



# Audited Results

and cash dividend declaration  
for the year ended 30 June 2025



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## Commentary

Discovery Group achieved strong growth across its operations in the year ended 30 June 2025, evidenced by a 29% growth in normalised operating profit to R15 210 million and significant growth in cash conversion, now at 77%. Headline earnings and normalised headline earnings both increased by 30%, to R9 625 million and R9 781 million, respectively, resulting in the normalised return on equity increasing to 15.4%, from 13.5% in the prior year.

### 1. GROUP OVERVIEW AND SALIENT RESULTS

#### SALIENT GROUP RESULTS FOR THE YEAR ENDED 30 JUNE 2025

The Group delivered a strong performance in an environment characterised by increased geopolitical complexities and uncertainty around global policy shifts and trade tensions. In the year under review, economic growth remained below potential in many regions in which the Group operates, although interest rate reductions provided a better backdrop for investment markets. Risks remain elevated, however the acceleration of technological and demographic trends underpin the relevance of the Vitality Shared-value Insurance model and unique data, positioning the Group uniquely for continued growth.

	Unit	June 2025	June 2024	Change
<b>Group earnings<sup>1</sup></b>				
Normalised profit from operations	R million	<b>15 210</b>	11 761	29%
Normalised headline earnings	R million	<b>9 781</b>	7 511	30%
Headline earnings	R million	<b>9 625</b>	7 384	30%
Basic earnings per share	Cents	<b>1 402.2</b>	1 110.3	26%
Basic headline earnings per share	Cents	<b>1 447.0</b>	1 117.0	30%
Basic normalised headline earnings per share	Cents	<b>1 470.4</b>	1 136.2	29%
<b>Returns, cash conversion and dividends</b>				
Normalised return on equity (RoE) <sup>1</sup>	%	<b>15.4</b>	13.5	
Annualised return on opening embedded value (RoEV)	%	<b>15.7</b>	13.2	
Dividend per share for the year	Cents	<b>288</b>	217	33%
Cash conversion <sup>1,2</sup>	%	<b>77</b>	65	
<b>Growth drivers</b>				
Income from non-insurance business lines <sup>2</sup>	R million	<b>6 643</b>	5 906	12%
New business annual premium income (API) <sup>2</sup>	R million	<b>26 486</b>	26 958	(2)%
<b>Financial position and embedded value</b>				
Net asset value <sup>1</sup>	R million	<b>65 699</b>	54 451	21%
Embedded value	R million	<b>126 554</b>	110 354	15%
Basic embedded value per share	R	<b>189.85</b>	166.95	14%
Financial leverage ratio (FLR) <sup>1</sup>	%	<b>16.8</b>	20.3	

<sup>1</sup> Restated: Refer to D.1.1.

<sup>2</sup> Refer to Annexure A; Group new business API increased 8% when excluding Sasolmed in prior year.

# Commentary *continued*

## 1. GROUP OVERVIEW AND SALIENT RESULTS *continued*

### STRONG IN-PERIOD PERFORMANCE FROM BOTH COMPOSITES WITH THE GROWTH PHASE UNDERWAY

Discovery has emerged strongly from its cycle of significant investment, which focused on creating new avenues for long-term growth. This has positioned the Group for a new distinct phase of scaled organic growth, with focused execution through its recently formed global composite, Vitality, and its domestic business, Discovery South Africa.

Over the year, the Group continued to execute its growth strategy, delivering 29% growth in normalised profit from operations. Discovery South Africa delivered 22% growth in normalised profit from operations, reflecting a compelling contribution from each business in South Africa. Vitality generated 70% growth in normalised profit from operations, reflecting the excellent progress made in restructuring all the global operations into a single focused business over the past nine months, and particularly strong growth in the UK. Headline and normalised headline earnings both increased by 30%, delivering a normalised return on equity of 15.4%, up from 13.5% in the prior year.

The Group's embedded value increased to R126.6 billion, a 15.7% return on embedded value (RoEV). This included an increasing contribution from non-covered businesses and robust experience variances over the year, with positive contributions from each business, reflecting the competitive dynamics of the Vitality Shared-value Insurance model. The movement in exchange rates and economic basis assumptions were favourable in aggregate.

Total new business API declined 2%, but increased 8% when excluding the large Sasolmed take-on in the prior year, with stronger growth delivered in Vitality. The Group focused on deliberate and disciplined pricing strategies and back-book retention, both leveraging the Vitality Shared-value Insurance model to optimise margins and returns. This has impacted new business growth in some businesses, compounded by macroeconomic challenges.

### GROWTH PLATFORMS ARE WELL POSITIONED THROUGH UNIQUE DATA AND INVESTMENT IN THE VITALITY SHARED-VALUE INSURANCE MODEL

The Group advanced its model by enhancing key value drivers, drawing on technology assets and a rich multi-market, longitudinal dataset that integrates behavioural and operational data. The group-wide application of artificial intelligence (AI) harnesses this data not only to drive efficiency, but also to transform risk prediction and engagement, delivering measurable improvements in health outcomes, service delivery, and profitability. Discovery AI has been launched to Discovery Bank customers and Vitality AI has been launched as Personal Health Pathways (PHP) in SA, allowing more precise understanding of health risks and hyper-personalised product experiences to encourage healthier behaviour. Both capabilities have driven excellent customer engagement and outcomes.

### THE GROUP IS FINANCIALLY RESILIENT IN A COMPLEX AND UNCERTAIN ENVIRONMENT

Capital ratios remained strong across every regulated business and liquidity at each regulated entity, as well as at the centre, remained well in excess of the required buffers. Debt across the Group decreased over the year and the FLR reduced to 16.8%. Ping An Health Insurance (PAHI) paid its second consecutive annual dividend, at a 35% payout ratio (previously 30%), and the Group's cash conversion ratio increased to 77% of after-tax normalised operating profit, compared with 65% in the prior year, notwithstanding the strong growth in normalised profit from operations.

### SUMMARY OF PROFIT FROM OPERATIONS AND NEW BUSINESS PERFORMANCE BY COMPOSITE FOR THE CURRENT PERIOD:

R million	Normalised profit from operations	% change	New business API	% change
Discovery Health	4 259	7%	9 573	(14%)
Discovery Life <sup>1</sup>	5 525	14%	3 203	(10%)
Discovery Invest	1 987	29%	3 430	4%
Discovery Insure	817	229%	1 361	(2%)
Discovery Bank	(68)	(85%)		
Other initiatives and central costs	(515)	91%	546	33%
<b>Discovery SA composite</b>	<b>12 005</b>	<b>22%</b>	<b>18 113</b>	<b>(8%)</b>
VitalityHealth	1 188	173%	2 851	3%
VitalityLife	637	70%	2 499	28%
Vitality Network	554	4%		
Ping An Health Insurance (PAHI)	1 206	7%	3 023	22%
Vitality Health International (VHI) Other	(291)	(25%)		
Other initiatives and central costs <sup>2</sup>	(89)	(54%)		
<b>Vitality (UK and VG) composite</b>	<b>3 205</b>	<b>70%</b>	<b>8 373</b>	<b>16%</b>
<b>Normalised profit from operations</b>	<b>15 210</b>	<b>29%</b>		
<b>New business API<sup>1,3</sup></b>			<b>26 486</b>	<b>(2%)</b>

1 Discovery Life: Individual Life new business API declined 2%.

2 Includes closure costs of VitalityInvest in the prior year.

3 Group new business API increased 8% when excluding Sasolmed in prior year.

## Commentary *continued*

### 2. BUSINESS-SPECIFIC PERFORMANCE



#### DISCOVERY SOUTH AFRICA

Discovery SA increased normalised operating profit by 22% to R12 005 million. New business volumes increased by 5%, adjusting for the prior year take-on of the Sasolmed closed medical scheme (declined 8% including Sasolmed), and market shares of the established businesses were broadly maintained with a focus on quality and risk-based pricing discipline. Discovery Bank (DB) continued to expand its capabilities, innovative product solutions and quality customer base, with more than two-thirds of new bank customers being new to the Group. DB is a key strategic platform to drive further growth through Discovery SA's 6.4 million customer base, which increased 6%.

The composite's strong performance was supported by excellent levels of customer engagement, which drove strong claims experience and retention across the franchise. A resulting increased Vitality benefit utilisation, and successful launch of the new HealthyFood partner, added to various additional one-off costs at the centre, both of which are expected to ameliorate in FY2026.

#### DISCOVERY BANK

	Unit	June 2025	June 2024	% Change
Net non-interest revenue (NIR) <sup>1</sup>	R million	<b>1 373</b>	1 039	32%
Net Interest income (NII) <sup>2</sup>	R million	<b>1 017</b>	780	30%
Operating profit before new business acquisition costs	R million	<b>368</b>	(52)	>100%
Normalised profit/(loss) from operations	R million	<b>(68)</b>	(454)	85%
Retail deposits	R billion	<b>23.3</b>	18.5	26%
Advances	R billion	<b>9.2</b>	6.6	39%
Average interest-earning assets (IEA) <sup>2</sup>	R billion	<b>24.6</b>	19.5	26%
Credit loss ratio (CLR) <sup>3</sup>	%	<b>3.03</b>	2.78	31%
Number of accounts	Million	<b>3.00</b>	2.27	32%
Number of clients	Million	<b>1.25</b>	0.96	30%

<sup>1</sup> Segment refinements: Refer to A.1.

<sup>2</sup> NII includes the allocation of interest earned on the bond trading portfolio (recognised at fair value gains in the income statement); Average interest-earning assets (IEA) = treasury assets + retail banking activities.

<sup>3</sup> CLR calculated as the expected credit loss (ECL) charge, including overlays and IFRS adjustments, on the year-end advances balance across the products.

Discovery Bank (DB) improved its operating loss before new business acquisition costs by R420 million, and the overall loss was R386 million better than the prior year. DB reached monthly break-even at the end of H1 and generated its first profitable period during the second half of the financial year, ahead of plan. DB's total client base grew 30% to June 2025, reaching 1 400 daily sales in June.

DB remained focused on high-quality growth, which manifested in strong growth across key operational metrics. Non-interest revenue increased by 32%, driven by the growth in clients, as well as increased engagement levels and product take-up, driving up the resulting fee income per client for each cohort.

Deposits increased by 26% and advances by 39%, with NII (including interest on bonds) 30% higher. The Revolving Credit Facility product more than doubled since the prior year and home loans grew significantly to R1.7 billion at June 2025. Personal loans for existing clients went live on 30 June 2025, with seamless application and management through the Discovery Bank app.

## Commentary *continued*

### 2. BUSINESS-SPECIFIC PERFORMANCE *continued*

#### DISCOVERY HEALTH

	Unit	June 2025	June 2024	% Change
Normalised profit from operations	R million	<b>4 259</b>	3 972	7%
New business API <sup>1</sup>	R million	<b>9 573</b>	11 069	(14%)
Revenue <sup>2</sup>	R million	<b>11 888</b>	10 841	10%
Non-scheme revenue as % of total revenue	%	<b>15.8</b>	13.5	–%
Lives under administration	Million	<b>3.98</b>	3.92	1%

<sup>1</sup> Prior year API includes Sasolmed take on. New business API increased 12% excluding Sasolmed take on.

<sup>2</sup> Segment refinements: Refer to A.1.

Discovery Health (DH) operating profit grew by 7% while continuing to invest in technology and artificial intelligence. Since its launch in January 2025, Personal Health Pathways (PHP) achieved over 330,000 activations, demonstrating strong forward momentum of the Vitality AI-powered platform. Non-medical scheme products remain a key growth driver, with non-scheme revenue now comprising 16% of total DH revenue – highlighting the opportunity in adjacent offerings.

DHMS demonstrated resilience in a low-growth open medical scheme market and challenging macroeconomic environment, increasing its market share to 58%. Projected 2025 solvency of 32%, is well above the 25% regulatory requirement.

#### DISCOVERY LIFE

	Unit	June 2025	June 2024	% Change
Normalised profit from operations <sup>1,2</sup>	R million	<b>5 525</b>	4 838	14%
New business API <sup>2</sup>	R million	<b>3 203</b>	3 568	(10%)
Premium income	R million	<b>19 001</b>	17 892	6%
Insurance revenue (IFRS 17)	R million	<b>19 149</b>	17 522	9%
Solvency ratio <sup>3</sup>	%	<b>192</b>	183	
RoEV <sup>3</sup>	%	<b>15.7</b>	14.3	
VNB margin	%	<b>2.1</b>	3.8	
New business net value <sup>4</sup>	R million	<b>1 460</b>	1 686	(13%)

<sup>1</sup> Restated: Refer to D.1.1.

<sup>2</sup> Includes Group Risk and Umbrella (part of Corporate and Employee Benefits (CEB)) offerings.

