



# Discovery South Africa

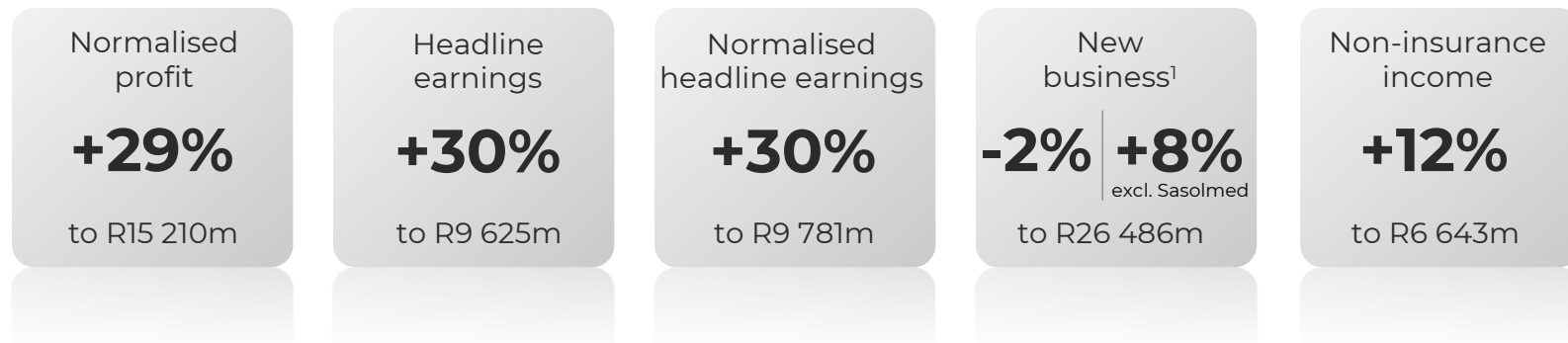
South African Financials Conference  
October 2025

## Presentation disclaimer



This presentation may contain forward looking statements with respect to certain of Discovery's plans and its current goals and expectations relating to its future performance and results. All forward looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond Discovery's control. Accordingly, Discovery's actual future financial performance and results may differ. Any reference to future financial performance has not been reviewed or reported on by the Group's auditors.

# Discovery Group FY25 performance overview



<sup>1</sup> Excluding discontinued products

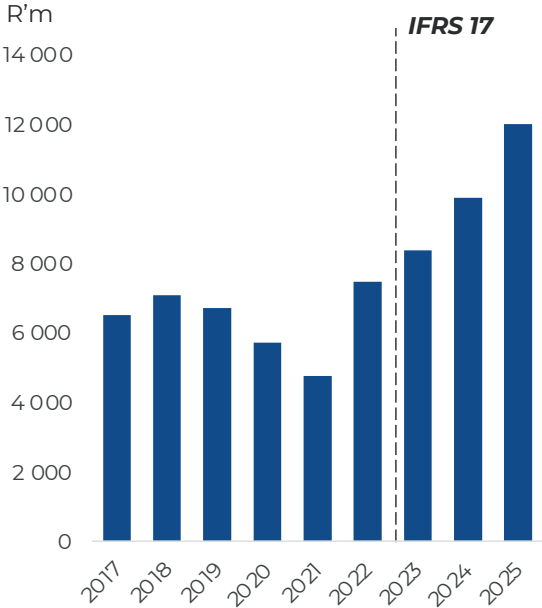
# Strong FY25 performance



Discovery SA

## Strong normalised profit growth

FY25  
**+22%**  
to R12 005m



## New business

FY25  
**+5%**  
to R18 113m



# Increased confidence in achieving annual and five-year CAGR ambition



	Ambition	FY25
<b>Normalised profit growth</b>	<b>12.5%-17.5%</b> CAGR	<b>22%</b> FY25
<b>Cash conversion ratio</b>	<b>60%-70%</b> Cash conversion ratio (Group)	<b>&gt;75%</b> FY25

**Strong performance in the first year of delivery has increased confidence in achieving this ambition over the period**  
**The continued resilience and growth in Q1FY26 increases confidence of delivering within profit corridor for FY26.**

## Discovery SA growth ambitions

### Discovery Bank

**R400m** Bank operating profit growth p.a.

**R3bn** Bank FY29 profit ambition

### Discovery Life and Invest

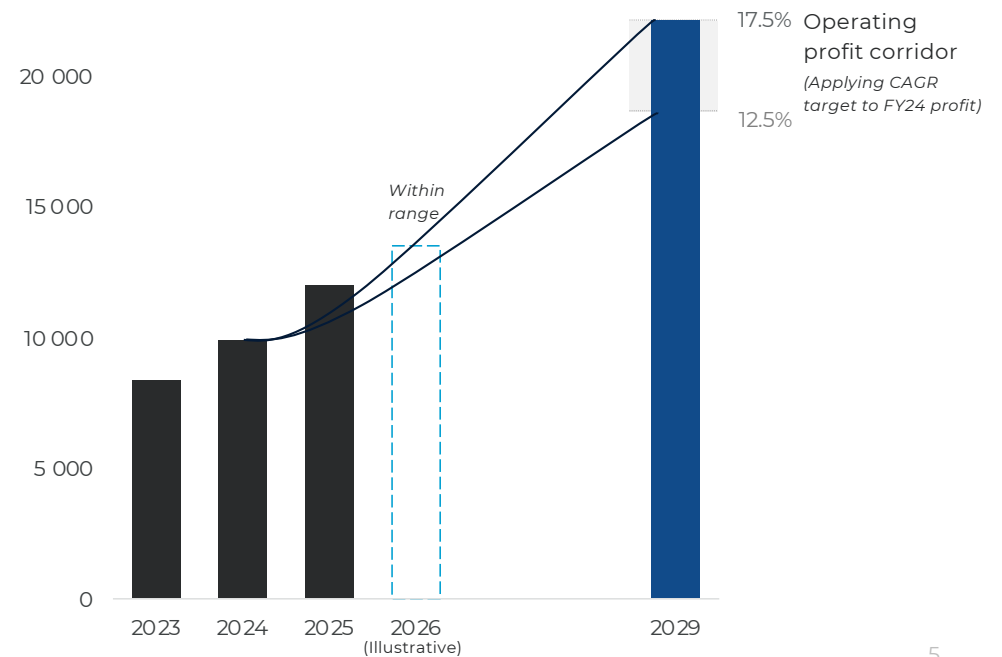
**>RF+8%**

Life and Invest new business IRR

### Discovery Insure

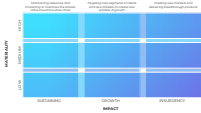
**c10%**

Insure margin



Forward looking information on this slide is for illustration and has not been reviewed or reported on by the auditors and reflects the average expected over the time frame

# Strategic value drivers across Discovery SA businesses



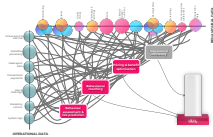
1

Every business #1 in its market — product innovation to drive high-quality growth



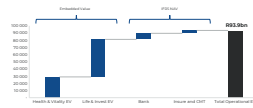
2

Strong franchise built on a combination of brand and distribution assets



3

Shared-value model — data and AI to hyper-personalise experience, service and engagement



4

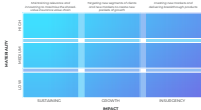
Intrinsic value of the in-force book



5

Discovery Bank as the composite-maker

# Strategic value drivers across Discovery SA businesses



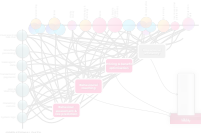
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# Discovery SA businesses are category-leading



	Life	Health	Invest	Insure	CEB	Bank
<b>Market share</b>	<b># 1</b> market share	<b>58%</b> market share <sup>1</sup>	<b>3<sup>rd</sup></b> largest in net flows <sup>2</sup>	<b># 1</b> fastest growing short-term insurer by GWP	<b>27%</b> market share in critical illness benefits	<b># 1</b> Bank brand
	<b>70%</b> higher market share than the next competitor	<b># 1</b> FIA Healthcare Product supplier of the year	<b># 1</b> fastest growing active retail asset manager in SA	<b># 1</b> automobile insurer	<b># 1</b> fastest growing commercial retirement fund	<b># 1</b> retail and private banking service

Consistent architecture



<sup>1</sup> DHMS open scheme market share, overall market share including DHMS 39%    <sup>2</sup> Excluding white labelled funds



# Product innovation and the shared-value model supporting profitability

## Product

Discovery Health



Discovery Life



Discovery Invest



Discovery Insure

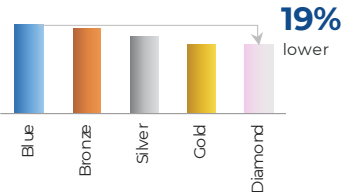


Discovery Bank

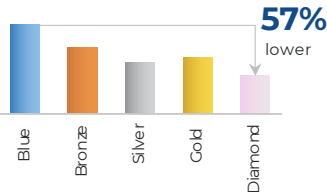


## Shared-value model<sup>1</sup>

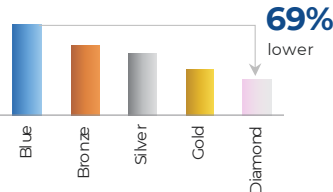
Health claims



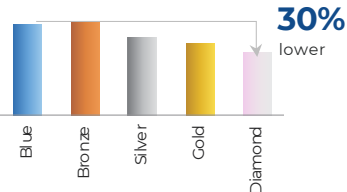
Life claims



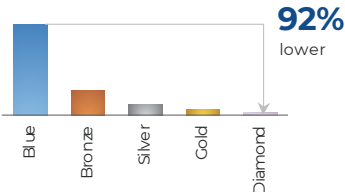
Invest paid ups



Insure claims



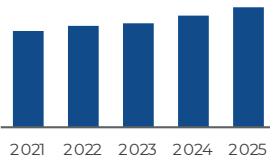
Bank credit loss ratio<sup>2</sup>



## Profit<sup>3</sup>

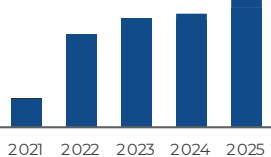
Discovery Health

**+7%**  
to R4 259m



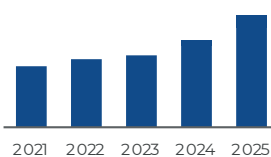
Discovery Life

**+14%**  
to R5 525m



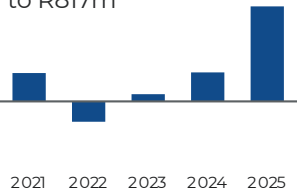
Discovery Invest

**+29%**  
to R1 987m



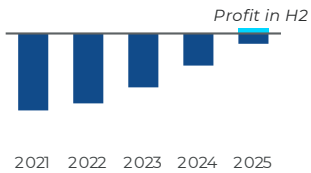
Discovery Insure

**+229%**  
to R817m



Discovery Bank

**85%**  
Improvement to (R68m)



<sup>1</sup> Status correlations are based on FY25 experience, Invest paid ups are based on 2024 experience; <sup>2</sup> Bank credit loss ratio excludes overlays; <sup>3</sup> 2023, 2024, and 2025 on IFRS17 basis

# Cadence of innovation is accelerating - Discovery Day 2025



**New Vitality Fitness partners, and points changes**

yo yoga  
PILATES UNLIMITED  
ReUnion  
10 years of Active Rewards

**Hybrid Fixed Deposits**  
**Personal Loans**  
**MILES+ Network**  
**In-app Calling**

**Personal Health Pathways**  
**DHMS contribution increases**  
**Discovery Health Medical Scheme**  
**Flexicare updates**  
**SmartSaver**

