value is expected to continue increasing in future with growth through new business and interest accretion exceeding releases to earnings.
- Related components within the store of value are reported in granular detail and hence need to be combined to consider total movements. For example, CSM movements are reported gross of reinsurance within separate disclosure of offsetting and related reinsurance impacts.

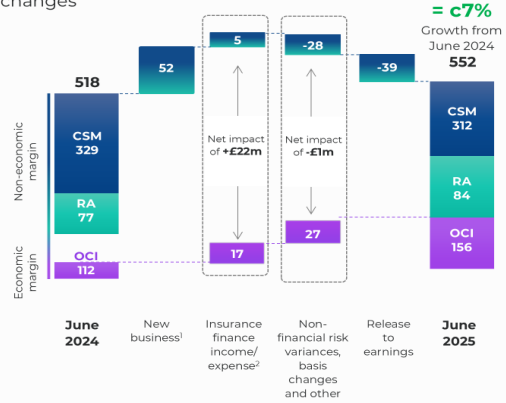
Value generation of business under IFRS 17



Store of value absorbs variances and plays out as earnings during the period

GBPm

IFRS 17 stored value absorbs variances and basis changes



Components of VitalityLife earnings



- 1 Total margins increased by c7% from £518m at June 24 to £552m at June 25
- 2 Strong levels of margins generated on new business more than offset release of CSM & RA to earnings
- 3 Positive IFIE and CSM & RA release to earnings were partially offset by non-attributable costs, in period cashflow variances, the impact of onerous new business (after establishing a risk adjustment) and a £3.6m impact from basis changes.

1 New business net value excludes the impact of new reinsurance contracts attaching to the in-force book in the period, which is included in 'Non-financial risk, variance, basis changes and other'; 2 Includes changes to assumptions related to financial risk

Normalised Return on Equity

	FY2025	FY2024	FY2023	
<u>EARNINGS</u>				
Net profit - attributable to:	9,558	7,549	6,961	
- Ordinary shareholders	9,471	7,468	6,899	A
- Preference shareholders	93	91	69	
- Non-controlling interest	(6)	(10)	(7)	
<i>Earnings adjustments for ordinary shareholders</i>	310	43	(110)	C=B-A
Normalised headline earnings	9,781	7,511	6,789	B
<u>EQUITY</u>				
Opening total equity	54,451	47,242	38,787	
- Insurance Finance Reserve	(4,832)	(6,312)	(3,483)	
- Perpetual preference share capital	779	779	779	
- Non-controlling interest	-	4	5	
- Other equity	58,504	52,771	41,486	D
Adjusted opening equity	58,504	52,771	41,486	E=D
Closing total equity	65,699	54,451	47,242	
- Insurance Finance Reserve	(2,928)	(4,832)	(6,312)	
- Perpetual preference share capital	779	779	779	
- Non-controlling interest	(5)	-	4	
- Other equity	67,854	58,504	52,771	F
Adjusted closing equity	67,854	58,504	52,771	G=F
Normalised adjusted closing equity	68,164	58,547	52,661	H=G+C
Average normalised equity	63,334	55,659	47,073	I=(H+E)/2
<u>RETURN ON EQUITY</u>				
Normalised return on equity (annualised)	15.4%	13.5%	14.4%	Full-year =B/I

Analyst Q&A

Discovery Life

- **Can you explain the SA Life CSM reduction, as compared to positive EV impact, and the impact of policy alterations**

Please see the slides titled 'Value generation of business under IFRS 17', 'Non-financial risk variances and basis changes' and the commentary in this additional analyst information.

CSM changes should be considered together with RA and OCI as a store of value and in the broader context of the total change in store of value over the period, including new business, interest accretion and release to profit. Combined these increased the store of value by c.R900 million or 4%.

Reflecting on the slides: The R3.2 billion CSM & RA impact (net of reinsurance) due to variances and basis and methodology changes are reported at initial recognition interest rates rather than current rates, and so an OCI component is created directly related to these CSM movements. Allowing for this, the combined FY25 GMM store of value change due to variances and basis and methodology changes is a reduction of R2.3 billion (gross of tax). The overall EV experience variances and assumptions changes for the period, excluding economic movements, was positive in the period at a gain of R404m. This is a function of additional movements which do not impact the GMM store of value, largely related to the strong positive claims experience reflected directly in earnings, and other differences between IFRS17 and EV. The slides titled 'Non-financial risk variances and basis changes' illustrates the link from the applicable EV experience variances and methodology and assumption changes to the store of value changes (CSM + RA + OCI).

Policy alterations were the largest negative contributor to experience variances in the period. This has been a key focus for management with multiple initiatives having been phased in to improve alteration experience.

- **What is the impact of the CSM reduction on earnings**

Under IFRS17, the release of CSM to earnings occurs after the impact of non-economic experience and basis changes. As a result, the negative CSM impact was already incurred in the earnings for FY2025 and it did not have a significant impact on the life earnings.

- **How sustainable is the mortality & morbidity experience going forward?**

Claims experience over a single year alone cannot be considered credible enough to guide future experience. However, the positive experience in FY25 has a beneficial impact on the five-year average, excluding COVID-19 related claims, which is a positive indication. The positive experience was across both Individual and Group Life, mortality and morbidity.