<sup>3</sup> Including Discovery Invest.

<sup>4</sup> Calculated as: New business contractual service margin (CSM) + risk adjustment (RA) minus onerous new business.

Discovery Life's (DL) operating profit increased by 14% to R5 525 million. Both the Individual Life (+11%) and Corporate and Employee Benefits (+71%) businesses delivered exceptional claims performances, contributing to a c. R580 million lower claims expense for DL than the prior year. This offset a significant reduction in the insurance finance income and expense (IFIE), which was impacted by the lower systematic interest rates reset at the start of the financial year.

The Discovery Life Limited embedded value (including Discovery Invest) delivered an annualised RoEV of 16%, driven by positive variances and lower interest rates at the end of the year. Claims experience, in particular, delivered a significant positive variance to the embedded value. The business remains focused on managing the negative policy alterations experience and is phasing in a well-defined mitigation strategy.

Individual Life new business API volumes decreased 2% while Corporate and Employee Benefits decreased 41% in a competitive market. DL prioritised quality of business and maintained its leading position in the affluent retail protection market with a market share of 27%. Within DL's 2.1% VNB margin, the Individual Life margin decreased to 3.8%, previously 5.0%, primarily due to the lower new business volumes.

Discovery Life maintained strong solvency and liquidity positions, with a solvency coverage ratio of 192% and liquidity coverage in excess of 200%. DL cash generation (including Discovery Invest) was exceptionally strong, increasing to R3 327 million (prior year R2 193 million), before a R1 566 million net repayment of financing arrangements (prior year R495 million).

The updated economic position referencing market yield curves at 30 June 2025 results in a lower implied future inflation rate and in turn a lower systematic interest rate. This will mechanically lead to the interest accretion through IFIE in FY2026 being c. R160 million lower compared with FY2025, all else being equal.

## Commentary *continued*

### DISCOVERY INVEST

	Unit	June 2025	June 2024	% Change
Normalised profit from operations <sup>1,2</sup>	R million	<b>1 987</b>	1 539	29%
Assets under administration	R billion	<b>179</b>	155	15%
Assets under management	R billion	<b>124</b>	105	18%
% linked assets in Discovery funds	%	<b>80</b>	80	
Net client cash flows	R billion	<b>3.2</b>	3.1	3%
New business API	R million	<b>3 430</b>	3 300	4%

<sup>1</sup> Restated: Refer to D.1.1.

<sup>2</sup> Segment refinements: Refer to A.1, with the presentation of certain policyholder tax now better reflected in both the operating profit and the tax result.

Discovery Invest increased operating profit by 29%. Assets under management grew by 18% and assets under administration grew by 15% due to the strong market performance. Profit for the year was boosted by R85 million of asset liability matching gains reported in December and a R129 million release of a reserve for tax recoveries from policyholders, accrued over prior years.

New business API increased 4%. A 21% decrease in sales of guaranteed plans, reflecting lower market interest rates, was offset by a 9% increase from all other products, demonstrating product diversity. Net client cash flows increased, curtailed somewhat by a large maturing book of five-year guaranteed endowments sold during the beginning of COVID-19, when market rates increased.

### DISCOVERY INSURE

	Unit	June 2025	June 2024	% Change
Discovery Insure normalised profit from operations	R million	<b>739</b>	199	
Equity accounted profit/(loss)	R million	<b>78</b>	49	
Normalised profit from operations	R million	<b>817</b>	248	229%
Operating margin	%	<b>11.9</b>	3.5	
New business API	R million	<b>1 361</b>	1 388	(2%)
Insurance revenue	R million	<b>6 217</b>	5 737	8%

Discovery Insure sustained its positive trajectory over the year, delivering an operating profit of R739 million. The operating margin of 11.9% reflects disciplined execution and effective cost management, with lower new business volumes influenced by the deliberate pricing strategies and evolving market dynamics. The performance highlights the success of targeted management actions, particularly in improving non-weather-related claims experience, which showed further gains in the second half of the financial year. In addition, benign weather conditions in the current year, in comparison to severe weather in the prior year, resulted in the loss ratio being 2.5% lower than expected.

## Commentary *continued*

### 2. BUSINESS-SPECIFIC PERFORMANCE *continued*



#### VITALITY (UNITED KINGDOM AND VITALITY GLOBAL)



Vitality's normalised operating profit increased by 70% to R3 205 million and new business API increased by 16% to R8 373 million. Excellent progress was made in restructuring all the global operations into a single focused business over the past nine months to effectively deploy the capabilities, including Vitality AI. This is being executed through a regionalised operating model to efficiently scale the business with operational leverage. Vitality now covers 10.4 million lives outside of China, up 25% over the year, including more than two million customers in the UK. PAHI's lives increased 17%, exceeding 32 million.

#### VITALITY HEALTH

	Unit	June 2025	June 2024	% Change
Normalised profit from operations	£ million	<b>50.6</b>	18.5	174%
	R million	<b>1 188</b>	435	173%
Insurance revenue (earned premiums)	£ million	<b>815</b>	699	16%
	R million	<b>19 124</b>	16 474	16%
New business API <sup>1</sup>	£ million	<b>121</b>	118	3%
	R million	<b>2 851</b>	2 779	3%
Lives covered	Million	<b>1.06</b>	1.03	3%

<sup>1</sup> Refer to Annexure A.

VitalityHealth's (VH) operating profit rose by 174% to £50.6 million (173% to R1 188 million), driven by effective pricing actions, a stabilising claims environment and rigorous claims and expense management. The pricing actions addressed the elevated PMI utilisation following sustained pressures in the NHS, with premiums now fully aligned to claims experience in support of margin recovery.

Advanced price optimisation and a diversified distribution capability supported a 3% increase in new business, notwithstanding the significant premium increases and challenging macroeconomic environment. Strong retention, particularly of healthier members, driven by the Vitality programme benefits and the perceived value of PMI cover, contributed to a 16% rise in earned premiums. VH also continued its strategic investment in healthcare risk management, primary care assets, and digital servicing to enhance cost efficiency and care outcomes.

## Commentary *continued*

### VITALITY LIFE

	Unit	June 2025	June 2024	% Change
Normalised profit from operations	£ million	<b>27.1</b>	15.9	70%
	R million	<b>637</b>	375	70%
Earned premiums	£ million	<b>448</b>	402	11%
	R million	<b>10 514</b>	9 464	11%
New business API	£ million	<b>106</b>	83	28%
	R million	<b>2 499</b>	1 956	28%
Insurance revenue	£ million	<b>343</b>	293	17%
	R million	<b>8 050</b>	6 904	17%
Lives covered	Million	<b>0.904</b>	0.810	12%
VNB margin	%	<b>0.2</b>	(1.3)	
New business net value <sup>1</sup>	£ million	<b>46.9</b>	16.1	191%
	R million	<b>1 142</b>	371	207%

<sup>1</sup> New business net value (NB CSM + NB RA minus onerous NB) excludes the impact of new reinsurance contracts attaching to the in-force book in the year. The total CSM and RA on all contracts incepted in the year was £52.1 million (R1 268 million)

VitalityLife's (VL) operating profit recovered strongly, increasing 70% to £27.1 million (70% to R637 million), with stable lapse and claims experience reflecting sustained member engagement in the Vitality programme and its positive impact on actuarial dynamics.

VL maintained its positive sales trajectory from the second half of the previous year, with new business increasing by 28% on an API basis and by 44%, excluding automatic contribution increases. The UK market demonstrated early signs of growth, supported by competitor consolidation, and VL continued to drive effective execution of the Vitality Shared-value Insurance model through an expanded distribution footprint to deliver strong new business growth and enhanced quality. Coupled with disciplined expense management, these actions resulted in a significant improvement in new business net value.

The robust retention and strong new business saw lives covered and earned premiums increase by 12% and 11%, respectively.

### VITALITY GLOBAL

#### VITALITY NETWORK

	Unit	June 2025	June 2024	% Change
Revenue	US\$ million	<b>109</b>	101	8%
	R million	<b>1 977</b>	1 894	4%
Normalised profit from operations	US\$ million	<b>30.5</b>	28.5	7%
	R million	<b>554</b>	533	4%
Operating margin	%	<b>28</b>	28	
Integrated API by Insurance Partners	US\$ million	<b>1 951</b>	1 575	24%
	R million	<b>35 423</b>	29 673	20%
Number of lives	Million	<b>6.66</b>	5.25	27%

Vitality Network's (VN) normalised operating profit increased by 7% to US\$30.5 million (4% to R554 million). Vitality-integrated new business increased 24%, to c. US\$2 billion, driving performance-based revenues up 24%. Lower solutions revenues resulted in total revenues increasing only 8%. The operating margin remained unchanged at 28%, following additional expenditure during the year.

Membership increased by 27% to 6.7 million demonstrating the strong global relevance of the Vitality Shared-value Insurance model. Following the establishment of the global Vitality composite, VN restructured its operating model and partnerships to further monetise its unique global position to deliver scaled growth and operational leverage. In particular, the partnership with Generali was terminated, opening up the large European markets. VN will also be investing further alongside AIA to drive even deeper engagement and value from the successful long-standing partnership, with some short-term impact on our costs.

## Commentary *continued*

### 2. BUSINESS-SPECIFIC PERFORMANCE *continued*

#### PING AN HEALTH INSURANCE (PAHI)

Unit	Annual results DSY			PAHI half-year (6-month) period <sup>2</sup>			
	June 2025	June 2024	% Change	June 2025	June 2024	% Change	
PAHI after-tax operating profit (25%), after Discovery's costs	R million	1 206	1 124	7%	782	780	0%
New business (100%) <sup>1</sup>	RMB million	4 807	3 842	25%	3 064	2 251	36%
New business (25%) <sup>1</sup>	R million	3 023	2 486	22%	1 935	1 459	33%
Earned premium (100%) <sup>1</sup>	RMB million	17 807	14 747	21%	9 521	7 617	25%
Earned premium (25%) <sup>1</sup>	R million	11 201	9 543	17%	6 028	4 939	22%
Lives <sup>1</sup>	Million	32.1	27.4	17%			
Profit before investment income and gains (100%)	RMB million	1 398	1 470	(5%)	1 092	1 114	(2%)
Investment income and gains (100%)	RMB million	1 146	621	84%	547	419	30%
PAHI pre-tax profit (100%)	RMB million	2 544	2 092	22%	1 638	1 533	7%

<sup>1</sup> PAHI own licence business.

<sup>2</sup> PAHI half-year calendar performance has been included to align with the Chinese industry comparable reporting

The Group's share of PAHI's after-tax operating profit increased by 7% to R1 206 million, following the prior year's exceptional result that benefited from both a tax gain (December 2023) and a significant COVID-19 reserve release (March 2024). Profit before investment income and gains declined 5%, however increased when adjusting for the COVID-19 reserve release, demonstrating the improved underlying performance. PAHI's pre-tax result increased by 22%, following continued gains from Chinese bond and equity markets, delivering a robust net margin of 11% for the financial year (14% for PAHI's interim results to June 2025).

New business increased by 22% to R3 023 million (Discovery's 25% share) for the year, driven by a rise in new business through non-Ping An Life channels and a general market shift towards higher-end products. This growth reflects PAHI's continued investment in product innovation and the expansion of distribution beyond traditional channels. Insured lives increased by 17%, reaching 32.1 million, with earned premiums also growing 17% over the 12-month period, outpacing the industry significantly.

PAHI's comprehensive solvency ratio increased to 334% in Q2 2025 (from 319% in Q2 2024), reflecting continued capital strength and prudent capital management. Discovery received a cash dividend of RMB166 million in June 2025 (RMB102 million in the prior year), representing the Group's share of a 35% dividend payout.



#### VHI OTHER



Losses in VHI Other improved 25% to R291 million, following lower losses in Vitality USA and the successful integration of WellSpark Health, a personalised coaching business acquired in November 2024. Vitality USA made significant progress in shifting its focus from the traditional employee wellness market towards the significantly larger market of integrated digital health and care. It has developed a broad set of customised wellbeing, coaching, and disease prevention services, and will be deploying Vitality AI to EmblemHealth, New York's leading health plan provider, in January 2026. The business continues to make progress in its sales to health plans, including to BlueCross BlueShield plans, and to the significant Medicare Advantage market.

Amplify Health continued its delivery of products and solutions within the Asia-Pacific region. The business had successful deployments in multiple Asia-Pacific markets, across all its main products, including its core claims system, and is prioritising the deployment of an integrated suite of products to the key markets. Amplify Health received three prestigious awards during the past year, recognising its achievements in developing advanced health technology services in the Asia-Pacific region.