**Debt Reset**  
**Group Risk Payback**  
**Healthy Company Core**  
**Health Match**

**Vitality Drive Sleep Points**  
**Advanced Driving Instructor**  
**Discovery 911 panic button and smoke detector**

**Adviser 360 enhancements**  
**Discovery Private Equity Portfolio**  
**Exclusive Offers**  
**25% ENHANCED INTEGRATION DISCOUNT**  
**Triple fuel rewards**

Sleep

# Innovating to drive long-term sustainable growth



MATERIALITY  
SEGMENT SIZE

DIFFERENTIATION

# Strategic value drivers across Discovery SA businesses



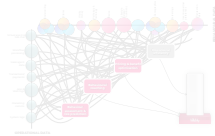
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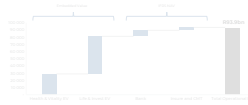
2

Strong franchise built on a combination of brand and distribution assets



3

Shared-value model — data and AI to hyper-personalise experience, service and engagement



4

Intrinsic value of the in-force book



5

Discovery Bank as the composite-maker

# Marketing to support the growth and engagement strategy



## MARKETING AND SALES OPTIMISING THE VALUE OF NEW BUSINESS

$$\text{VNB} = \left( \frac{\text{Leads}}{\text{Marketing}} \times \frac{\text{Sales}}{\text{Leads}} \times \text{Business mix} \times \text{Engagement} \right)$$

Brand

- Equity
- Awareness
- Relevance

Conversion rate

- Channel Optimisation
- Systems
- Distribution Footprint

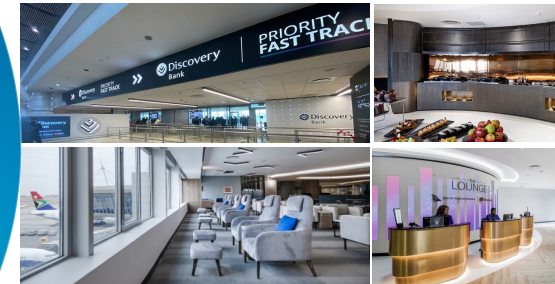
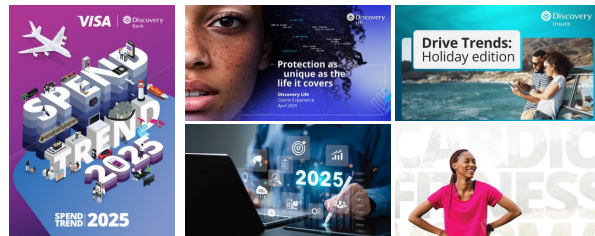
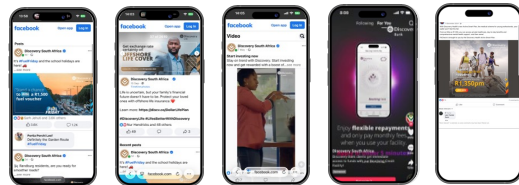
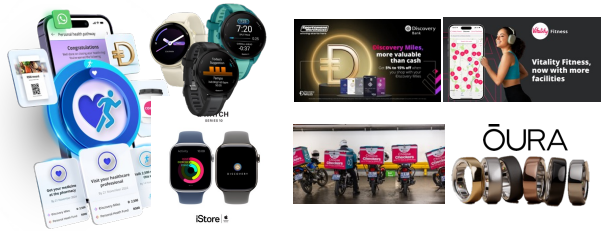
Quality

- Product mix
- Cross-Sell and Integration

Behaviour

- Vitality
- Next-Best Action
- Rewards

# Meaningful assets that drive brand value



# Overview of distribution channels



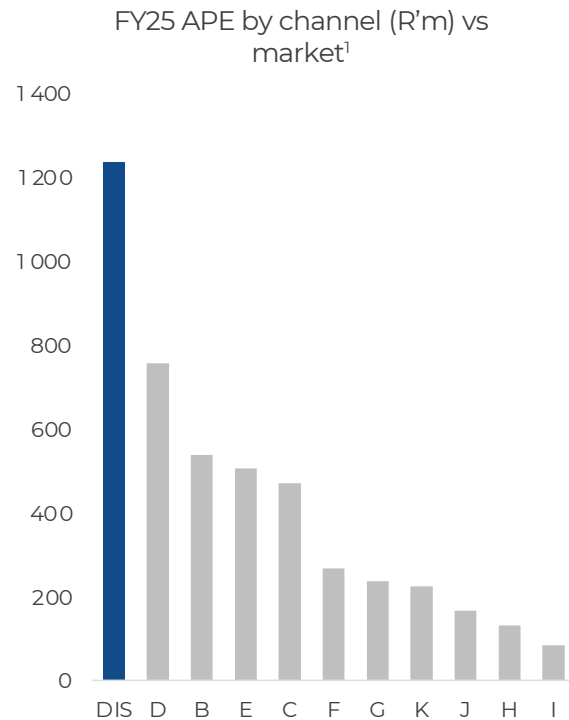
	Intermediated: Independent	Intermediated: Tied	Discovery Connect
Footprint	<p>Intermediated business via independent advisers mandated to sell multi-provider products</p> <p><b>&gt;11 000 advisers</b></p>	<p>Intermediated business via employed and contracted advisers mandated to sell Discovery products</p> <p><b>&gt;1 200 advisers</b></p>	<p>D2C through DCDS channel mandated to sell Discovery's Life, Health, Insure and Bank products</p> <p><b>&gt;500 representatives</b></p>
Attributes	<ul style="list-style-type: none"> <li>Large footprint, providing significant scale and coverage across the country</li> <li>Specialist product knowledge within specific insurance or investment category</li> <li>Variable cost structures</li> </ul>	<ul style="list-style-type: none"> <li>Focus on quality of new business with aligned incentives to drive this</li> <li>High integration across the Discovery SA product suite</li> <li>High productivity per adviser</li> </ul>	<ul style="list-style-type: none"> <li>Significant use of data and digital channels to optimise new business acquisition</li> <li>Acquisition cost supports broad above the line presence</li> <li>Reaches a wide and diverse audience of clients</li> </ul>
Contributions to gross new business API	<p>Health Life Invest Insure</p>	<p>Health Life Invest Insure</p>	<p>Health Life Insure Bank</p>

New business figures are production figures, representing gross new business API, Health excludes in-house; Bank new business is the number of new clients and includes digital for Discovery Connect

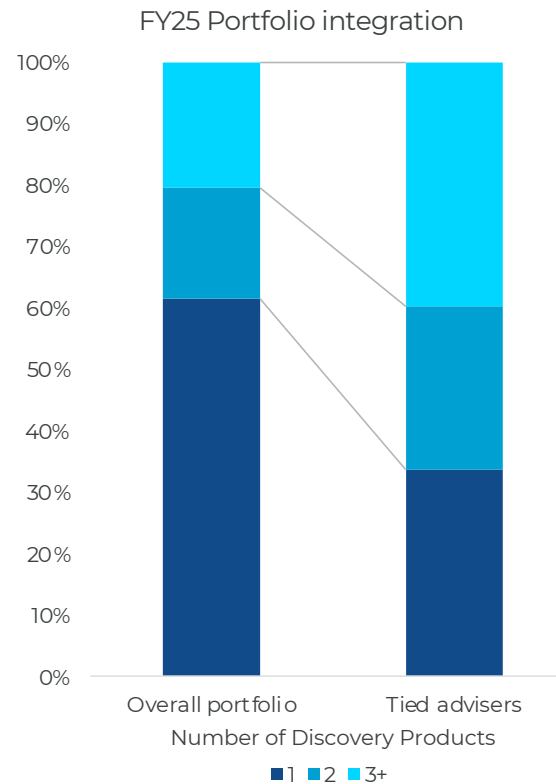
# High quality growth and integration from tied advisers



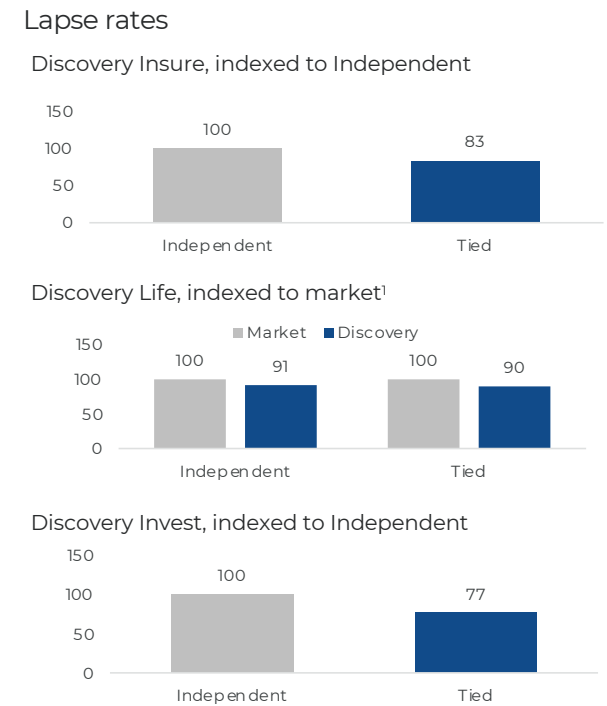
## Highly productive distribution force



## Focus on product integration



## Better persistency



<sup>1</sup>Source: NMG survey



# Adviser technology | Enabling an end-to-end new business journey



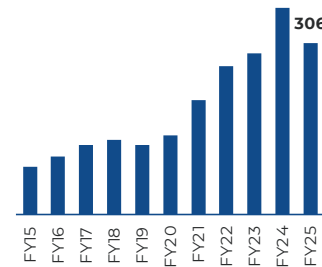
# End-to-end D2C capability powered by industry-leading technology / analytics



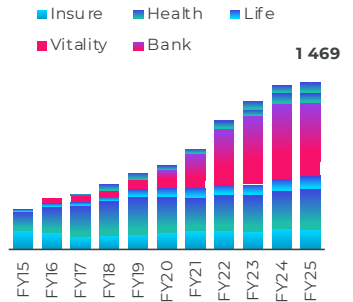
## PERFORMANCE MARKETING

- Data-science-driven lead generation investment, deployed across digital and traditional media platforms – optimising for client lifetime value

D2C Marketing spend p.a. (R'm)



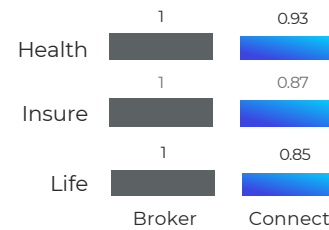
Leads generated p.a. ('000)



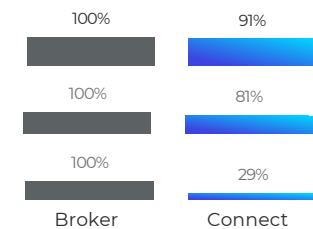
## SALES

- Positioned to serve the fast-growing **digital-first consumer with market-leading 60-second quoting and policy activation journeys**
- Seamless transition to expert call-center agents where necessary

Average age (indexed)



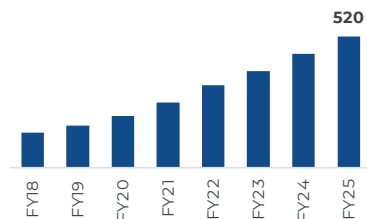
Average API (% of broker)



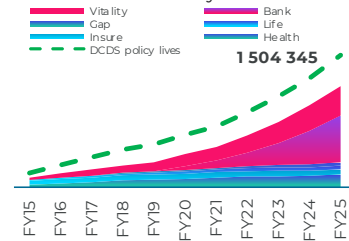
## IN-FORCE CLIENT BASE

- Strong revenue and in-force policy growth reflecting the quality of new business generated
- Accelerated growth exceeding 1.5million policy-lives