- **Please explain the reduction in the Individual Life new business margin**

New business does have a notable fixed overhead cost base, making the margin responsive to volume and mix changes. Individual Life's new business margin reduced from 5.0% to 3.8% largely due to lower new business volumes. The underlying profitability of policies, normalising for expenses, remain strong.

The business continues to focus on quality of new business, increasing sales volumes and appropriate expense management to improve the margin. Included in this are the recently relaunched Will and Trust offering, distribution initiatives as well as future offering products in collaboration with Discovery Bank.

- **Please expand on 2H EV lapse experience in Life & Invest and Health & Vitality. Also for the positive Mortality & Morbidity changes.**

Lapse improvements in H2 are driven by the Life and Invest businesses. Invest experience was particularly strong across most main product lines. The claims experience improvement was fairly broad across all benefits on Individual and Group Life. The claims assumption change relates to a review of projected claims reserve level (and therefore projected interest on reserves) in the Group Life business. The assumption change also includes minor methodology refinements in Individual Life.

- **Could you remind us what the amortisation rate for both RA and CSM?**

The releases or amortisations are calculated using coverage units which represent updated expected future sums assured and remain stable year-on-year. For both RA and CSM, they can be calculated as:

$$\text{Release Rate} = \text{Release} / (\text{Opening Balance} + \text{New Business Added} + \text{Interest Accreted} + \text{Changes in Estimates Related to Future Service})$$

Alternatively:

$$\text{Release Rate} = \text{Release} / (\text{Closing Balance} - \text{Release})$$

Using notes 2.5.1 and 2.9.1 in the AFS to calculate Life GMM release rates net of reinsurance:

$$\text{CSM Release Rate: } \text{FY25} = 6.3\%; \text{FY24} = 5.7\%.$$

$$\text{RA Release Rate: } \text{FY25} = 6.9\%; \text{FY24} = 6.8\%.$$

- **How important is bancassurance in addressing new business pressure (both SA Life and SA Insure). How long will this take to have a meaningful impact? Could you compete effectively with Capitec in the middle to mass market?**

This is a key focus for the business over the short to medium term, with significant opportunity given the substantial 'new to Discovery' client base introduced by Discovery Bank.

Discovery Bank

- **Why are the number of discovery bank clients at 1.2 and accounts at 3 million respectively? Does this mean on average everyone has 2.5 accounts? Why would they need more than one account? Any clarification would be greatly appreciated.**

On average, clients hold about 2.4 accounts. Beyond their primary transaction and credit card accounts, clients often take up additional savings and lending products that suit their specific banking needs. These are recorded as individual accounts for clients.

- **What is the potential for the Discovery Bank home loan book over the next five years? Are you considering launching any new banking products in 2026?**

Our home loan book has shown strong early momentum, growing to over R2bn since its launch in May 2024. Currently, the majority of this comes from clients switching from other banks, and is further supported by our ability to offer personalised interest rates that can be reduced through managing your money well and product integration. Over the next five years, we see significant potential as we increase focus on both switches and new originations, particularly as interest rates normalise.

In March, the Bank launched a range of new products and features to make banking more personal, more intelligent, more secure and more rewarding. These included the launch of Discovery AI, and security features that protect our clients and their finances. In addition, we recently launched personal loans via the Bank app, further expanding our lending suite. As part of Discovery Group's annual September launch cycle, we consistently introduce new products and enhancements across our businesses. The Bank will announce its 2026 innovations during the upcoming cycle. As the Bank grows, we will remain focused on launching solutions that will enable us to target new client segments and cater for a wider range of client needs.

VitalityHealth

- **For VitalityHealth, what is the outlook for inflation? What is your expectation/need for further rate increases to meet your margin target?**

Medical inflation tends to be higher than consumer inflation rates, as with all markets. Following the recent rebasing of premiums to reflect increased claims utilisation levels, no further significant rate increases are foreseen at this time. The business will continue to ensure that responses to future utilisation and claims inflation changes are appropriate and proportionate.

VitalityLife

- **Can you comment on the negative VNB margin in VitalityLife in the second half of 2025 vs the strong positive result in the first half?**

The result in the second half was primarily influenced by a change in basis, which materially impacted reported outcomes for the period.

- **Do you have an ambition for the VitalityLife VNB margin or are you comfortable with 0.2%?**

We continue to target a new business internal rate of return (IRR) of risk-free + 5%. The VNB margin is expected to continue growing as the expense base increases by less than the growth in new business levels, reducing the cost per policy.

Vitality Network

- **Why does VN revenue growth continue to lag client growth? How long before these become aligned? Do you expect margin expansion in FY26 and thereafter?**

Performance-based fees have increased in line with the growth in Intellectual Property (IP) sales, with the non-performance fees growing at a lower level; Despite ongoing investment alongside AIA, we expect margins to improve in the near term, particularly since there is now the opportunity for new European partners to grow revenue with limited impact on the expense base; We remain confident in achieving our target margin of 50% by 2029.