## Commentary *continued*

### PROSPECTS AND DIVIDEND

Discovery's growth strategy is based on the efficacy, repeatability, and scalability of its model through organic growth and global partnerships. The Group is well positioned for sustained growth after a phase of investment in its two powerful and focused composites; Discovery South Africa and Vitality, with strong platforms in each, resulting in growth in earnings, cash generation, and return on equity, as well as lower leverage. The Group established a five-year ambition for profit from operations to grow between 15% to 20% on a compound basis from the end of 2024 to 2029. The strong performance in the first year of delivery has increased the Group's confidence in achieving this ambition over the period.

In terms of the Group's current dividend policy and guidance, annual ordinary dividends are expected to be covered approximately five times by normalised headline earnings, with interim ordinary dividends expected to be paid in the range of 30% to 40% of the expected total annual ordinary dividend. In line with this, the Group has declared its final ordinary dividends for the period at 201 cents per share, representing an annual cover ratio of 5 times.

### NOTES TO ANALYSTS

Any forecast financial information contained in this announcement has not been reviewed or reported on by the Company's external auditors.

Discovery has published supplemental unaudited information on the website. For this and other results information, visit <https://www.discovery.co.za/corporate/investor-relations> and go to Financial and annual reports.

On behalf of the Board

**ME Tucker**  
Chairperson

Sandton

10 September 2025

**A Gore**  
Group Chief Executive

# Group statement of financial position

for the year ended 30 June 2025

R million	Group 2025	Restated Group 2024 <sup>1</sup>	Restated Group 1 July 2023 <sup>1</sup>
<b>Assets</b>			
Goodwill	5 429	5 292	5 406
Intangible assets	7 542	7 239	7 064
Property and equipment	3 266	3 581	3 910
Assets arising from insurance contracts issued	48 047	37 339	30 224
Assets arising from reinsurance contracts held	962	837	604
Deferred tax asset	4 886	5 631	6 370
Assets arising from contracts with customers	3 722	2 598	2 221
Investment in equity-accounted investees	8 989	8 189	7 398
Financial assets			
– Loans and advances to customers at amortised cost	8 513	6 028	4 702
– Investments at amortised cost	12 812	11 100	9 910
– Investments at fair value through other comprehensive income	14	–	–
– Investments at fair value through profit or loss	193 776	165 671	152 515
– Derivative financial instruments at fair value through profit or loss	63	43	119
Contract receivables and other receivables	7 368	6 729	5 684
Non-current assets held for sale	62	136	–
Current tax asset	31	250	41
Cash and cash equivalents	21 968	18 971	19 171
<b>TOTAL ASSETS</b>	<b>327 450</b>	<b>279 634</b>	<b>255 339</b>
<b>Equity</b>			
<b>Capital and reserves</b>			
Ordinary share capital and share premium	11 358	10 667	10 351
Perpetual preference share capital	779	779	779
Other reserves	4 921	2 176	1 562
Retained earnings	48 646	40 829	34 546
Equity attributable to equity holders of the Company	65 704	54 451	47 238
Non-controlling interest	(5)	–	4
<b>TOTAL EQUITY</b>	<b>65 699</b>	<b>54 451</b>	<b>47 242</b>
<b>Liabilities</b>			
Liabilities arising from insurance contracts issued	118 878	105 070	94 660
Liabilities arising from reinsurance contracts held	9 121	5 396	4 819
Deferred tax liability	8 755	6 975	5 788
Contract liabilities to customers	1 516	512	656
Third-party interest in consolidated funds	35 932	31 456	28 346
Financial liabilities			
– Borrowings at amortised cost	20 046	21 662	20 586
– Other financial payables at amortised cost	9 148	8 007	8 568
– Deposits from customers	23 326	18 467	14 333
– Investment contracts at fair value through profit or loss	32 188	25 710	28 903
– Derivative financial instruments at fair value through profit or loss	135	31	20
Provisions	–	449	187
Other payables	2 333	1 216	1 066
Current tax liability	373	232	165
<b>TOTAL LIABILITIES</b>	<b>261 751</b>	<b>225 183</b>	<b>208 097</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>327 450</b>	<b>279 634</b>	<b>255 339</b>

<sup>1</sup> The comparative information has been restated due to correction of a prior period error. Refer to note D.1.1 for more detail.

# Group income statement

for the year ended 30 June 2025

R million	Group 2025	Restated Group 2024 <sup>1</sup>
Insurance revenue	57 713	52 130
Insurance service expenses	(49 028)	(46 117)
Net expenses from reinsurance contracts	(1 306)	(915)
<b>Insurance service result</b>	<b>7 379</b>	<b>5 098</b>
Net financial result from insurance finance income and expense	(13 088)	(7 293)
- Net finance expense from insurance contracts	(12 665)	(6 950)
- Net finance expense from reinsurance contracts	(423)	(343)
Investment income using the effective interest rate method	998	860
Net fair value gains on financial assets at fair value through profit or loss	25 818	16 245
Fair value adjustment to liabilities under investment contracts	(3 810)	(2 142)
Third party interest: fair value adjustment to liabilities under investment contracts	(4 394)	(2 873)
Other gains on financial instruments	(9)	5
<b>Net insurance and investment results</b>	<b>12 894</b>	<b>9 900</b>
Fee income from administration businesses	14 326	13 596
Vitality income	5 322	4 655
Net banking fee and commission income	1 695	1 398
- Banking fee and commission income	2 238	1 872
- Banking fee and commission expense	(543)	(474)
Net bank interest and similar income	966	779
- Bank interest and similar income using the effective interest rate	2 203	1 840
- Bank interest and similar expense using the effective interest rate	(1 237)	(1 061)
Other income	1 832	1 380
<b>Non-insurance revenue and income</b>	<b>24 141</b>	<b>21 808</b>
<b>Net income</b>	<b>37 035</b>	<b>31 708</b>
Non-insurance acquisition costs	(384)	(491)
Expected credit losses	(279)	(183)
Marketing and administration expenses	(21 765)	(19 644)
Impairment of goodwill	(20)	-
<b>Operating profit</b>	<b>14 587</b>	<b>11 390</b>
(Loss)/gain on dilution and disposal of equity-accounted investments	(32)	22
Share of net profits from equity-accounted investments	1 215	975
<b>Profit before financing and income tax</b>	<b>15 770</b>	<b>12 387</b>
Interest expenses on borrowings and lease liabilities	(2 087)	(2 036)
Foreign exchange (losses)	(36)	(87)
<b>Profit before income tax</b>	<b>13 647</b>	<b>10 264</b>
Income tax expense	(4 089)	(2 715)
<b>Profit for the year</b>	<b>9 558</b>	<b>7 549</b>
<b>Profit attributable to:</b>		
- Ordinary shareholders	9 471	7 468
- Preference shareholders	93	91
- Non-controlling interest	(6)	(10)
	<b>9 558</b>	<b>7 549</b>
<b>Earnings per share for profit attributable to ordinary shareholders of the company during the year (cents):</b>		
- Basic	1 402.2	1 110.2
- Diluted	1 394.9	1 103.7

<sup>1</sup> The comparative information has been restated due to correction of a prior period error. Refer to note D.1.1 for more detail.

# Group statement of other comprehensive income

for the year ended 30 June 2025

R million	Group 2025	Restated Group 2024 <sup>1</sup>
<b>Profit for the year</b>	<b>9 558</b>	7 549
<b>Income and expenses that will be reclassified to profit or loss when specific conditions are met:</b>		
<b>Currency translation differences</b>	<b>998</b>	(823)
Unrealised gains/(losses)	<b>1 032</b>	(846)
Tax on unrealised (gains)/losses	<b>(34)</b>	23
<b>Cash flow hedges</b>	<b>(104)</b>	(61)
- Unrealised losses	<b>(106)</b>	(65)
- Gains reclassified to profit or loss	<b>2</b>	4
<b>Net finance income/(expense) from insurance contracts issued</b>	<b>2 186</b>	1 701
- Unrealised income/(expense)	<b>2 961</b>	2 265
- Tax on unrealised (income)/expense	<b>(775)</b>	(564)
<b>Net finance (expense)/income from reinsurance contracts held</b>	<b>(282)</b>	(221)
- Unrealised (expense)/income	<b>(382)</b>	(290)
- Tax on unrealised expense/(income)	<b>100</b>	69
<b>Share of other comprehensive income from equity-accounted investments</b>	<b>(120)</b>	(236)
- Change in fair value of debt instruments at fair value through other comprehensive income	<b>16</b>	45
- Currency translation differences	<b>(136)</b>	(281)
<b>Total income and expenses that will be reclassified to profit or loss when specific conditions are met</b>	<b>2 678</b>	360
<b>Income and expenses that will not be reclassified to profit or loss:</b>		
<b>Equity instruments held at fair value through other comprehensive income</b>	<b>(2)</b>	-
- Change in fair value of equity instruments at fair value through other comprehensive income	<b>(2)</b>	-
- Tax on change in fair value of equity instruments at fair value through other comprehensive income	<b>*</b>	-
<b>Share of other comprehensive (loss)/income from equity-accounted investments</b>	<b>23</b>	17
- Change in fair value of equity instruments at fair value through other comprehensive income	<b>23</b>	17
<b>Total income and expenses that will not be reclassified to profit or loss</b>	<b>21</b>	17
<b>Other comprehensive income for the year, net of tax</b>	<b>2 699</b>	377
<b>Total comprehensive income for the year</b>	<b>12 257</b>	7 926
<b>Attributable to:</b>		
- Ordinary shareholders	<b>12 169</b>	7 839
- Preference shareholders	<b>93</b>	91
- Non-controlling interest	<b>(5)</b>	(4)
<b>Total comprehensive income for the year</b>	<b>12 257</b>	7 926

<sup>1</sup> The comparative information has been restated due to correction of a prior period error. Refer to note D.1.1 for more detail.

\* Amount is less than R500 000.

# Group statement of cash flows

for the year ended 30 June 2025

R million	Group 2025	Restated Group 2024 <sup>1</sup>
<b>Cash flows from operating activities</b>	<b>8 667</b>	2 733
Cash generated from operations	1 289	3 976
Interest received	2 955	2 325
Interest paid	(2 877)	(2 627)
Taxation paid	(1 867)	(1 522)
Net movement in operating assets and liabilities	9 167	581
- Increase in operating assets	(11 060)	(3 224)
- Increase in operating liabilities	20 227	3 805
<b>Cash flows from investing activities</b>	<b>(1 823)</b>	(1 886)
Purchase of property and equipment	(294)	(414)
Proceeds from disposal of property and equipment	3	29
Purchase of intangible assets	(1 682)	(1 789)
Acquisition of business and subsidiaries net of cash	(316)	-
Additional investment in equity-accounted investments	(24)	(17)
Dividends from equity-accounted investments	490	305
<b>Cash flows from financing activities</b>	<b>(4 016)</b>	(780)
Purchase of treasury shares	-	(131)
Dividends paid to ordinary shareholders	(1 614)	(1 178)
Dividends paid to preference shareholders	(93)	(91)
Proceeds from borrowings	3 264	2 005
Repayment of borrowings	(5 573)	(1 385)
Net increase in cash and cash equivalents	2 828	67
Cash and cash equivalents at beginning of the year	18 965	19 138
Effects of exchange rate changes on cash and cash equivalents	173	(240)
<b>Cash and cash equivalents at end of the year</b>	<b>21 966</b>	18 965
<b>Reconciliation to statement of financial position</b>		
Cash and cash equivalents	21 968	18 971
Bank overdraft included in borrowings at amortised cost	(2)	(6)
<b>Cash and cash equivalents at end of the year</b>	<b>21 966</b>	18 965

<sup>1</sup> The comparative information has been restated due to correction of a prior period error. Refer to note D.1.1 for more detail.

# Group statement of changes in equity

for the year ended 30 June 2025

R million	Attributable to equity holders of the Company			
	Share capital and share premium	Perpetual preference share capital	Share-based payment reserve	Investment reserve <sup>1</sup>
<b>Year ended 30 June 2025</b>				
<b>At beginning of the year</b>	<b>10 667</b>	<b>779</b>	<b>1 433</b>	<b>81</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>93</b>	<b>-</b>	<b>37</b>
Profit for the year	-	93	-	-
Other comprehensive income	-	-	-	37
<b>Transactions with owners</b>	<b>691</b>	<b>(93)</b>	<b>47</b>	<b>-</b>
Share issue	626	-	-	-
Increase in treasury shares	(626)	-	-	-
Delivery of treasury shares	691	-	(674)	-
Employee share option schemes:				
- Value of employee services, net of tax	-	-	721	-
Dividends paid to preference shareholders	-	(93)	-	-
Dividends paid to ordinary shareholders	-	-	-	-
<b>At end of the year</b>	<b>11 358</b>	<b>779</b>	<b>1 480</b>	<b>118</b>
<b>Year ended 30 June 2024</b>				
<b>At beginning of the year</b>	10 351	779	1 190	19
- Prior period error adjustments <sup>2</sup>	-	-	-	-
<b>Restated balance at beginning of the year</b>	10 351	779	1 190	19
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>91</b>	<b>-</b>	<b>62</b>
Profit for the year	-	91	-	-
Other comprehensive income	-	-	-	62
<b>Transactions with owners</b>	<b>316</b>	<b>(91)</b>	<b>243</b>	<b>-</b>
Share issue	432	-	-	-
Increase in treasury shares	(563)	-	-	-
Delivery of treasury shares	447	-	(440)	-
Employee share option schemes:				
- Value of employee services, net of tax	-	-	683	-
Dividends paid to preference shareholders	-	(91)	-	-
Dividends paid to ordinary shareholders	-	-	-	-
<b>At end of the year</b>	<b>10 667</b>	<b>779</b>	<b>1 433</b>	<b>81</b>

<sup>1</sup> This relates to fair value adjustments on those equity instruments designated at fair value through other comprehensive income (FVOCI) and those debt instruments measured at FVOCI, in terms of IFRS 9 Financial Instruments.