Discovery Connect revenue p.a.(R'm)



In-Force Policy Lives



# Result of a highly productive distribution force

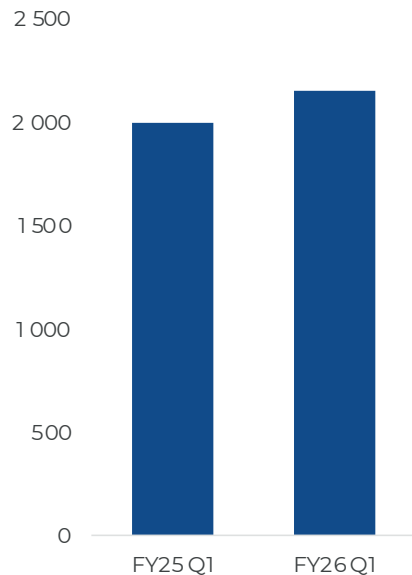
Q1 FY26 Gross new business API; Production values



## Discovery Health

**+8%**

R'm



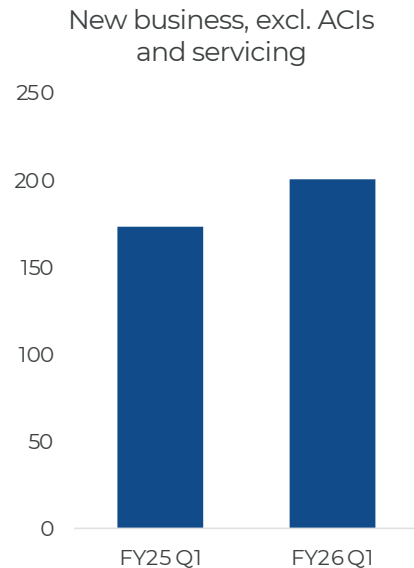
## Individual Life\*

**+16%**

R'm, excl. ACIs and servicing

**3%**

R'm, incl. ACIs and servicing



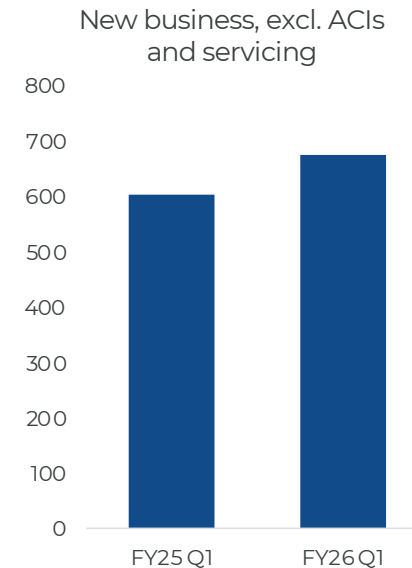
## Discovery Invest

**+12%**

R'm, excl. ACIs and servicing

**+9%**

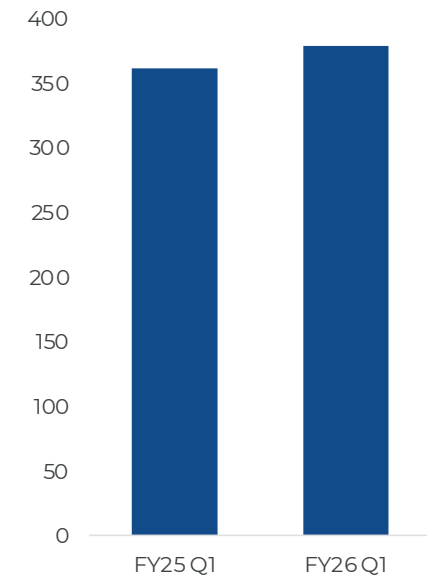
R'm, incl. ACIs and servicing



## Discovery Insure

**+5%**

R'm



\*Life excludes Group Life and Umbrella due to the relative impact of large scheme sales period on period.

# Strategic value drivers across Discovery SA businesses



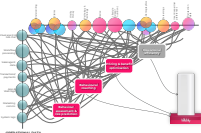
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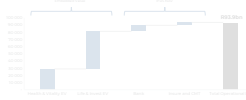
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Strong franchise built on a combination of brand and distribution assets



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Shared-value model — data and AI to hyper-personalise experience, service and engagement



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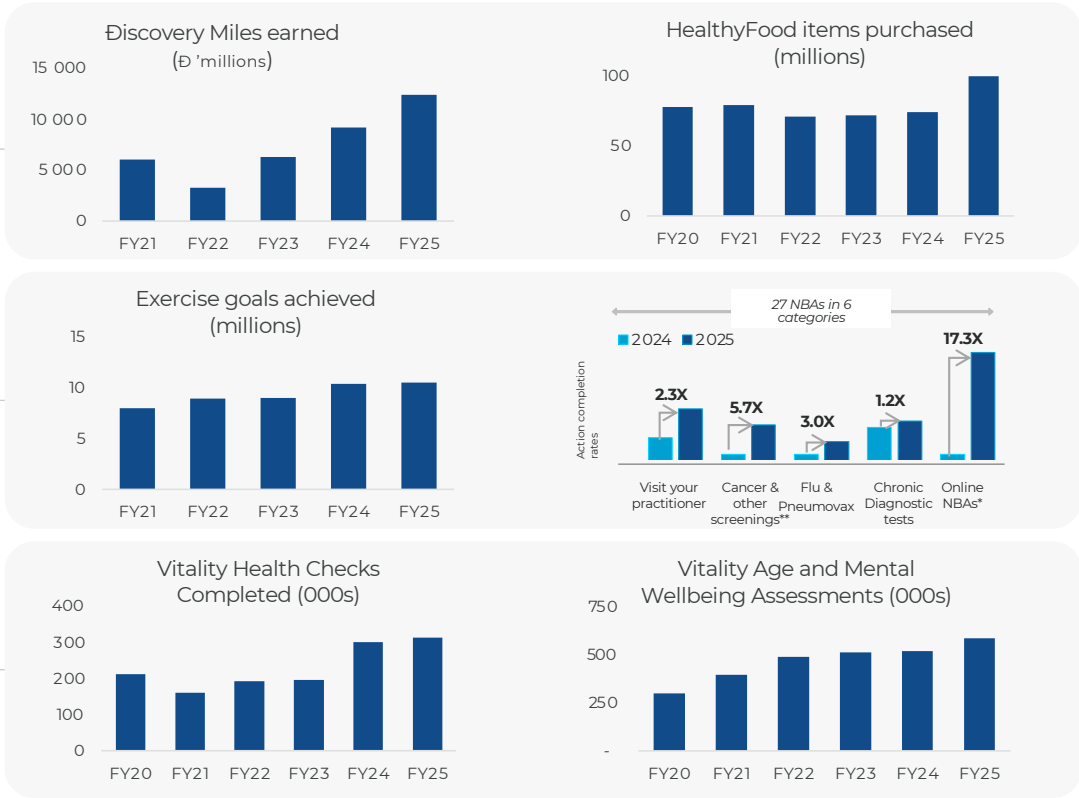
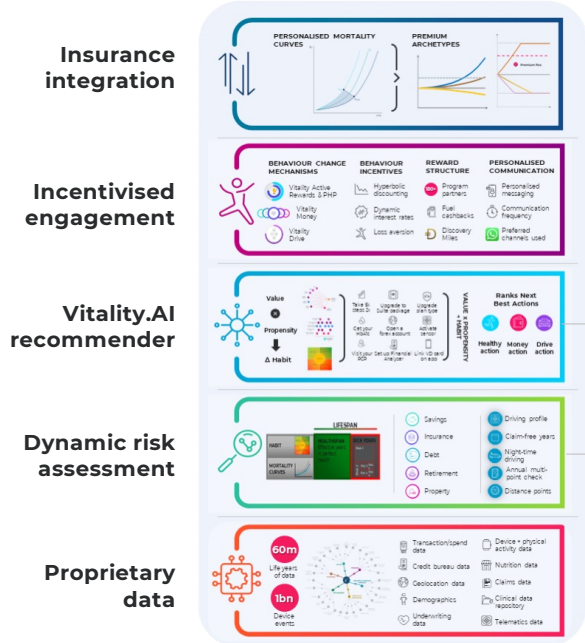
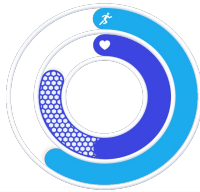
Intrinsic value of the in-force book



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Discovery Bank as the composite-maker

# Significant engagement and value generated by the model



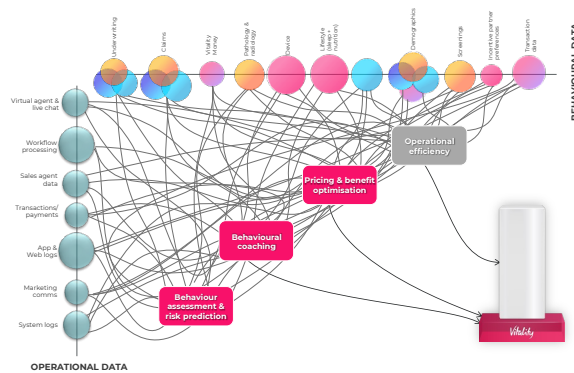
Personal Health Pathways is brought to you by Discovery Health (Pty) Ltd, registration number 1997/013480/07, an authorised financial services provider, administrator and managed care provider of medical schemes. Personal Health Pathways is enabled by the combination of Discovery Health's healthcare capabilities and Vitality's behaviour change expertise. Discovery Health Medical Scheme, registration number 1125, is an independent non-profit entity governed by the Medical Schemes Act, and regulated by the Council for Medical Schemes. Vitality is a separate wellness product, sold and administered by Discovery Vitality (Pty) Ltd, registration number 1999/007736/07. Limits, terms and conditions apply.

# Comprehensive and multi-dimensional data



A precision lens into behaviour

## Multi-dimensional data set



**>1.4 petabytes**  
Structured data (health, wellness, and mortality) & unstructured data (images, emails etc.)

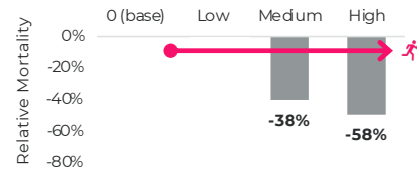
**>150** internal data pipelines integrating data into big data environments, with built-in privacy protections

**>72** individual databases housing structured data across the business

**>25 years** of historical structured & unstructured data captured and retained

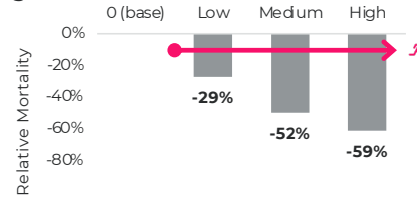
## Causal effects of physical activity on health outcomes

### Age 45-65



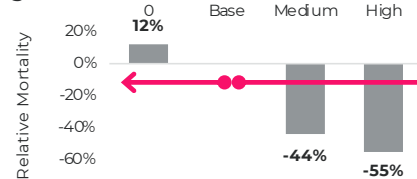
Significant improvements as PA increases

### Age 65+



Impact of PA increases as you get older

### Age 45-65



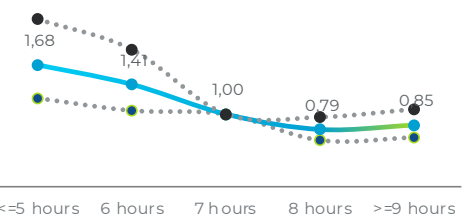
Maintenance is important for already active members

**502 062** members  
**2013 - 2019** period of study  
**36.6bn** exercise points earned  
Causal forest

## Sleep has emerged as a key behavioural risk factor

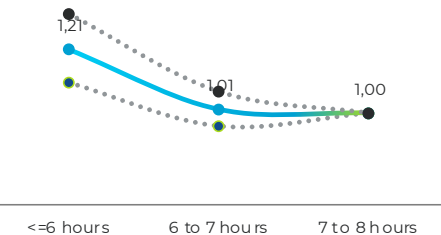
### Sleep health and the onset of lifestyle related conditions are correlated

68% higher likelihood of diabetes onset with poor sleep duration



### Sleep health and casualty visits are linked

21% higher likelihood of a casualty visit with poor sleep duration



# Data assets give us unique insights into behaviour

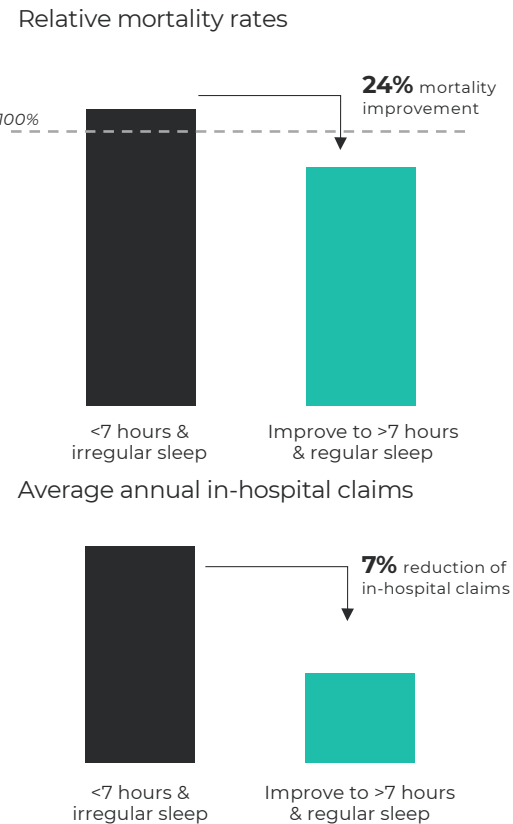


**47 million**  
nights of sleep data

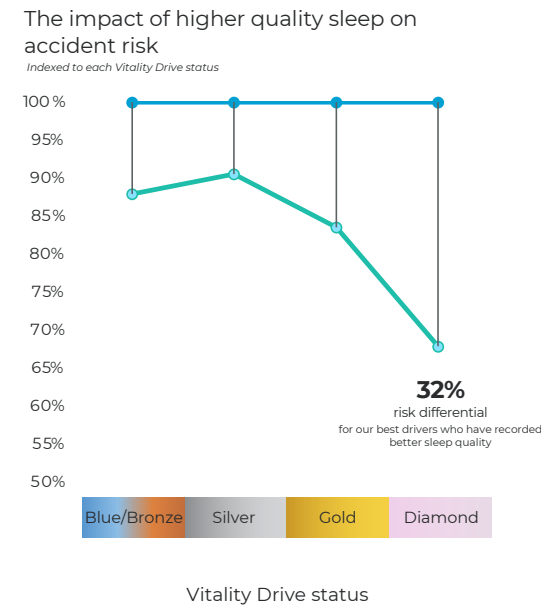
**105k**  
members

**3 years**  
study period

## Impact on health outcomes

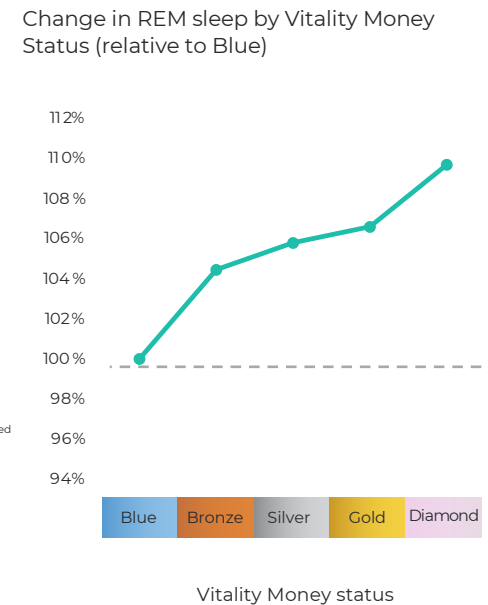


## Impact on driving outcomes



Poor sleep health is linked to a **36% higher risk of motor-vehicle accidents** and contributes to workplace errors

## Correlation to financial health



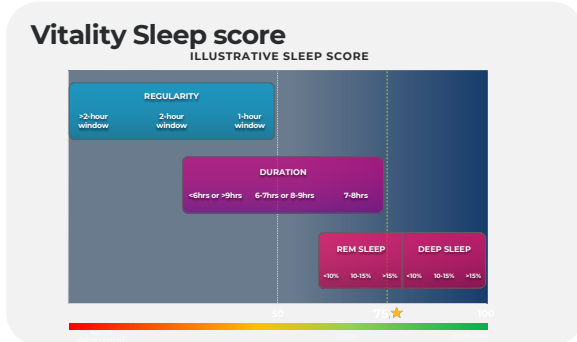
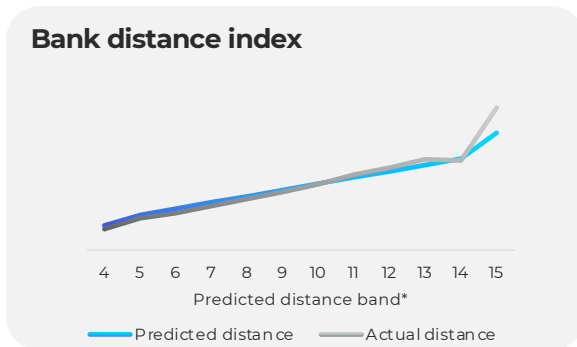
**Better savings, debt management and financial health** are correlated with **better sleep quality**, irrespective of age and income

# Integration data enables us to optimise pricing

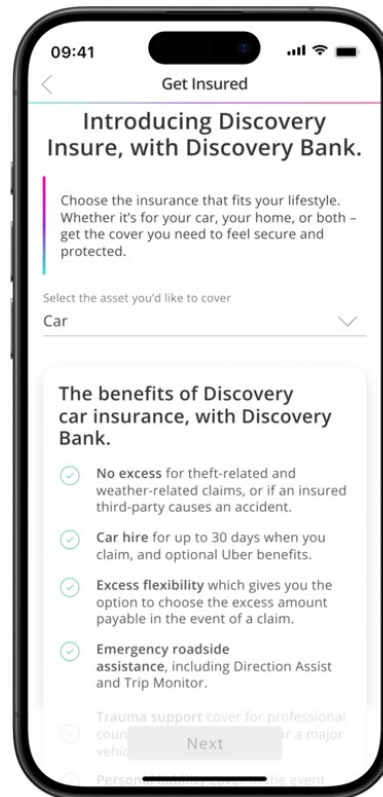


## Unique short-term insurance rating factors

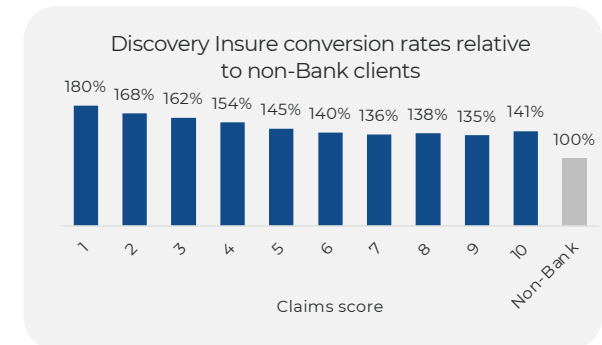
Unique short-term insurance rating factors



## Digital activation journey enabled by the Bank

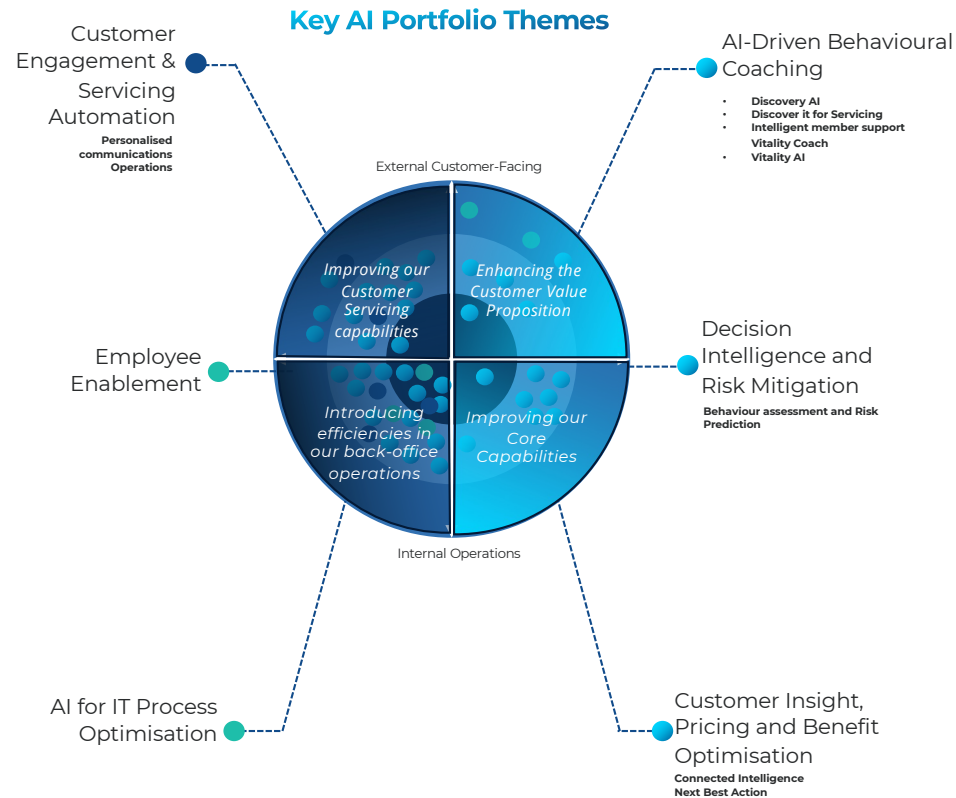
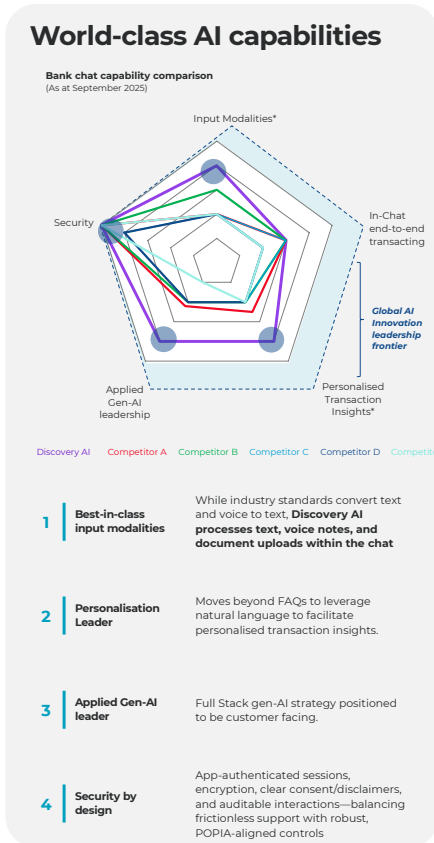