<sup>2</sup> The comparative information has been restated due to correction of a prior period error. Refer to section D1.1 for more detail.

Attributable to equity holders of the Company						
Insurance finance reserve	Foreign currency translation reserve	Hedging reserve	Retained earnings	Total	Non- controlling interest	Total Equity
(4 832)	5 514	(20)	40 829	54 451	-	54 451
1 904	861	(104)	9 471	12 262	(5)	12 257
-	-	-	9 471	9 564	(6)	9 558
1 904	861	(104)	-	2 698	1	2 699
-	-	-	(1 654)	(1 009)	-	(1 009)
-	-	-	(23)	603	-	603
-	-	-	-	(626)	-	(626)
-	-	-	(17)	-	-	-
-	-	-	-	721	-	721
-	-	-	-	(93)	-	(93)
-	-	-	(1 614)	(1 614)	-	(1 614)
(2 928)	6 375	(124)	48 646	65 704	(5)	65 699
(3 184)	6 624	41	33 900	49 720	4	49 724
(3 128)	-	-	646	(2 482)	-	(2 482)
(6 312)	6 624	41	34 546	47 238	4	47 242
1 480	(1 110)	(61)	7 468	7 930	(4)	7 926
-	-	-	7 468	7 559	(10)	7 549
1 480	(1 110)	(61)	-	371	6	377
-	-	-	(1 185)	(717)	-	(717)
-	-	-	-	432	-	432
-	-	-	-	(563)	-	(563)
-	-	-	(7)	-	-	-
-	-	-	-	683	-	683
-	-	-	-	(91)	-	(91)
-	-	-	(1 178)	(1 178)	-	(1 178)
(4 832)	5 514	(20)	40 829	54 451	-	54 451

## SECTION A

NOTES TO THE  
CONDENSED  
CONSOLIDATED  
FINANCIAL STATEMENTS

17	A.1	Segment information
26	A.2	Normalised profit from operations
26	A.3	Earnings, headline earnings and normalised headline earnings
28	A.4	Revenue from non-insurance activities
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30	A.6	Fair value hierarchy

# Disclosure

for the year ended 30 June 2025

## A. NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### A.1 SEGMENT INFORMATION

Discovery's operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM has been identified as the Group Executive Committee who makes strategic decisions regarding these businesses.

An operating segment is a component of an entity:

- (a) That engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses relating to transactions with other components of the same entity.
- (b) Whose operating results are regularly reviewed by the entity's CODM to make decisions about resources to be allocated to the segment and assess its performance; and
- (c) For which discrete financial information is available.

An operating segment may engage in business activities for which it has yet to earn revenues, for example, start-up operations may be operating segments before earning revenues.

Discovery will report separately information about an operating segment that meets any of the following quantitative thresholds:

- (a) Its reported revenue, including both sales to external customers and intersegment sales or transfers, is 10 percent or more of the combined revenue, internal and external, of all operating segments.
- (b) The absolute amount of its reported profit or loss is 10 percent or more of the greater, in absolute amount, of (i) the combined reported profit of all operating segments that did not report a loss and (ii) the combined reported loss of all operating segments that reported a loss; and
- (c) Its assets are 10 percent or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if management believes that information about the segment would be useful to users of the financial statements.

Discovery may combine information about operating segments that do not meet the quantitative thresholds with information about other operating segments that do not meet the quantitative thresholds to produce a reportable segment only if the operating segments have similar economic characteristics.

The Group has identified its reportable segments based on a combination of products and services offered to customers and the location of the markets served.

## A. NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*continued*

### A.1 SEGMENT INFORMATION *continued*

The following summary describes the operations of each of the Group's reportable segments:



#### SA HEALTH

- Administers and provides managed care services to medical schemes in South Africa.
- Renders administration services to other business segments within the Group.
- Together with Medical Services Organisation International (MSO), a subsidiary company, delivers health insurance, healthcare risk management and third-party administration services within rest of Africa markets.
- Offers non-medical scheme-related products such as Gap Cover for unexpected medical costs and Flexicare – which provides quality, affordable access to primary healthcare for employees unable to access medical scheme benefits.

#### SA INVEST

Offers, through a range of investment fund choices, including Discovery managed unit trusts, a comprehensive and flexible range of investment choices. These products are sold through a number of investment wrappers, including Discovery Life policies, and are offered to individuals in South Africa.

#### SA LIFE

Offers a range of insurance and financial solutions to the Group's clients against the financial impact of lifestyle-changing events in South Africa. This segment also includes Corporate and Employee Benefits (CEB), which comprises the Group Risk, Umbrella and HealthyCompany offerings.

#### SA INSURE

Offers a range of personal line insurance (motor, building, household content and portable possessions) to the Group's SA clients against the financial impact of loss or damage. The segment also includes SA Insure's equity-accounted interests including Cambridge Mobile Telematics (CMT).

#### SA BANK

Offers retail banking solutions, including deposits and loans and advances, to clients in the South African market. The Bank is still in a start-up phase.



#### UK HEALTH

Offers consumer-engaged private medical insurance products to employer groups and individuals in the UK. All contracts in this segment are short-term insurance contracts.

#### UK LIFE

Offers a risk-only life assurance product. All contracts in this segment are long-term assurance contracts offered to both employer groups and individuals in the UK.

#### All other segments

Includes those businesses that are not operating segments, as well as those operating segments that do not meet the qualitative thresholds for separate reporting. It includes:

##### Discovery SA:

- SA Vitality, which offers health and lifestyle benefits with selected partners to the Group's SA clients.
- SA Insure commercial: provides commercial short-term risk insurance products to the South African market. Discovery announced that it is exiting this business with all remaining covers terminated by 31 August 2024.
- SA Distribution: provides sales and distribution services in respect of all SA products.
- Discovery Central Services, performing various shared services, treasury and administrative functions to entities within the Discovery Group.
- Other new group initiatives, including Discovery Green, as well as unallocated central costs.

##### Vitality:

- Vitality Corporate Services (VCSL): provides administration, distribution and management services for entities within the UK Composite.
- Vitality Health International, leverages Discovery Health and Vitality's intellectual property to create strategic partnerships through equity-accounted interests in health insurance and health technology and solutions businesses, which includes the equity-accounted interests in Ping An Health Insurance and Amplify Health.
- Vitality Network, which provides a Vitality platform to international insurance businesses.
- Includes immaterial interests in equity-accounted interests, UK Invest (closed down), as well as unallocated central costs.

## A. NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### *continued*

#### A.1 SEGMENT INFORMATION *continued*

The Group Executive Committee assesses the performance of the reportable segments based on normalised profit/loss from operations. Items that are excluded from normalised profit/loss from operations are separately disclosed in the segment information to reconcile to the segment results and Group income statement. The segment information is presented on the same basis as reported to the CODM.

The segment total is then adjusted for accounting reclassifications and entries required to produce results compliant with the IFRS Accounting Standards, i.e. IFRS reporting adjustments. These adjustments include the following:

- (a) Unit trusts that the Group controls in terms of IFRS 10 Consolidated Financial Statements are consolidated into Discovery's results for IFRS purposes. The IFRS reporting adjustments include the effects of consolidating the unit trusts into Discovery's results, effectively being the income and expenses relating to units held by third parties.
- (b) The effects of eliminating intercompany transactions on consolidation and normalised operating profit adjustments; and
- (c) The effects of reclassifying items to align to the IFRS Group income statement.

#### Changes from 1 July 2024

1. In response to the IFRIC decision on the presentation of material items of revenue and expenses for segment information, Discovery's internal enhancements to financial reporting, and observations from the JSE Proactive Monitoring process, Discovery Group has expanded its segment disclosure. In particular, the adjustments take into account the information reviewed by the CODM as well as the required disclosures of specified transactions included in the measurement of normalised profit from operations, in compliance with IFRS 8.23.

As a result, Discovery has implemented the following changes:

- To reflect material items of income and expense, marketing and administration expenses have been disaggregated to separately present staff costs, which represent a material component of these expenses. The staff costs shown in the segment are net of allocations to the insurance service expense. A separate note (A.1.2) has been included in the segment information for this disclosure.
- Discovery has included a separate note (A.1.1) to clearly present items of revenue and other income arising from internal transactions with other segments.

To implement the changes as disclosed in note A.1.1. for internal transactions, Discovery has revised the presentation of intersegment charges, recoveries, revenues, and income:

- Prior to 1 July 2024 – Intercompany recoveries, recharges, other income, and intercompany revenues were offset within marketing and administration expenses, with the net expense reflected in the segment.
  - Effective from 1 July 2024 – The presentation of these items within segment information now aligns more closely with the financial statements of the respective business lines.
  - These changes have been enabled through the new financial reporting system and required significant development to ensure the accuracy of the information. As permitted by IFRS 8.29, prior-year segment information has not been restated due to the cost and effort required to reperform the changes for the prior period. Refer to Note A.1.1 for further details, ensuring that the results for the year ended 30 June 2025 are comparable to those for the year ended 30 June 2024.
2. Prior to 1 July 2024, VCSL was included as part of the UK Health segment alongside Vitality Health. Effective from 1 July 2024 (with restatement of comparative information), VCSL, as the central services company within the UK, has been excluded from the UK Health segment and instead included in All other segments. This treatment aligns VCSL with the treatment of Discovery Central Services. This change, together with the other changes noted earlier, had no impact on the normalised profit from operations for the UK Health segment
  3. The CODM has revised their view of SA Bank costs related to health and lifestyle benefits to align more closely with the treatment in Discovery Bank's separate statutory accounts. These costs were previously disclosed within marketing and administration expenses and are now included within the Net banking fee and commission income of SA Bank. The comparative information has been restated accordingly to reflect this revised treatment resulting in a decrease of R328 million in the Net banking and commission income, with an equal and opposite decrease in marketing and administration expenses. This change in management view had no resultant change in the Group income statement.
  4. Prior to 1 July 2024, the Group Risk portfolio of the CEB business was included within the SA Life segment, while the remainder of the CEB business was reported under All other segments in the segment information. To reflect the operational and managerial alignment of CEB with SA Life's business activities and internal reporting structure, the remainder of CEB business was reclassified to the SA Life segment effective from 1 July 2024. The comparative information has been restated accordingly, resulting in a R67 million decrease in SA Life's normalised profit from operations, with a corresponding increase in All other segments. The change has no impact on the Group's normalised profit from operations.
  5. Prior to 1 July 2024, Vitality Drive International (VDI) was included under All other segments. Effective from 1 July 2024 (with no restatement of comparative information), VDI has been reclassified to the SA Insure segment. This reflects the strategic integration of VDI within Discovery Insure's international expansion and incentive-based behaviour programme, aligning the reporting structure with operational responsibility and performance oversight. Discovery Insure's previously published normalised profit from operations has not been restated as the effect was immaterial in the prior period
  6. From 1 July 2024, SA Invest amended the presentation of specified income tax expenses within its business line to improve the usefulness of the information provided and to enhance comparability with peers in the market. Within its normalised profit from operations, SA Invest now includes tax expenses specific to policyholder tax funds that are directly chargeable to, or recoverable from, policyholders. These are also often referred to as 'policyholder taxes' or 'contract holder taxes'. The comparative information has been restated to reflect this revised presentation.