## Observed impact on conversion rates and accident risk



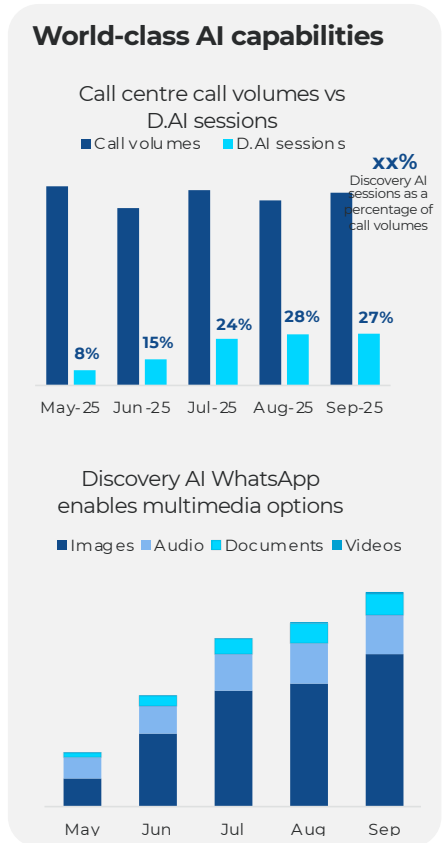


# Embedding AI and data into every part of the business



**Notes:** Based on publicly available data and testing of each banking chat facility across all available channels. This includes a review of public bank marketing materials, testing of image upload functionality where possible, and PDF document reviews. Additionally, two standard questions were asked: 1. "Can you give me a view of my spending over the last month?" and 2. "Can you tell me where I spent the most money over the last 3 months?" Discovery Bank was the only bank to provide a successful response to both questions

Note: the illustrated initiative mix is not comprehensive, AI Ambition visual adapted from Gartner



# Discovery AI



# Strategic value drivers across Discovery SA businesses



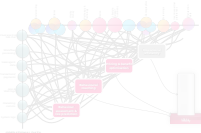
1

Every business #1 in its market — product innovation to drive high-quality growth



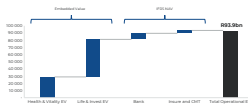
2

Strong franchise built on a combination of brand and distribution assets



3

Shared-value model — data and AI to hyper-personalise experience, service and engagement



4

Intrinsic value of the in-force book



5

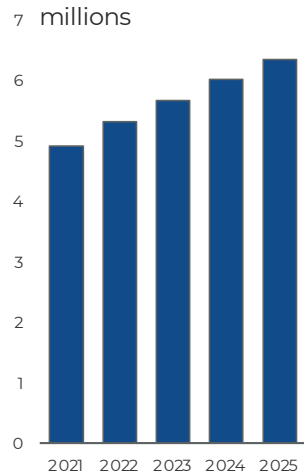
Discovery Bank as the composite-maker

# Discovery SA membership and portfolio growth



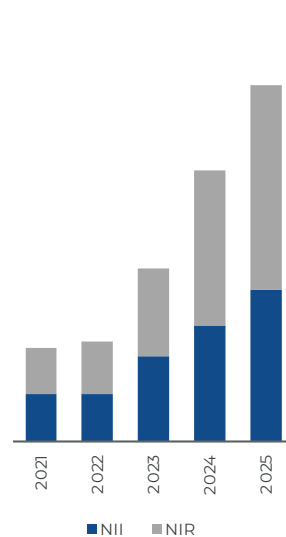
## Discovery SA clients

**+6%**  
to **6.4m**



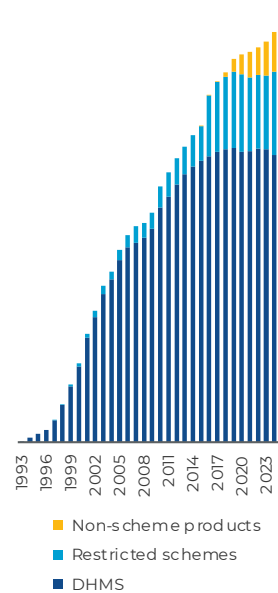
## Discovery Bank

NII +NIR  
**+31%**  
to R2.4bn



## Discovery Health

Lives under administration<sup>1</sup>  
**+1%**  
to 3.98m lives under administration



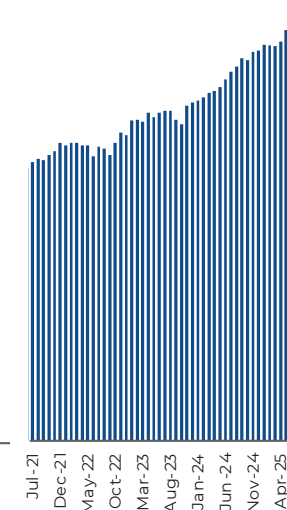
## Individual Life

in-force API  
**+6%**  
to R16bn



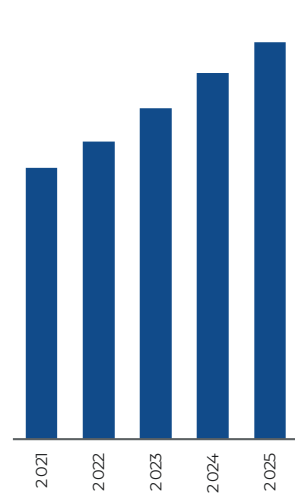
## Discovery Invest

Assets under administration  
**+15%**  
to R179bn



## Discovery Insure

Insurance revenue  
**+8%**  
to R6.2bn

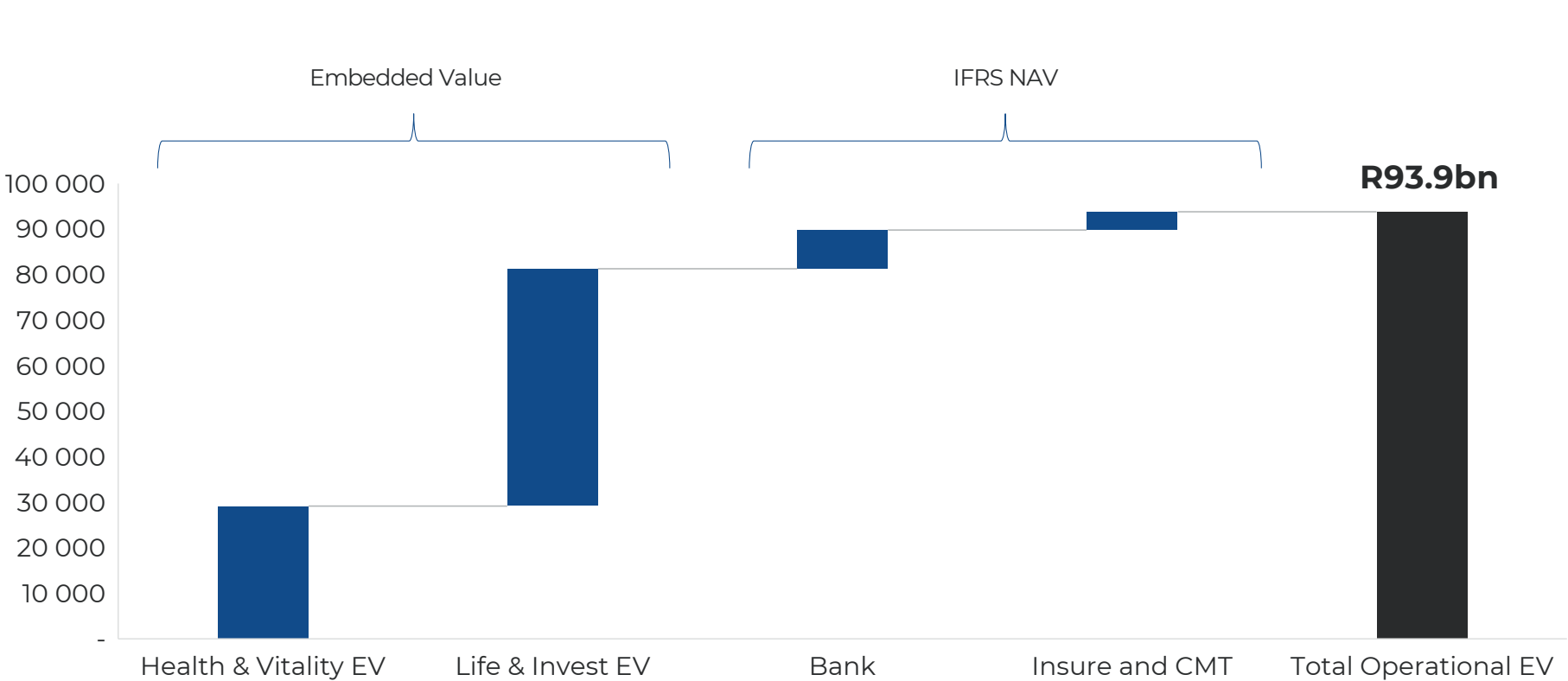


<sup>1</sup> Reported number of lives under administration is not a unique count

# Embedded value in the in-force book continues to grow across Discovery SA



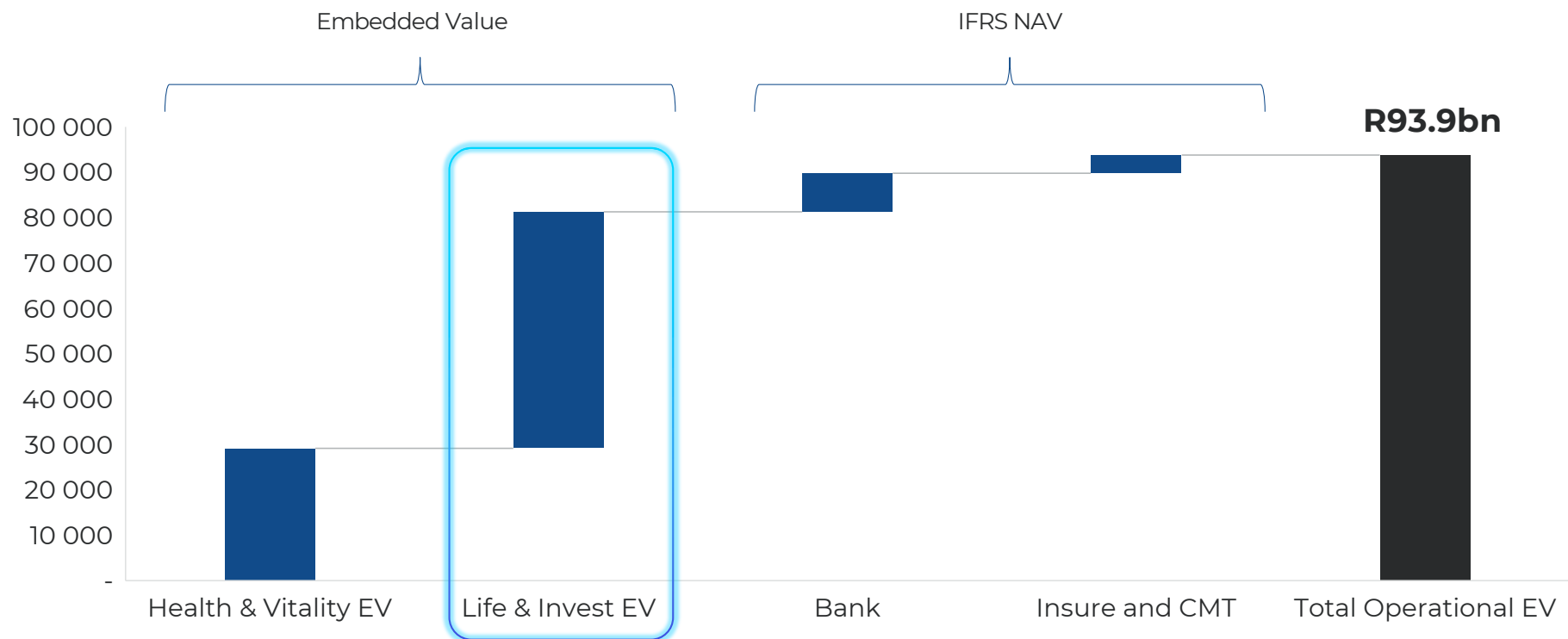
## Embedded value in the Discovery SA businesses



# Embedded value in the in-force book continues to grow across Discovery SA



## Embedded value in the Discovery SA businesses



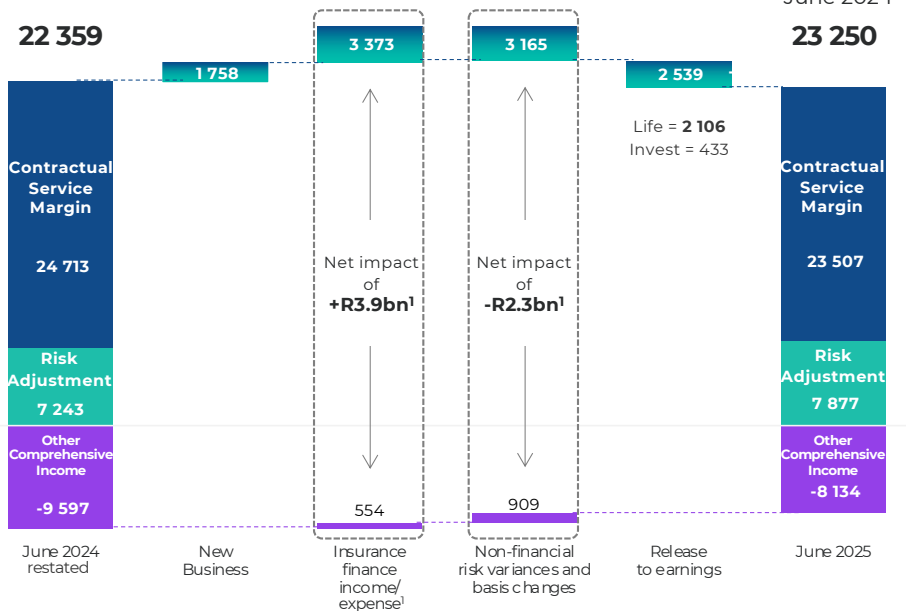


# Value generation of business under IFRS 17

## Store of value partially absorbs variances and unwind into earnings

IFRS 17 Life and Invest general measurement model (GMM) business stored valued partially absorbs variances and basis changes

ZAR'm



### Additional sources of value

IFRS GMM store of value and Life and Invest embedded value increased by 4.0% and 15.7%, respectively. These measures have different underlying drivers with some overlap.



- Invest variable fee approach (VFA) store of value increased by 12% from R7.08bn in June 2024 to R7.95bn in June 2025. Assets under administration grew by 15% for the year.
- The store of value within PAA portfolios is captured in the embedded value, not in IFRS 17.
- Positive cash flow performance boosted earnings particularly through good claims performance in Life businesses and strong fee income in Invest. Life earnings increased by 14%  
Invest earnings increased by 29%

<sup>1</sup> Includes changes to assumptions related to financial risk

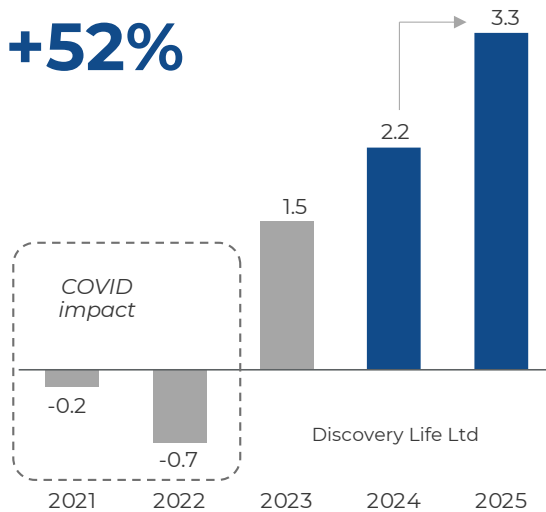


# Increased cash generation, EV growth and positive operating variance

## Strong cash generation

Cash flow before financing initiatives and dividends to Group (R'bn)

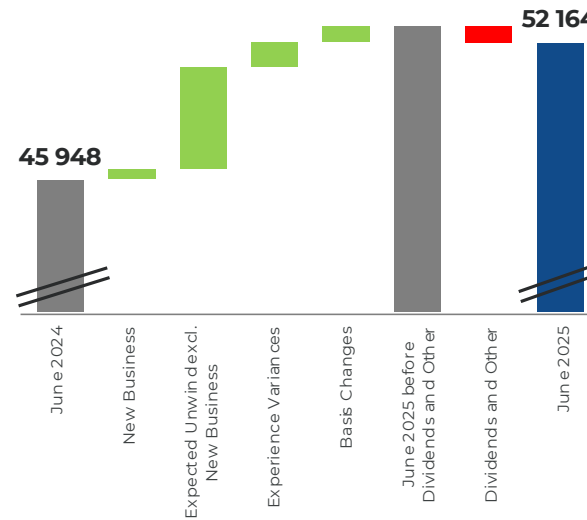
**+52%**



## Robust EV growth

Discovery Life Ltd EV growth (R'm)

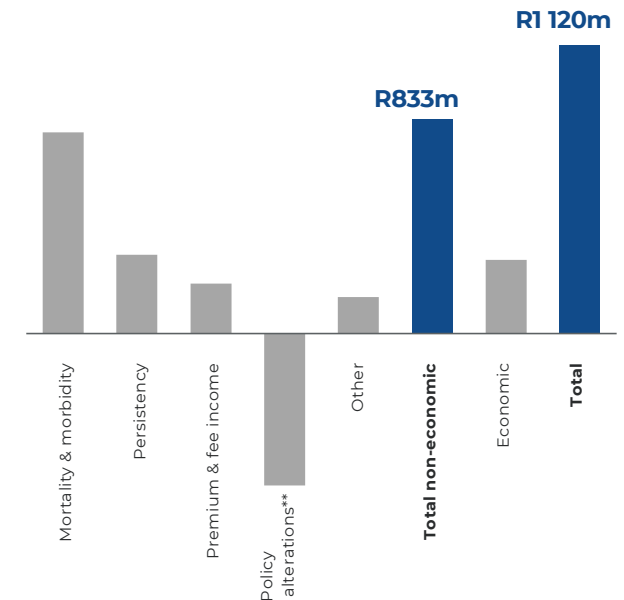
**15.7%** Annualised RoEV\*  
**13.2%** excl. economic updates



\*Before dividend payments

## Positive operating variances

Discovery Life Ltd EV variances (R'm)



\*\*Defined action plan being phased in to address policy alterations

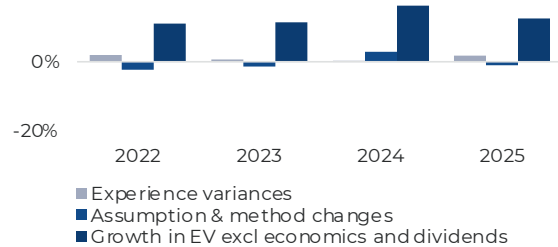
# EV growth remains resilient through the cycle



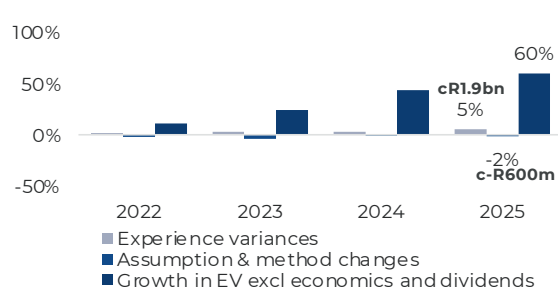
## Impact of variable items relative to EV growth

Experience variances and assumption & methodology changes can increase or decrease EV by period  
Impacts are relatively small contributors to overall EV growth through the cycle

Non-economic change items  
20%



Cumulative non-economic change items since FY22



EV CAGR FY21-FY25 excluding economics and dividends	
New business	1.5%
Expected unwind	10.2%
Variances	1.3%
Assumption & method changes	-0.4%
Other	0.7%
<b>Total effective CAGR</b>	<b>12.5%</b>

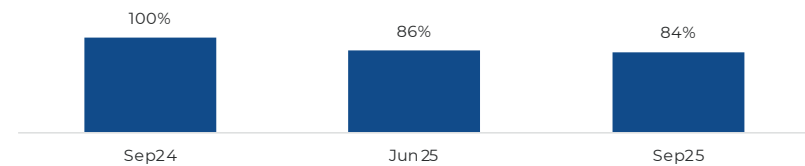
This net cR1.3bn effect is relatively small against total EV growth of more than **R17.4bn** after dividends, showing the resilience of the EV.

Q1 performance is based off initial results and the Individual VNB margin estimate is an illustration. The values on this slide are not audited.

## Q1 FY26: YTD September experience

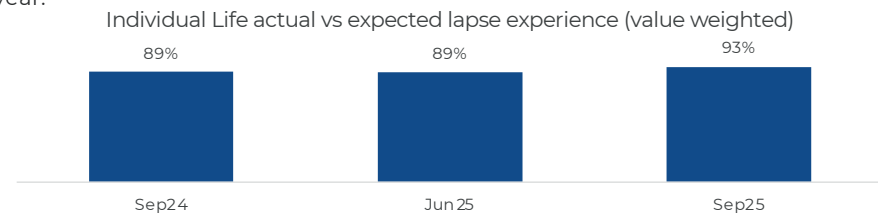
### Claims experience

Positive claims experience currently persisting.  
Individual Life actual vs expected claims (gross of reinsurance)



### Lapse experience

Individual Life value weighted experience currently tracking within range of prior year.



In addition:

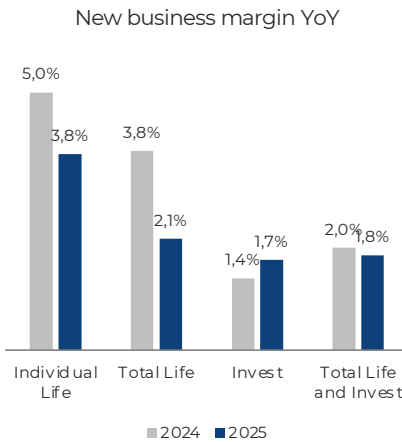
- **Significant focus from business to improve policy alteration experience.**
- Actions with estimated EV impact of R240m pa has gone live during Q1 of FY26.
- Additional actions are planned for phased implementation to further reduce the variance.

# New business margin insights



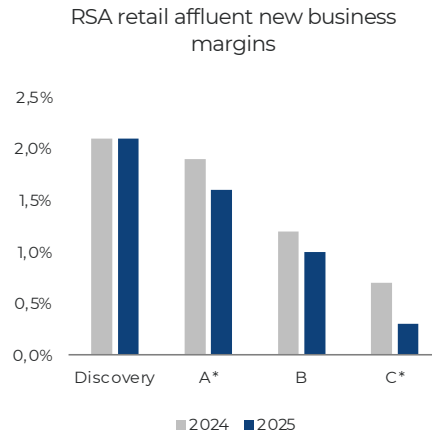
## NB margins impacted by lower volumes and economics

Changes in new business margin through the year were driven by changes in volumes and economic assumptions.