## A. NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*continued*

### A.1 SEGMENT INFORMATION *continued*

R million	Notes	SA Health	SA Life
<b>30 June 2025</b>			
<b>Income statement</b>			
Insurance revenue		518	19 149
- Contracts measured under the General measurement model/Variable fee approach		-	15 419
- Contracts measured under Premium allocation approach	-	518	3 730
Insurance service expenses		(362)	(15 512)
- Claims and benefits		(216)	(11 375)
- Insurance service expense and other		(66)	(1 795)
- Insurance acquisition cash flows		(80)	(2 342)
Tax specific to policyholder tax funds <sup>1</sup>		-	-
<b>Insurance service result (pre-reinsurance)</b>		<b>156</b>	<b>3 637</b>
Net expenses from reinsurance contracts		(1)	(1 021)
- Reinsurance expense		(2)	(3 838)
- Insurance claims recovered from reinsurers		1	2 817
<b>Insurance service result</b>		<b>155</b>	<b>2 616</b>
Net financial result from insurance finance income and expense		-	2 466
- Net finance income/(expense) from insurance contracts		-	2 590
- Net finance expense from reinsurance contracts		-	(124)
Investment income using the effective interest rate method		11	15
Net fair value gains on financial instruments at fair value through profit or loss		29	3 537
Fair value adjustments to liabilities under investment contracts <sup>2</sup>		-	(2 961)
Third-party interest: fair value adjustments to liabilities under investment contracts		-	-
Intersegment funding		-	362
Other losses on financial instruments		-	-
<b>Net insurance and investment results</b>		<b>195</b>	<b>6 035</b>
Fee income from administration businesses	A.1.1	9 766	188
Vitality income		-	-
Net banking fee and commission income		-	-
- Banking fee and commission income		-	-
- Banking fee and commission expense		-	-
Net banking interest and similar income		-	-
- Banking interest and similar income using the effective interest rate		-	-
- Banking interest and similar expense using the effective interest rate		-	-
Other income	A.1.1	1 838	119
<b>Non-insurance revenue and income</b>		<b>11 604</b>	<b>307</b>
<b>Net income</b>		<b>11 799</b>	<b>6 342</b>
Non-insurance acquisition costs		-	-
Expected credit losses		-	-
Marketing and administration expenses	A.1.2	(7 540)	(817)
Share of net profits from equity-accounted investments		-	-
<b>Normalised profit/(loss) from operations</b>	A.2	<b>4 259</b>	<b>5 525</b>
Investment income earned on shareholder investments and cash		98	31
Intercompany investment income		-	-
Net fair value gain on financial assets at fair value through profit or loss		-	51
Loss from dilution of equity accounted investments		-	-
Impairment of goodwill		(20)	-
Amortisation of intangibles from business combinations		-	-
Market rentals related to Head Office building adjusted for finance costs and depreciation		-	-
Restructuring costs		-	-
Interest expenses on borrowings and lease liabilities		(2)	(1)
Intercompany finance expenses on borrowings		(447)	-
Foreign exchange (losses)/gains		(5)	(14)
<b>Profit/(loss) before income tax</b>		<b>3 883</b>	<b>5 592</b>
Income tax expense		(1 046)	(1 508)
<b>Profit/(loss) for the year</b>		<b>2 837</b>	<b>4 084</b>
<b>Profit attributable to:</b>			
- Ordinary shareholders		2 843	4 084
- Preference shareholders		-	-
- Non-controlling interest		(6)	-

<sup>1</sup> Tax specific to policyholder tax funds is reallocated from the income tax expense line. This includes taxes that are directly chargeable to the policyholder under insurance contracts, with a corresponding change in the policyholder fund values, which are included within the insurance revenue line.

<sup>2</sup> The value is reflected net of contract holder taxes, which are taxes directly chargeable to the contract holder. There is a corresponding change in the contract holder value, which is included in the fair value measurement.

SA Invest	SA Insure	SA Bank	UK Health	UK Life	All other segments	Segment total	IFRS reporting adjustments	IFRS total
4 560	6 217	-	19 124	8 050	95	57 713	-	57 713
4 560	-	-	-	8 050	-	28 029	-	28 029
-	6 217	-	19 124	-	95	29 684	-	29 684
(2 676)	(5 499)	-	(17 292)	(7 595)	(92)	(49 028)	-	(49 028)
(608)	(3 000)	-	(11 300)	(3 681)	(51)	(30 231)	-	(30 231)
(1 057)	(1 597)	-	(3 981)	(879)	(37)	(9 412)	-	(9 412)
(1 011)	(902)	-	(2 011)	(3 035)	(4)	(9 385)	-	(9 385)
(97)	-	-	-	-	-	(97)	97	-
1 787	718	-	1 832	455	3	8 588	97	8 685
-	(112)	-	(3)	(165)	(4)	(1 306)	-	(1 306)
-	(130)	-	(5)	(8 839)	(34)	(12 848)	-	(12 848)
-	18	-	2	8 674	30	11 542	-	11 542
1 787	606	-	1 829	290	(1)	7 282	97	7 379
(15 831)	(20)	-	-	417	-	(12 968)	(120)	(13 088)
(15 831)	(20)	-	-	716	-	(12 545)	(120)	(12 665)
-	-	-	-	(299)	-	(423)	-	(423)
75	268	-	179	81	17	646	352	998
17 058	11	52	70	-	-	20 757	5 061	25 818
(905)	-	-	-	-	-	(3 866)	56	(3 810)
-	-	-	-	-	-	-	(4 394)	(4 394)
(362)	-	-	-	-	-	-	-	-
-	-	(9)	-	-	-	(9)	-	(9)
1 822	865	43	2 078	788	16	11 842	1 052	12 894
1 260	-	-	35	-	3 185	14 434	(108)	14 326
-	-	-	31	267	5 575	5 873	(551)	5 322
-	-	1 373	-	-	(77)	1 296	399	1 695
-	-	2 238	-	-	-	2 238	-	2 238
-	-	(865)	-	-	(77)	(942)	399	(543)
-	-	965	-	-	-	965	1	966
-	-	2 203	-	-	-	2 203	-	2 203
-	-	(1 238)	-	-	-	(1 238)	1	(1 237)
1	79	69	19	-	14 591	16 716	(14 884)	1 832
1 261	79	2 407	85	267	23 274	39 284	(15 143)	24 141
3 083	944	2 450	2 163	1 055	23 290	51 126	(14 091)	37 035
(395)	-	-	-	-	(294)	(689)	305	(384)
-	-	(279)	-	-	-	(279)	-	(279)
(701)	(213)	(2 239)	(975)	(424)	(23 305)	(36 214)	14 449	(21 765)
-	86	-	-	6	1 174	1 266	(51)	1 215
1 987	817	(68)	1 188	637	865	15 210	612	15 822
13	7	-	-	-	203	352	(352)	-
-	-	-	-	-	1 351	1 351	(1 351)	-
54	-	-	-	-	-	105	(105)	-
-	(32)	-	-	-	-	(32)	-	(32)
-	-	-	-	-	-	(20)	-	(20)
-	(51)	-	-	-	(71)	(122)	122	-
-	-	-	-	-	(72)	(72)	72	-
-	-	-	-	-	(80)	(80)	80	-
-	-	-	(18)	(201)	(1 588)	(1 810)	(277)	(2 087)
-	-	-	-	(444)	(460)	(1 351)	1 351	-
(5)	-	-	-	1	(13)	(36)	-	(36)
2 049	741	(68)	1 170	(7)	135	13 495	152	13 647
(793)	(216)	25	(311)	(62)	(26)	(3 937)	(152)	(4 089)
1 256	525	(43)	859	(69)	109	9 558	-	9 558
1 256	525	(43)	859	(69)	16	9 471	-	9 471
-	-	-	-	-	93	93	-	93
-	-	-	-	-	-	(6)	-	(6)

## A. NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*continued*

### A.1 SEGMENT INFORMATION *continued*

R million	Notes	SA Health	SA Life
<b>30 June 2024 Restated<sup>1</sup></b>			
<b>Income statement</b>			
Insurance revenue		435	17 522
- Contracts measured under the General measurement model/Variable fee approach		-	14 014
- Contracts measured under Premium allocation approach		435	3 508
Insurance service expenses		(341)	(15 207)
- Claims and benefits		(224)	(12 104)
- Insurance service expense and other		(54)	(1 096)
- Insurance acquisition cash flows		(63)	(2 007)
Tax specific to policyholder tax funds <sup>2</sup>			
<b>Insurance service result (pre-reinsurance)</b>		94	2 315
Net expenses from reinsurance contracts		(1)	(458)
- Reinsurance expense		(1)	(3 692)
- Insurance claims recovered from reinsurers		-	3 234
<b>Insurance service result</b>		93	1 857
Net financial result from insurance finance income and expense		-	2 626
- Net finance income/(expense) from insurance contracts		-	2 821
- Net finance expense from reinsurance contracts		-	(195)
Investment income using the effective interest rate method		-	32
Net fair value (losses)/gains on financial instruments at fair value through profit or loss		(6)	2 420
Fair value adjustments to liabilities under investment contracts <sup>3</sup>		-	(1 450)
Third-party interest: fair value adjustments to liabilities under investment contracts		-	-
Intersegment funding		(13)	(282)
Other gains on financial instruments		-	-
<b>Net insurance and investment results</b>		74	5 203
Fee income from administration businesses	A.1.1	9 233	155
Vitality income	A.1.1	-	-
Net banking fee and commission income		-	-
- Banking fee and commission income		-	-
- Banking fee and commission expense		-	-
Net banking interest and similar income		-	-
- Banking interest and similar income using the effective interest rate		-	-
- Banking interest and similar expense using the effective interest rate		-	-
Other income	A.1.1	1 173	3
<b>Non-insurance revenue and income</b>		10 406	158
<b>Net income</b>		10 480	5 361
Non-insurance acquisition costs		-	-
Expected credit losses		-	-
Marketing and administration expenses	A.1.2	(6 508)	(523)
Share of net profits from equity-accounted investments		-	-
<b>Normalised profit/(loss) from operations</b>	A.2	3 972	4 838
Investment income earned on shareholder investments and cash		120	27
Intercompany investment income		-	-
Net fair value gains/(losses) on financial assets at fair value through profit or loss		-	87
Gain/(loss) from dilution and disposal of equity accounted investments		-	-
Amortisation of intangibles from business combinations		-	-
Market rentals related to Head Office building adjusted for finance costs and depreciation		-	-
Restructuring costs		-	-
Interest expenses on borrowings and lease liabilities		(2)	(1)
Intercompany finance expenses on borrowings		(412)	-
Foreign exchange gains/(losses)		(6)	(11)
<b>Profit/(loss) before income tax</b>		3 672	4 940
Income tax expense		(987)	(1 334)
<b>Profit/(loss) for the year</b>		2 685	3 606
<b>Profit attributable to:</b>			
- Ordinary shareholders		2 695	3 606
- Preference shareholders		-	-
- Non-controlling interest		(10)	-

<sup>1</sup> The comparative information has been restated due to (1) correction of a prior period error as discussed in section D1.1 as well as (2) those changes noted in items 2,3,4 and 6 as discussed in the introduction to Segment information "Changes from 1 July 2024".

<sup>2</sup> Tax specific to policyholder tax funds is reallocated from the income tax expense line. This includes taxes that are directly chargeable to the policyholder under insurance contracts, with a corresponding change in the policyholder fund values, which are included within the insurance revenue line.

<sup>3</sup> The value is reflected net of contract holder taxes, which are taxes directly chargeable to the contract holder. There is a corresponding change in the contract holder value, which is included in the fair value measurement.