## Market comparison

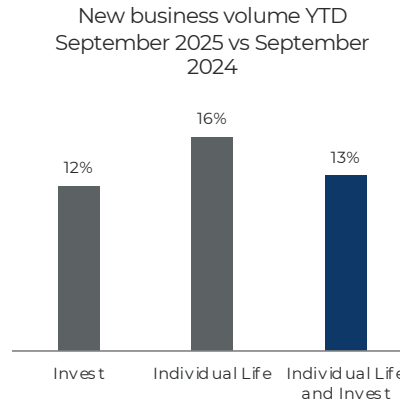
The combined Individual Life and Invest new business margin remained stable in 2025 and ahead of the South African retail affluent margins of peers.



\* Half-year results for 2025

## New business

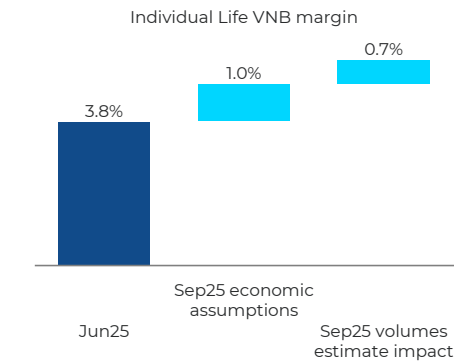
First quarter experience shows growth in Individual Life and Invest's new business premiums.



Growth values exclude servicing and ACI

## Q1 FY26 estimates

New business margin currently benefits from lower economic assumptions and improved volumes.



Focus remains on quality of new business, increasing sales volumes and appropriate expense management to improve the margin. Continue to grow into adjacencies such as recently relaunched Will and Trust offering. Future product offerings will strengthen the collaboration with Discovery Bank.

# Strategic value drivers across Discovery SA businesses



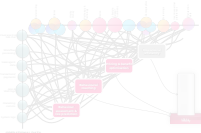
1

Every business #1 in its market — product innovation to drive high-quality growth



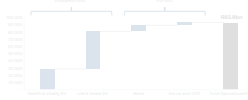
2

Strong franchise built on a combination of brand and distribution assets



3

Shared-value model — data and AI to hyper-personalise experience, service and engagement



4

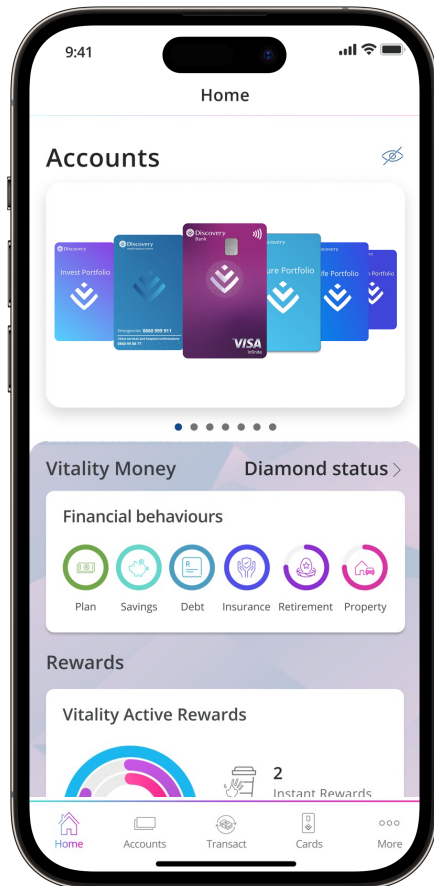
Intrinsic value of the in-force book



5

Discovery Bank as the composite-maker

# A full-service, digital shared value retail Bank



## Four key hypotheses

- 1 | Full retail banking product suite
- 2 | Shared-value banking model
- 3 | Digital-first with advanced AI capabilities
- 4 | Operating system of the composite

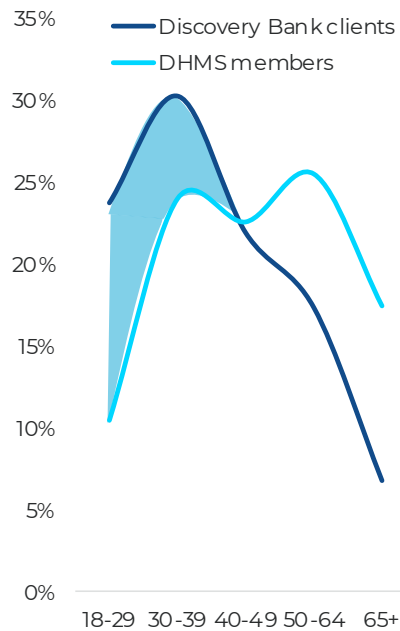
**Fastest growing<sup>1</sup> retail Bank in South Africa with market-leading digital capabilities**

<sup>1</sup> Using organic balance sheet growth; The analysis considers year-on-year growth, retail deposits: adjusting for the impact of any mergers or acquisitions, retail advances: credit cards (excl. overdrafts) and home loans. It does not consider other factors such as profitability, customer experience and operational scale. Based on June 2025 BA900s

# Discovery Bank client attributes

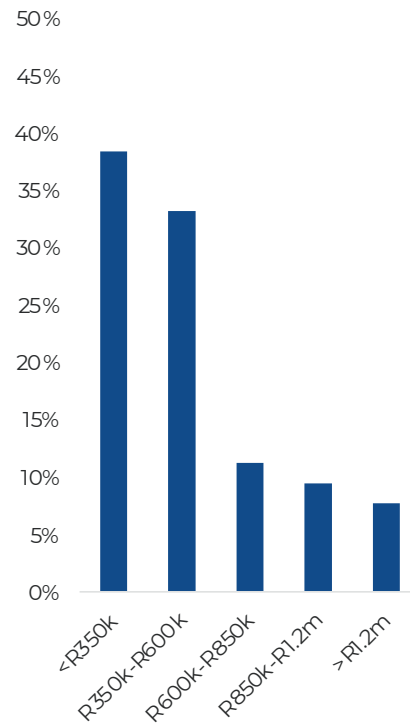


## Age distribution

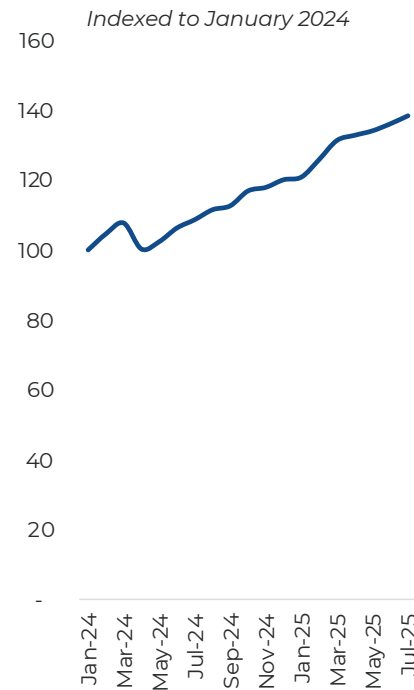


Higher proportion of young clients in the Bank – opportunity to attract young clients for the Group

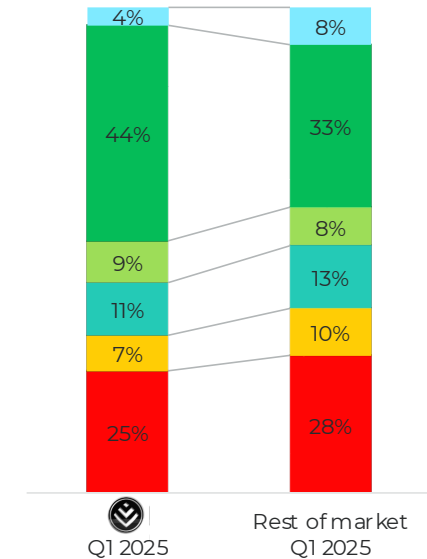
## Income distribution



## Growth in salary deposits Quality of credit



Risk profile distribution (volume distribution of total existing accounts)



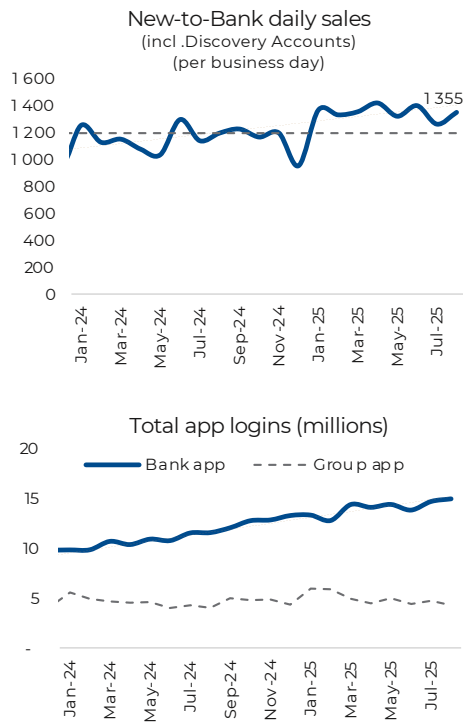
- Score Unspecified
- Super prime
- Prime plus
- Prime
- Near prime
- Subprime

Age distribution is the FY25 average, income distribution is as at June 2025, salary deposits indexed to January 2024; panel 4 TransUnion data Total Existing Credit Card Market, including banks A to G, and other non-bank. #Note analysis based on TransUnion market data may vary from previous reports due to a change in methodology.

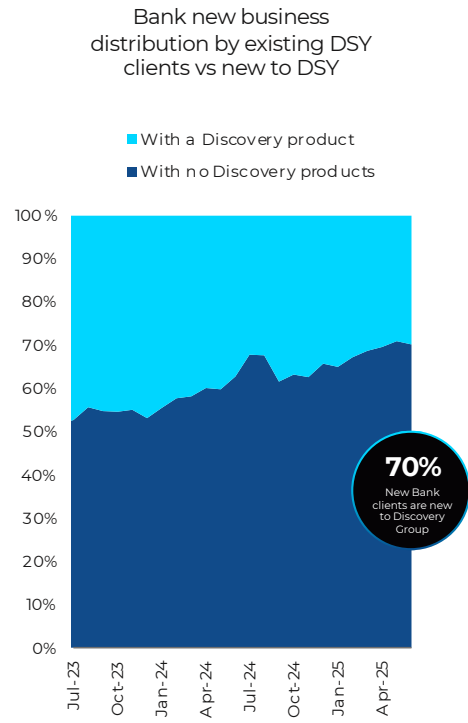


# Discovery Bank as the composite maker | rationale and capabilities

## Growth and engagement



## Integration opportunity

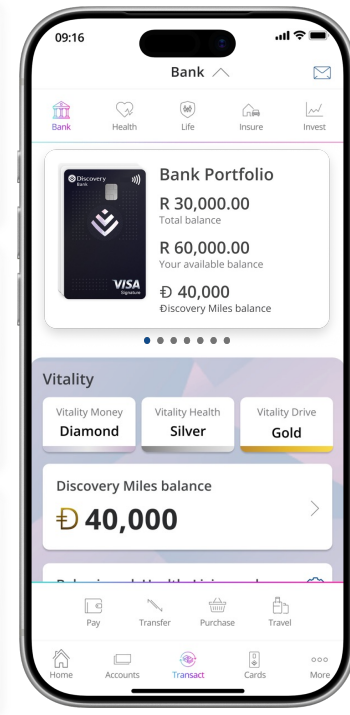


## Unique digital banking and payments capabilities

Access **all Discovery products** from the Bank app

One chassis to view **all Vitality** behavioural programmes

**Emergency support and security** services built-in to protect clients



**Personalised rewards** powered by Bank's digital capabilities

Monetise Shared-Value in **Discovery Miles** earned across the Group

Ecosystems powered by **integration with payment rails**

# Discovery Bank as the composite maker



## Approach

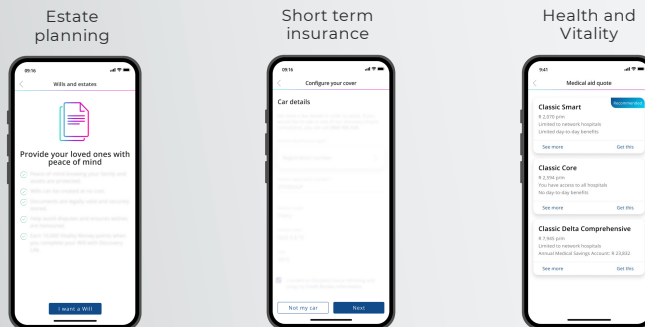
## Features

## Short-to-medium term Product Lines

### DISTRIBUTED PRODUCTS

Products marketed and sold through the Discovery Bank app

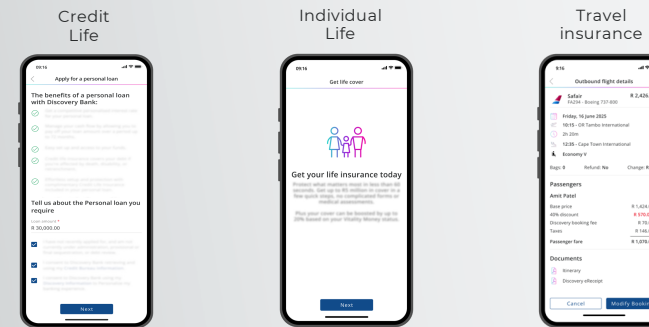
- Integrated, tailored advice, product selection, pricing and quoting
- Seamless end-to-end onboarding
- Unconverted leads redirected to direct channels for conversion



### INTEGRATED PRODUCTS

Products designed to manifest in the Discovery Bank app

- Seamless, fully integrated in-app product experience and servicing
- Licensing and back-end functions provided by Group product house

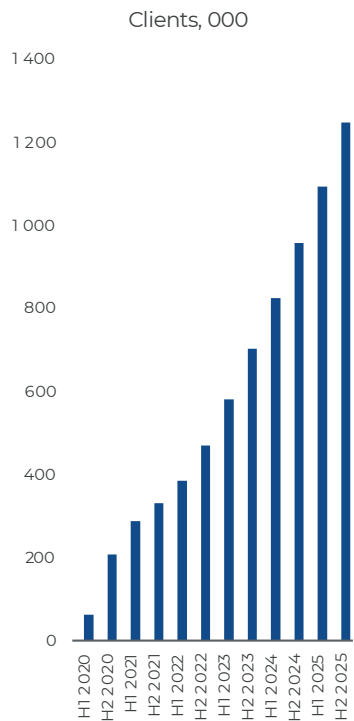


DB OS

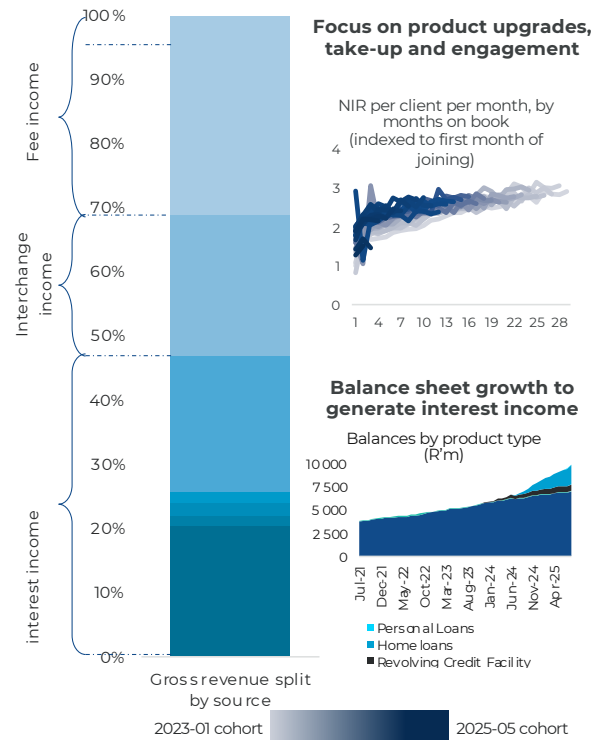
# Path to the R3bn profit ambition | Revenue pools and opportunities



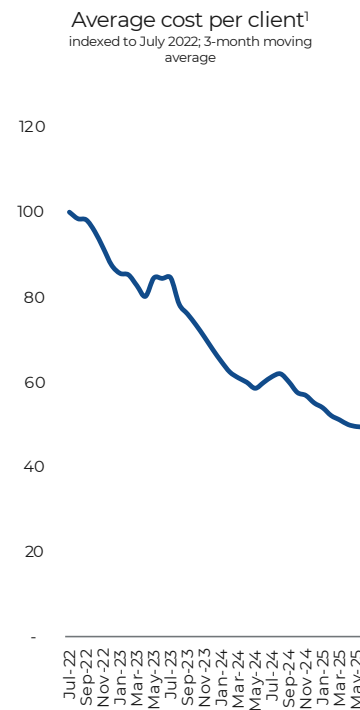
## 1 Client growth



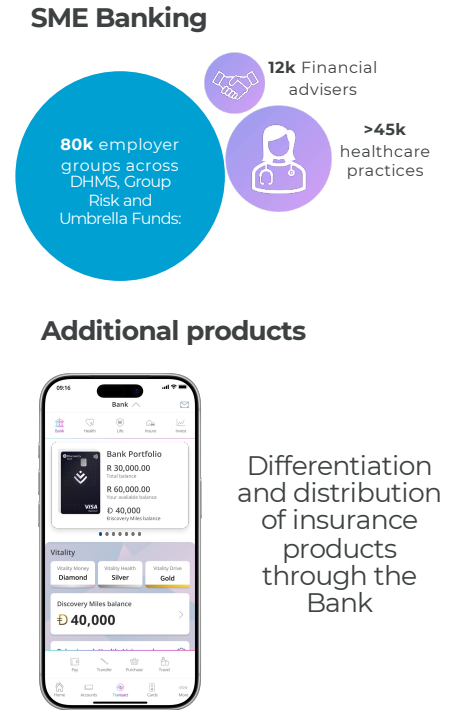
## 2 Revenue growth



## 3 Margin expansion



## 4 Business expansion

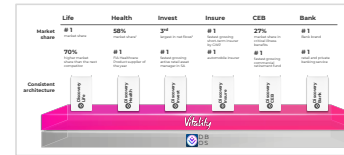


<sup>1</sup> Cost per client excludes reserves, anomalies and marketing

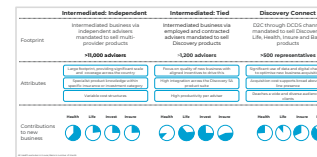
# Summary



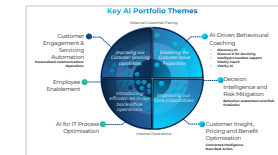
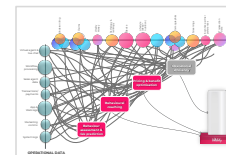
**1** Every business #1 in its market — product innovation to drive high-quality growth



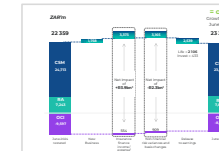
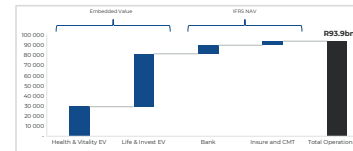
**2** Strong franchise built on a combination of brand and distribution assets



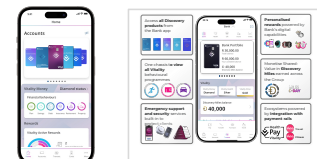
**3** Shared-value model — data and AI to hyper-personalise experience, service and engagement



**4** Intrinsic value of the in-force book



**5** Discovery Bank as the composite-maker



# Increased confidence in achieving annual and five-year CAGR ambition



	Ambition	FY25
<b>Normalised profit growth</b>	<b>12.5%-17.5%</b> CAGR	<b>22%</b> FY25
<b>Cash conversion ratio</b>	<b>60%-70%</b> Cash conversion ratio (Group)	<b>&gt;75%</b> FY25

Strong performance in the first year of delivery has increased confidence in achieving this ambition over the period. The continued resilience and growth in Q1FY26 increases confidence of delivering within profit corridor for FY26.

## Discovery SA growth ambitions

### Discovery Bank

**R400m** Bank operating profit growth p.a.

**R3bn** Bank FY29 profit ambition

### Discovery Life and Invest

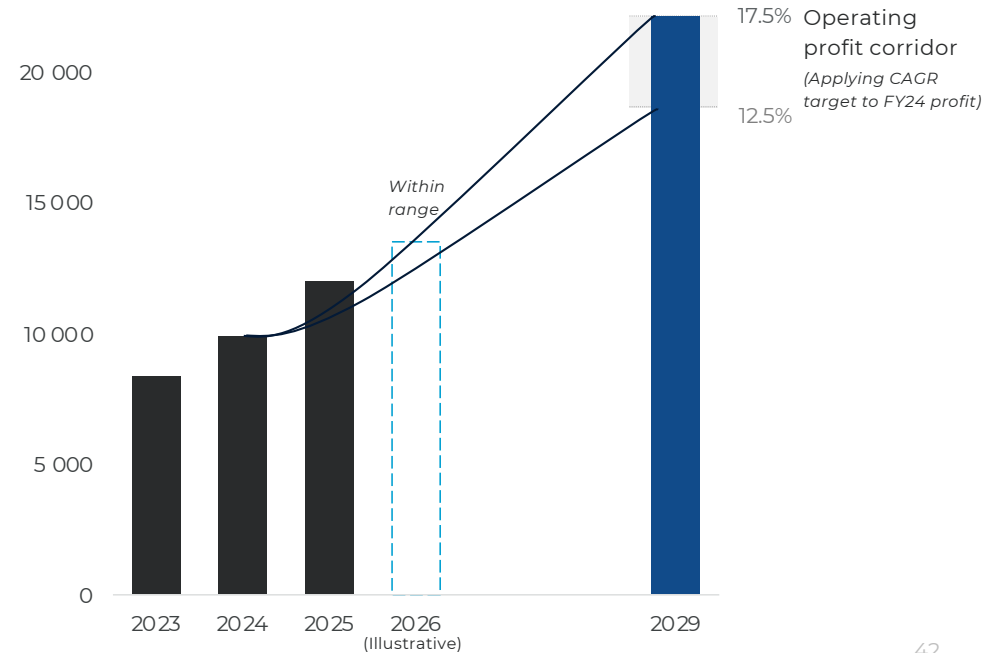
**>RF+8%**

Life and Invest new business IRR

### Discovery Insure

**c10%**

Insure margin



Forward looking information on this slide is for illustration and has not been reviewed or reported on by the auditors and reflects the average expected over the time frame

## Presentation disclaimer



This presentation may contain forward looking statements with respect to certain of Discovery's plans and its current goals and expectations relating to its future performance and results. All forward looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond Discovery's control. Accordingly, Discovery's actual future financial performance and results may differ. Any reference to future financial performance has not been reviewed or reported on by the Group's auditors.



# Discovery South Africa

South African Financials Conference  
October 2025