	SA Invest	SA Insure	SA Bank	UK Health	UK Life	All other segments	Segment total	IFRS reporting adjustments	IFRS total	
	4 360	5 737	-	16 474	6 904	698	52 130	-	52 130	
	4 360	-	-	-	6 904	-	25 278	-	25 278	
	-	5 737	-	16 474	-	698	26 852	-	26 852	
	(2 671)	(5 471)	-	(15 456)	(6 217)	(754)	(46 117)	-	(46 117)	
	(462)	(3 540)	-	(9 562)	(3 098)	(472)	(29 462)	-	(29 462)	
	(1 148)	(1 069)	-	(4 127)	(509)	(135)	(8 138)	-	(8 138)	
	(1 061)	(862)	-	(1 767)	(2 610)	(147)	(8 517)	-	(8 517)	
	(85)						(85)	85	-	
	-	1 604	266	-	1 018	687	(56)	5 928	85	6 013
	-	(24)	-	(8)	(408)	(16)	(915)	-	(915)	
	-	(474)	-	(8)	(5 738)	(275)	(10 188)	-	(10 188)	
	-	450	-	-	5 330	259	9 273	-	9 273	
	1 604	242	-	1 010	279	(72)	5 013	85	5 098	
	(9 850)	-	-	-	231	-	(6 993)	(300)	(7 293)	
	(9 850)	-	-	-	379	-	(6 650)	(300)	(6 950)	
	-	-	-	-	(148)	-	(343)	-	(343)	
	49	209	-	175	65	12	542	318	860	
	10 098	1	1	60	-	(48)	12 526	3 719	16 245	
	(749)	-	-	-	-	46	(2 153)	11	(2 142)	
	-	-	-	-	-	-	-	(2 873)	(2 873)	
	282	13	-	-	-	-	-	-	-	
	-	-	5	-	-	-	5	-	5	
	1 434	465	6	1 245	575	(62)	8 940	960	9 900	
	1 215	-	-	31	-	2 962	13 596	-	13 596	
	-	-	-	23	264	4 368	4 655	-	4 655	
	-	-	1 039	-	-	31	1 070	328	1 398	
	-	-	1 795	-	-	-	1 795	77	1 872	
	-	-	(756)	-	-	31	(725)	251	(474)	
	-	-	779	-	-	-	779	-	779	
	-	-	1 840	-	-	-	1 840	-	1 840	
	-	-	(1 061)	-	-	-	(1 061)	-	(1 061)	
	-	16	-	22	-	106	1 320	60	1 380	
	1 215	16	1 818	76	264	7 467	21 420	388	21 808	
	2 649	481	1 824	1 321	839	7 405	30 360	1 348	31 708	
	(383)	-	-	-	-	(108)	(491)	-	(491)	
	-	-	(183)	-	-	-	(183)	-	(183)	
	(727)	(282)	(2 095)	(886)	(470)	(7 459)	(18 950)	(694)	(19 644)	
	-	49	-	-	6	970	1 025	(50)	975	
	1 539	248	(454)	435	375	808	11 761	604	12 365	
	16	-	-	-	-	155	318	(318)	-	
	-	-	-	-	-	1 046	1 046	(1 046)	-	
	75	-	-	-	-	-	162	(162)	-	
	-	22	-	-	-	-	22	-	22	
	-	(49)	-	-	-	(56)	(105)	105	-	
	-	-	-	-	-	(105)	(105)	105	-	
	-	-	-	-	-	(48)	(48)	48	-	
	-	-	-	(17)	(217)	(1 513)	(1 750)	(286)	(2 036)	
	-	-	-	-	(464)	(170)	(1 046)	1 046	-	
	(20)	-	-	-	-	(50)	(87)	-	(87)	
	1 610	221	(454)	418	(306)	67	10 168	96	10 264	
	(273)	(58)	171	(29)	25	(134)	(2 619)	(96)	(2 715)	
	1 337	163	(283)	389	(281)	(67)	7 549	-	7 549	
	1 337	163	(283)	389	(281)	(158)	7 468	-	7 468	
	-	-	-	-	-	91	91	-	91	
	-	-	-	-	-	-	(10)	-	(10)	

## A. NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### *continued*

### A.1 SEGMENT INFORMATION *continued*

#### A.1.1 Revenues and income with other operating segments

The net income presented within each respective segment includes the following items of revenue and income derived from transactions with other operating segments of the Group:

R million	SA Health	SA Life
<b>30 June 2025</b>		
Fee income from administration businesses	-	-
Vitality income	-	-
Other income	235	130
<b>Total</b>	<b>235</b>	<b>130</b>

#### A.1.2 Material items of expenses

Additional information on material items of expenses included within the marketing and administration expenses:

R million	SA Health	SA Life
<b>30 June 2025</b>		
Depreciation and amortisation	(174)	(1)
Derecognition of intangible assets and property and equipment	-	(43)
Impairment of intangible assets and property and equipment	(20)	(28)
Staff costs	(3 038)	(284)
Other expenses <sup>1</sup>	(4 308)	(461)
<b>Total: Marketing and administration expenses</b>	<b>(7 540)</b>	<b>(817)</b>
<b>30 June 2024</b>		
Depreciation and amortisation	(171)	-
Derecognition of intangible assets and property and equipment	-	-
Impairment of intangible assets and property and equipment	-	-
Staff costs	(2 625)	(212)
Other expenses <sup>1</sup>	(3 712)	(311)
<b>Total: Marketing and administration expenses</b>	<b>(6 508)</b>	<b>(523)</b>

<sup>1</sup> Included in SA Health other expenses are IT systems and consumables of R1 576 million (2024: R1 488 million).

Changes since 1 July 2024: As noted earlier, Discovery changed the presentation of intercompany recoveries, recharges, other income and intercompany revenues. If the information for the year ended 30 June 2025 was presented on a similar basis to the results for the year ended 30 June 2024, the 'Total: Marketing and administration expenses' would have been reduced by the value equal to the 'Total' as disclosed in Note A.1.1.

SA Invest	SA Insure	SA Bank	UK Health	UK Life	All other segments	Segment total
-	-	-	-	-	94	94
-	-	-	-	-	551	551
1	64	69	94	-	14 784	15 377
1	64	69	94	-	15 429	16 022

SA Invest	SA Insure	SA Bank	UK Health	UK Life	All other segments	Segment total
(24)	(1)	(368)	-	(58)	(1 273)	(1 899)
-	(52)	-	-	(1)	(45)	(141)
-	(18)	-	(79)	-	-	(145)
(262)	(95)	(984)	-	-	(8 062)	(12 725)
(415)	(47)	(887)	(896)	(365)	(13 925)	(21 304)
(701)	(213)	(2 239)	(975)	(424)	(23 305)	(36 214)
(17)	(43)	(339)	(5)	(49)	(1 276)	(1 900)
-	(16)	-	-	-	(39)	(55)
-	-	-	(13)	-	(9)	(22)
(210)	(71)	(911)	-	-	(7 486)	(11 515)
(500)	(152)	(845)	(868)	(421)	1 351	(5 458)
(727)	(282)	(2 095)	(886)	(470)	(7 459)	(18 950)

## A. NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*continued*

### A.2 NORMALISED PROFIT FROM OPERATIONS

The following table shows the main components of the normalised profit from operations for the year ended 30 June 2025:

R million	Group 2025	Restated Group 2024 <sup>1</sup>	% Change
Discovery Health	4 259	3 972	7%
Discovery Life	5 525	4 838	14%
Discovery Invest	1 987	1 539	29%
Discovery Insure – Personal lines	817	248	229%
Discovery Bank	(68)	(454)	(85%)
Other initiatives and central costs*	(515)	(269)	91%
<b>Normalised profit from Discovery SA</b>	<b>12 005</b>	9 874	22%
VitalityHealth	1 188	435	173%
VitalityLife	637	375	70%
Closure costs of VitalityInvest*	–	(75)	(100%)
Vitality Health International – Ping An Health Insurance*	1 206	1 124	7%
Vitality Health International – Other*	(291)	(386)	(25%)
Vitality Network*	554	533	4%
Other initiatives and central costs*	(89)	(119)	(25%)
<b>Normalised profit from Vitality</b>	<b>3 205</b>	1 887	70%
<b>Normalised profit from operations</b>	<b>15 210</b>	11 761	29%

<sup>1</sup> The comparative information has been restated due to correction of a prior period error. Refer to section D1.1 for more detail.

\* Presented in 'All other segments' on the Segment information disclosure note in section A.1.

### A.3 EARNINGS, HEADLINE EARNINGS AND NORMALISED HEADLINE EARNINGS

	Group 2025	Restated Group 2024 <sup>1</sup>
<b>Number of shares used in calculation</b>		
Weighted number of shares in issue ('000)	665 168	661 071
Diluted weighted number of shares ('000)	668 715	665 016
<b>Earnings per share (cents):</b>		
– basic	1 402.2	1 110.3
– diluted	1 394.9	1 103.7
<b>Headline earnings per share (cents):</b>		
– basic	1 447.0	1 117.0
– diluted	1 439.4	1 110.4
<b>Normalised headline earnings per share (cents):</b>		
– basic	1 470.4	1 136.2
– diluted	1 462.8	1 129.5
<b>WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES ('000)</b>		
Issued ordinary shares at 1 July	661 021	658 424
Effect of share options exercised and vesting of share awards	4 147	2 647
<b>Weighted-average number of ordinary shares at 30 June (basic)</b>	<b>665 168</b>	661 071
Effect of share options exercised and vesting of share awards	3 547	3 945
<b>Weighted-average number of ordinary shares at 30 June (diluted)</b>	<b>668 715</b>	665 016
<b>EARNINGS RECONCILIATION (R MILLION)</b>		
Profit attributable to the ordinary shareholders	9 471	7 468
Adjusted for:		
– Profit attributable to non-forfeitable dividend share plan	(144)	(128)
<b>Basic earnings attributable to the ordinary shareholders</b>	<b>9 327</b>	7 340

<sup>1</sup> The comparative information has been restated due to correction of a prior period error. Refer to section D1.1 for more detail.

## A. NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*continued*

### A.3 EARNINGS, HEADLINE EARNINGS AND NORMALISED HEADLINE EARNINGS

*continued*

#### HEADLINE EARNINGS RECONCILIATION

Headline earnings per share is disclosed per the JSE Listings Requirements and is calculated in accordance with the circular titled Headline Earnings issued by SAICA, as amended from time to time. Headline earnings per share is based on the net profit after tax attributable to ordinary shareholders adjusted for items of a capital nature and the weighted average number of ordinary shares in issue.

R million	Group 2025			Restated Group 2024 <sup>1</sup>		
	Gross	Tax	Net	Gross	Tax	Net
<b>Basic earnings attributable to the ordinary shareholders</b>			<b>9 327</b>			7 340
<i>Adjusted for:</i>						
<b>IFRS 3:</b> Goodwill impairment	20	-	20	-	-	-
<b>IFRS 5:</b> Impairment - NCAHFS	79	-	79	-	-	-
<b>IAS 16:</b> Gain on disposal of property and equipment	(1)	-	(1)	(1)	-	(1)
<b>IAS 16:</b> Loss on derecognition of property and equipment	11	(3)	8	10	(3)	7
<b>IAS 16:</b> Impairment of property and equipment	-	-	-	14	-	14
<b>IAS 38:</b> Loss on derecognition of intangible assets	131	(19)	112	45	(10)	35
<b>IAS 38:</b> Impairment of intangibles	65	(10)	55	8	(2)	6
<b>IAS 28:</b> Loss/(gain) on the dilution and disposal of equity-accounted investments	32	(7)	25	(22)	5	(17)
<b>Headline earnings (basic and diluted)</b>			<b>9 625</b>			7 384

<sup>1</sup> The comparative information has been restated due to correction of a prior period error. Refer to section D1.1 for more detail.

#### NORMALISED HEADLINE EARNINGS RECONCILIATION

Normalised headline earnings is calculated per Discovery's policy as set out in the Accounting Policies in note E.2. Management considers that normalised headline earnings is an appropriate alternative performance measure to enhance the comparability and understanding of the financial performance of the Group.

R million	Group 2025			Restated Group 2024 <sup>1</sup>		
	Gross	Tax	Net	Gross	Tax	Net
<b>Headline earnings</b>			<b>9 625</b>			7 384
<i>Adjusted for:</i>						
- Gain arising from the recognition of deferred tax asset resulting from assessed loss: Initial recognition	-	(9)	(9)	-	-	-
- Amortisation of intangible assets arising from business combinations	71	(18)	53	56	(15)	41
- Restructuring costs	80	(19)	61	48	(11)	37
<i>Adjustments attributable to equity-accounted investments:</i>						
- Amortisation of intangible assets arising from business combinations	51	-	51	49	-	49
<b>Normalised headline earnings (basic and diluted)</b>			<b>9 781</b>			7 511

<sup>1</sup> The comparative information has been restated due to correction of a prior period error. Refer to section D1.1 for more detail.

## A. NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*continued*

### A.4 REVENUE FROM NON-INSURANCE ACTIVITIES

Discovery Group's Revenue includes 'Fee income from administration businesses', 'Vitality income' and 'Banking fee and commission income'.

The split of revenue per geographical region and reportable segment can be viewed in Note A.1 Segment information.

The split of revenue according to the timing of satisfaction of performance obligations, i.e. 'over time' or a 'point-in-time' is as follows:

R million	Group 2025	Group 2024
Fee income from administration businesses	14 326	13 596
– Over time	13 769	13 573
– Point-in-time	557	23
Vitality income	5 322	4 655
– Over time	3 671	3 178
– Point-in-time	1 651	1 477
Banking fee and commission income	2 238	1 872
– Over time	1 455	836
– Point-in-time	783	1 036

### A.5 BORROWINGS AT AMORTISED COST

R million	Reference	Group 2025	Group 2024
Borrowings from banks and listed debt		16 103	17 511
– UK borrowings	A.5.1	3 710	3 549
– South African borrowings	A.5.2	12 393	13 962
Bank overdraft in underlying liabilities of consolidated Unit Trusts		2	6
Lease liabilities		3 941	4 145
– 1 Discovery Place (1 DP)		3 124	3 246
– Other lease liabilities		817	899
		20 046	21 662

#### A.5.1 UK borrowing facilities

Facility amount GBP million	Variable rate	Capital repayment and maturity date <sup>2</sup>	Carrying amount			
			Group 2025		Group 2024	
			GBP	R	GBP	R
25	SONIA + 275bps <sup>1</sup>	At maturity – 23 December 2025	25	608	25	589
75	SONIA + 300bps <sup>1</sup>	At maturity – 21 December 2025	75	1 828	74	1 714
55	SONIA + 285bps <sup>1</sup>	At maturity – 12 December 2025	52	1 274	54	1 246
			152	3 710	153	3 549

<sup>1</sup> Interest payable quarterly in arrears.

<sup>2</sup> In preparation for the upcoming debt maturities in the latter part of 2025, Discovery initiated a restructuring of its funding arrangements to optimise financing costs. As part of this process, in August 2025 Discovery successfully secured a R2.1 billion revolving credit facility, priced at 3-month JIBAR plus 115 basis points.

Total finance costs in respect of the UK borrowings for the year ended 30 June 2025 was £12.14 million (R285 million) (2024: £13 million (R306 million)).

#### A.5.2 South African borrowings

##### CREDIT RATING

In November 2024 Moody's Investors Service ("Moody's") reaffirmed Discovery Limited's global-scale long-term issuer rating of Ba3 and upgraded the national-scale long-term issuer rating to Aa3.za from A1.za. The outlook remained unchanged as stable, aligned to the outlook of the country.

## A. NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### *continued*

### A.5 BORROWINGS AT AMORTISED COST *continued*

#### A.5.2 South African borrowings *continued*

##### DISCOVERY LIMITED

Discovery had R2.2 billion in Domestic Medium Term Notes (DMTN) maturing in November 2024. As a risk mitigation measure, it raised R1.5 billion notes in May 2024 and to complete the refinancing of the maturing November 2024 notes and avail itself of continued favourable debt markets, the Company raised a further R1.75 billion in November 2024. To facilitate these issuances, in advance of settling the maturing notes, Discovery increased the size of its notes programme registered in 2017 to R12.5 billion from R10 billion on the same terms and conditions. The excess proceeds were used to settle R1.1 billion in notes maturing in February 2025, with the remaining R1.4 billion maturity being extended to 21 May 2025. An additional R1.515 billion notes were issued on 21 May 2025 to apply towards those notes maturing.

Facility amount R million	Variable rate	Interest per annum	Capital repayment and maturity date	Carrying value R million	
				Group 2025	Group 2024
<b>Listed DMTN</b>					
200	-	10.46% <sup>1</sup>	At maturity – 21 November 2024	-	202
800	3-month JIBAR + 191bps	8.40% <sup>2,3</sup>	At maturity – 21 November 2024	-	809
1 200	3-month JIBAR + 191bps	7.30% <sup>2,3</sup>	At maturity – 21 November 2024	-	1 215
700	3-month JIBAR + 180bps	8.49% <sup>2,3</sup>	At maturity – 21 August 2026	707	707
300	3-month JIBAR + 180bps	7.60% <sup>2,3</sup>	At maturity – 21 August 2026	303	304
792	3-month JIBAR + 173bps	7.98% <sup>2,3</sup>	At maturity – 21 May 2027	799	800
226	3-month JIBAR + 180bps	7.98% <sup>2,3</sup>	At maturity – 21 May 2029	228	228
576	3-month JIBAR + 140bps	7.50% <sup>2,3</sup>	At maturity – 21 November 2027	581	582
924	3-month JIBAR + 159bps	8.17% <sup>2,3</sup>	At maturity – 21 November 2029	932	935
404	-	7.90% <sup>1</sup>	At maturity – 21 November 2025	392	-
750	3-month JIBAR + 140bps	7.19% <sup>2,3</sup>	At maturity – 21 November 2027	758	-
1 000	3-month JIBAR + 159bps	8.17% <sup>2,3</sup>	At maturity – 21 November 2029	1 012	-
1 111	3-month JIBAR + 95bps	7.46% <sup>3</sup>	At maturity – 21 May 2026	1 120	-
<b>Unlisted DMTN<sup>4</sup></b>					
2 500	-	9.62% <sup>3</sup>	At maturity – 22 February 2025	-	2 525
1 650	-	9.55% <sup>3</sup>	At maturity – 10 March 2026	1 659	1 659
<b>Other</b>					
1 000	3-month JIBAR + 190bps	8.38% <sup>2,3</sup>	At maturity – 2 March 2028	1 000	999
500	3-month JIBAR + 190bps	7.51% <sup>2,3</sup>	At maturity – 2 March 2028	500	499
<b>Total Discovery Limited Borrowings</b>				<b>9 991</b>	<b>11 464</b>

<sup>1</sup> Interest is payable semi-annually in arrears.

<sup>2</sup> The interest rate has been fixed through interest rate swaps.

<sup>3</sup> Interest payable quarterly in arrears.

<sup>4</sup> During the financial year ended 30 June 2020, Discovery Limited refinanced R3.6 billion bank-syndicated loans through the issue of unlisted DMTN notes.

The notes, although underwritten by a bank until maturity, are structured to enable short-term issuances into the commercial paper market on an ongoing basis.

##### DISCOVERY CENTRAL SERVICES

Facility amount R million	Interest rate per annum	Capital repayment and maturity date	Carrying value R million	
			Group 2025	Group 2024
1 400	9.97% <sup>1</sup>	At maturity – 20 December 2028	1 408	1 407
650	11.56%	At maturity – 29 October 2027	300	396
691	3-month JIBAR + 190bps <sup>1,3</sup>	At maturity – 30 June 2027	694	695
1 500	3-month JIBAR + 145bps <sup>1,4</sup>	At maturity – 08 June 2026	-	-
500	Prime rate less 145bps <sup>5</sup>	At maturity – 364-day notice	-	-
<b>Total Discovery Central Services Borrowings</b>			<b>2 402</b>	<b>2 498</b>

<sup>1</sup> Interest payable quarterly in arrears.

<sup>2</sup> Instalments of interest and capital are monthly.

<sup>3</sup> The interest rate exposure has been capped at 8.36% through a derivative instrument.

<sup>4</sup> During the current period, the maturity date of this Revolving Credit Facility has been extended to 08 June 2026. This facility was not drawn down.

<sup>5</sup> The Revolving Credit Facility is a committed 364-day notice facility granted in November 2023. A commitment fee of 0.60% per annum is paid monthly in arrears on the undrawn portion. This facility was reduced from R750 million to R500 million during the period and was not drawn down.

Total finance costs in respect of South African borrowings and related hedges for the year ended 30 June 2025 was R1 261 million (2024: R1 226 million).

## A. NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### *continued*

#### A.6 FAIR VALUE HIERARCHY

The Group's assets and liabilities measured at fair value are disclosed in accordance with the fair value hierarchy. The hierarchy has three levels that reflect the significance of the inputs used in measuring fair value. These are as follows:

**Level 1:** includes those assets and liabilities that are measured using unadjusted, quoted prices in an active market for identical financial instruments. Quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

**Level 2:** includes those assets and liabilities that are valued using techniques based significantly on observable market data. Assets and liabilities in this category are valued using:

- (a) Quoted prices for similar instruments or identical instruments in markets that are not considered to be active; or
- (b) Valuation techniques where all the inputs that have a significant effect on the valuation are directly or indirectly based on observable market data.

**Level 3:** includes those assets and liabilities that are valued using valuation techniques that incorporate information other than observable market data and where at least one input (which could have a significant effect on the instruments' valuation) cannot be based on observable market data.

R million	Level 1	Level 2	Level 3	Total
<b>30 June 2025</b>				
<b>Financial assets</b>				
Financial instruments mandatorily at fair value through profit or loss:	<b>141 140</b>	<b>52 636</b>	-	<b>193 776</b>
- Equity portfolios	<b>87 458</b>	<b>12 477</b>	-	<b>99 935</b>
- Debt portfolios	<b>53 682</b>	<b>2 186</b>	-	<b>55 868</b>
- Money market portfolios	-	<b>12 948</b>	-	<b>12 948</b>
- Multi-asset portfolios	-	<b>25 025</b>	-	<b>25 025</b>
Financial instruments at fair value through other comprehensive income:	-	-	<b>14</b>	<b>14</b>
- Equity portfolios	-	-	<b>14</b>	<b>14</b>
Derivative financial instruments at fair value:	-	<b>41</b>	<b>22</b>	<b>63</b>
- used as cash flow hedges	-	<b>1</b>	-	<b>1</b>
- not designated as hedging instruments	-	<b>40</b>	<b>22</b>	<b>62</b>
<b>Total financial assets</b>	<b>141 140</b>	<b>52 677</b>	<b>36</b>	<b>193 853</b>
<b>Non-financial assets</b>				
Non-current asset held for sale <sup>1</sup>	-	-	<b>62</b>	<b>62</b>
<b>Total assets</b>	<b>141 140</b>	<b>52 677</b>	<b>98</b>	<b>193 915</b>
<b>Financial liabilities</b>				
Third-party interest in consolidated funds	-	<b>35 932</b>	-	<b>35 932</b>
Investment contracts at fair value through profit or loss	-	<b>32 188</b>	-	<b>32 188</b>
Derivative financial instruments at fair value:	-	<b>135</b>	-	<b>135</b>
- used as cash flow hedges	-	<b>117</b>	-	<b>117</b>
- not designated as hedging instruments	-	<b>18</b>	-	<b>18</b>
<b>Total financial liabilities</b>	-	<b>68 255</b>	-	<b>68 255</b>

<sup>1</sup> The fair value was determined from an agreed sales price between unrelated parties, reflecting an arm's length transaction under current market conditions. Given the agreed sales price, no variability is expected in the fair value measurement, as the transaction price represents the best available estimate of fair value. The measurement approach incorporates relevant observable market inputs where available. The Stockport non-current asset held for sale has been sold in July 2025.

There were no transfers between hierarchy levels during the current financial period.

## A. NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*continued*

### A.6 FAIR VALUE HIERARCHY *continued*

R million	Level 1	Level 2	Level 3	Total
<b>30 June 2024</b>				
<b>Financial assets</b>				
Financial instruments mandatorily at fair value through profit or loss:	97 618	68 037	16	165 672
– Equity portfolios	52 145	8 089	16	60 251
– Debt portfolios	45 473	1 626	–	47 099
– Money market portfolios	–	15 786	–	15 786
– Multi-asset portfolios	–	42 536	–	42 536
Derivative financial instruments at fair value:	–	43	–	43
– used as cash flow hedges	–	14	–	14
– not designated as hedging instruments	–	29	–	29
<b>Total financial assets</b>	<b>97 618</b>	<b>68 081</b>	<b>16</b>	<b>165 715</b>
<b>Non-financial assets</b>				
Non-current asset held for sale <sup>1</sup>	–	–	136	136
<b>Total assets</b>	<b>97 618</b>	<b>68 081</b>	<b>152</b>	<b>165 851</b>
<b>Financial liabilities</b>				
Third-party interest in consolidated funds	–	31 456	–	31 456
Investment contracts at fair value through profit or loss	–	25 710	–	25 710
Derivative financial instruments at fair value:	–	31	–	31
– used as cash flow hedges	–	24	–	24
– not designated as hedging instruments	–	7	–	7
<b>Total financial liabilities</b>	<b>–</b>	<b>57 197</b>	<b>–</b>	<b>57 197</b>

<sup>1</sup> The fair value was determined from an agreed sales price between unrelated parties, reflecting an arm's length transaction under current market conditions. Given the agreed sales price, no variability is expected in the fair value measurement, as the transaction price represents the best available estimate of fair value. The measurement approach incorporates relevant observable market inputs where available.

## A. NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### *continued*

### A.6 FAIR VALUE HIERARCHY *continued*

#### Specific valuation techniques used to value financial instruments in level 2 and level 3

If a quoted market price is not available on a recognised stock exchange or from a broker for non-exchange-traded financial instruments, the fair value of the instrument is estimated by the asset managers, using valuation techniques including the use of recent arm's-length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow techniques, option pricing models or other valuation techniques that provide a reliable estimate of prices obtained in actual market transactions.

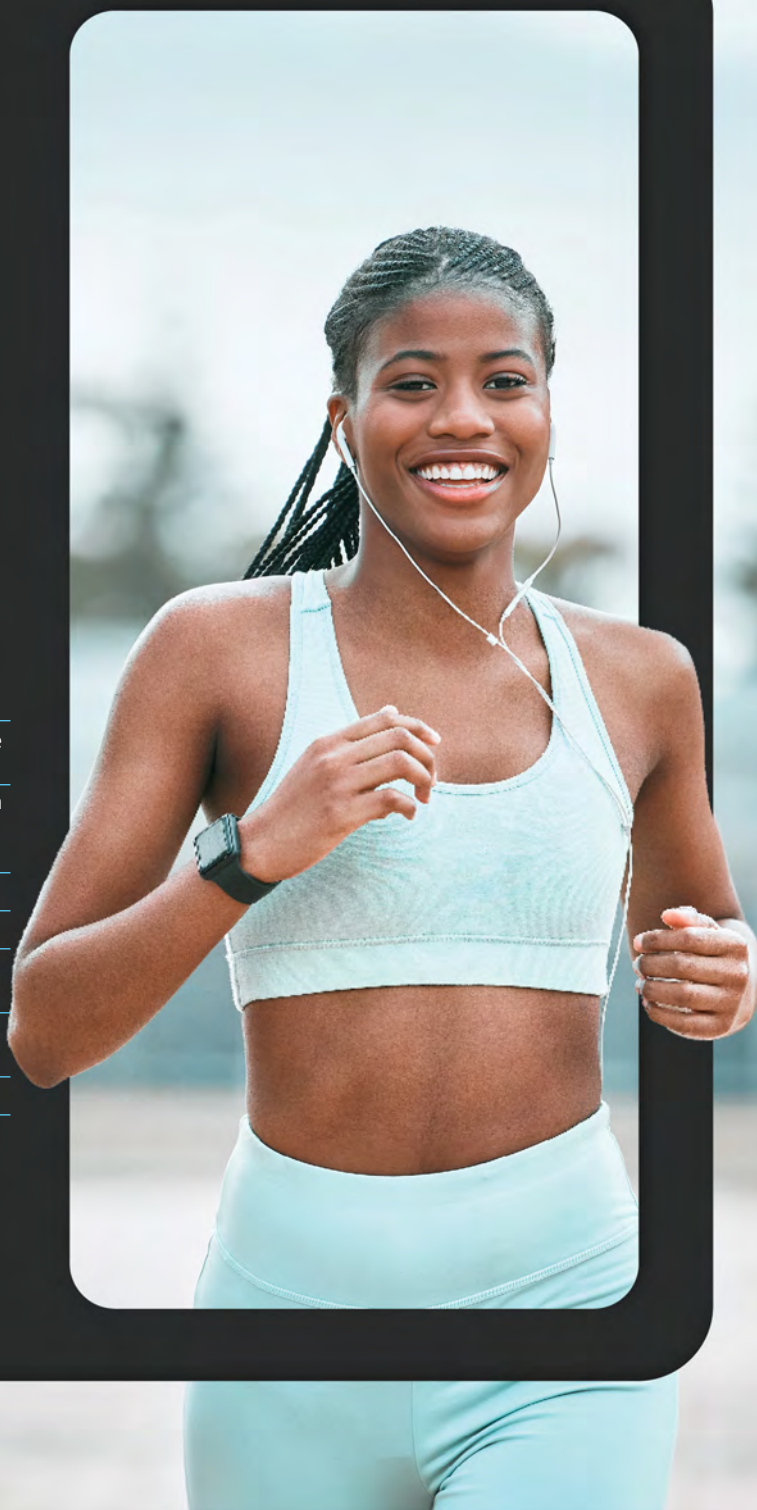
Valuation techniques used in determining the fair value of assets and liabilities:

Instruments	Valuation technique	Main inputs and assumptions for level 2 and level 3 fair value hierarchy items
<b>Within equity portfolios, Equity-linked notes</b>	The calculation of the daily value of the equity-linked investments is made by the provider of the note. Discovery has procedures in place to ensure that these prices are correct. Aside from the daily reasonableness checks versus similar funds and movement since the prior day's price, the fund values are calculated with reference to a specific formula or index, disclosed to the policyholders, which is recalculated by Discovery in order to check if the price provided by the provider is correct.	<ul style="list-style-type: none"> <li>■ discount rate</li> <li>■ spot price of the underlying</li> </ul>
<b>Debt portfolios and Money market instruments</b>	Money market instruments are valued by discounting the future cash flows using a risk-adjusted discount rate.	<ul style="list-style-type: none"> <li>■ discount rate, credit spread</li> </ul>
<b>Multi-assets</b>	The fair values of financial liabilities arising on the consolidation of mutual funds are determined using the quoted put (exit) price provided by the fund manager and discounted for the applicable notice period. The fair value of a financial liability with a demand feature is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.	<ul style="list-style-type: none"> <li>■ discount rate</li> </ul>
<b>Investment contracts at fair value, including third-party interest in consolidated funds</b>	<p>Unit-linked policies: assets that are linked to the investment contract liabilities are accounted for by the Group. The investment contract obliges the Group to use these assets to settle these liabilities.</p> <p>Therefore, the fair value of third-party interest in consolidated funds and investment contract liabilities is determined with reference to the fair value of the underlying assets (i.e., amount payable on surrender of the policies).</p> <p>Annuity: certain discounted cash flow models are used to determine the fair value of the stream of future payments.</p>	<ul style="list-style-type: none"> <li>■ discount rate</li> <li>■ spot price of the underlying</li> </ul>
<b>Derivatives</b>	<p>Standard derivative contracts are valued using market-accepted models and quoted parameter inputs. More complex derivative contracts are modelled using more sophisticated modelling techniques applicable to the instrument. Techniques include:</p> <ul style="list-style-type: none"> <li>■ Discounted cash flow model</li> <li>■ Black-Scholes model</li> <li>■ Combination technique models</li> </ul>	<ul style="list-style-type: none"> <li>■ discount rate</li> <li>■ spot price of the underlying</li> <li>■ correlation factors</li> <li>■ volatilities</li> <li>■ earnings yield</li> <li>■ valuation multiples</li> </ul>
<b>Unlisted equity instruments at fair value</b>	For unlisted equity instruments, a discounted cash flow methodology is used. The discounted cash flow methodology values an asset by determining the present value of its expected future net cash flows. This valuation considers both historic experience and future projected budgets. The valuation is stress tested by considering earnings multiples, e.g., price-earnings multiple (P/E ratio).	<ul style="list-style-type: none"> <li>■ discount rate</li> <li>■ growth rate</li> <li>■ projected earnings</li> <li>■ valuation multiples, e.g., P/E ratio</li> </ul>

## SECTION B

OTHER SIGNIFICANT  
ITEMS IN THESE  
RESULTS

34	B.1	Exchange rates to the South African Rand used in the preparation of these results
34	B.2	Capital management, financial leverage ratio and covenants
36	B.3	Impact of financial risk variances within the SA Life and UK Life operating segment
36	B.4	Cash and cash equivalents
37	B.5	Consolidation of Discovery Unit Trusts
38	B.6	Material transactions with related parties
38	B.7	Major customers and other Discovery entities not part of Discovery Group
38	B.8	Changes in directorate
38	B.9	Events after reporting date and dividend declaration in respect of the year ended 30 June 2025



## B. OTHER SIGNIFICANT ITEMS IN THESE RESULTS *continued*

### B.1 EXCHANGE RATES TO THE SOUTH AFRICAN RAND USED IN THE PREPARATION OF THESE RESULTS

Exchange rate to SA rand	Closing rates		Average rates	
	Group 2025	Group 2024	Group 2025	Group 2024
US dollar	17.77	18.26	18.16	18.71
Pound sterling	24.34	23.07	23.48	23.55
Chinese Yuan	2.48	2.51	2.51	2.59

### B.2 CAPITAL MANAGEMENT, FINANCIAL LEVERAGE RATIO AND COVENANTS

The Group's capital is defined as capital and reserves attributable to shareholders, as presented in the Group statement of financial position. The Group's objectives when managing capital are:

- To comply with the statutory capital and liquidity requirements in each of its regulated entities;
- To maintain a capital and liquidity buffer in excess of the statutory requirements in order to reduce the risk of breaching the statutory requirements;
- To ensure that sufficient capital is available to fund the Group's working capital and strategic capital requirements;
- To achieve an optimal and efficient capital funding profile; and
- To consider capital management needs both in the short term and over a five-year planning horizon.

Discovery has a Finance and Capital Committee that ensures alignment in strategic financial management between the centre and subsidiaries within South Africa, UK and US. The committee is the governance body for all capital allocation activities across the Group ultimately overseen by the Board.

A range of capital-raising options are available to manage the capital structure of the Group, which includes the issue of new shares, debt, financial reinsurance arrangements and other hybrid instruments.

#### Regulatory capital

For Group subsidiaries that operate in the insurance and financial services sectors, the relevant regulator specifies the minimum amount and type of capital that must be held by each of the subsidiaries in addition to their insurance liabilities. The minimum required capital must be maintained at all times throughout the period.

Discovery Life and Discovery Insure are regulated under the Insurance Act 18 of 2017 (Insurance Act), and the related Prudential Standards, while VitalityHealth and VitalityLife are regulated under the European Solvency II regulatory regime.

The table below summarises the capital requirements of insurance companies on a statutory basis, across the Group subsidiaries, and the actual solvency capital held in relation to these requirements as at the end of the reporting period.

	June 2025		June 2024	
	Statutory capital requirements	Cover	Statutory capital requirements	Cover
Discovery Life	R23 479 million	1.9 times	R22 365 million	1.8 times
Discovery Insure	R1 112 million	2.1 times	R1 222 million	1.6 times
VitalityHealth	£126 million (R3 072 million)	1.8 times	£116 million (R2 670 million)	1.6 times
VitalityLife	£383 million (R9 322 million)	2.0 times	£350 million (R8 070 million)	2.0 times

Discovery Bank's common equity tier 1 (CET1) ratio is 16.31% (2024: 17.63%). In addition, the Bank holds an internal management buffer to cater for future unexpected growth and volatility in risk weighted exposures, as well as an estimation risk buffer.

## B. OTHER SIGNIFICANT ITEMS IN THESE RESULTS *continued*

### B.2 CAPITAL MANAGEMENT, FINANCIAL LEVERAGE RATIO AND COVENANTS *continued*

The Group's capital is defined as capital and reserves attributable to shareholders, as presented in the Group statement of Financial leverage ratio.

As part of the capital management process, the Group monitors its capital structure by utilising various measures, one of which is the Financial Leverage Ratio (FLR). This ratio is calculated as total debt<sup>1</sup> divided by total debt plus total equity. The Group's strategy is to maintain a prudent FLR of 28.0% per the Group Risk Appetite statement. However, the 28.0% measure is merely a risk appetite indicator and does not necessarily indicate any form of a breach in terms of regulatory or covenant restrictions.

The table below summarises the FLR position as at the end of the reporting period. With the adoption of IFRS 17, a significant amount of equity has been reallocated to contractual service margin (CSM) and risk adjustment. In line with developing market practice, this CSM balance, which is available for release to profit in future years or to absorb any adverse changes, is taken into account in the calculation of the FLR. The current limit of 28.0% remains conservative.

R million	Group 2025	Restated Group 2024 <sup>1</sup>
- Borrowings at amortised cost (refer to note A.5) <sup>2</sup>	16 105	17 517
<b>Total debt<sup>2</sup></b>	<b>16 105</b>	17 517
<b>Total equity</b>	<b>65 699</b>	54 451
<b>Total Contractual Service Margin (CSM)<sup>3</sup></b>	<b>28 047</b>	28 341
<b>Financial leverage ratio % (50% CSM factored in)</b>	<b>16.8%</b>	20.3%

<sup>1</sup> The comparative information has been restated due to correction of a prior period error. Refer to note D1.1 for more detail.

<sup>2</sup> Excluding all IFRS 16 lease liabilities of R3 941 million (2024: R4 145 million).

<sup>3</sup> The CSM is net of reinsurance and net of tax.

The FLR at 30 June 2025 is within Discovery's risk appetite.

#### Debt covenants

The following are the key debt covenant ratios and their proximity to minimum requirements as per the contractual financial covenants.

Debt covenant and explanation	Minimum requirement	Group 2025	Group 2024
Group Debt <sup>1</sup> to EBITDA <sup>2</sup> Ratio:	Less than 2.5 times	<b>1.02 times</b>	1.4 times
Group financial indebtedness to embedded value ■ Group financial indebtedness is as per Group Debt in the calculation.	Less than 30% of Group Embedded value	<b>13.3 %</b>	16.7 %
Discovery Life Statutory Capital Requirement (SCR) Cover	SCR cover must be more than 1.1	<b>1.9 times</b>	1.8 times
Group embedded value	Greater than R30 billion	<b>R126 554 million</b>	R110 354 million
New business embedded value must not be negative	Positive value of new business for 3 consecutive 6-month periods	<b>June 2025: R1 201 million</b> <b>December 2024: R953 million</b> <b>June 2024: R1 148 million</b>	June 2024: R1 148 million December 2023: R684 million June 2023: R500 million

<sup>1</sup> Group debt is contractually defined and means the aggregate consolidated financial indebtedness of the Group and excludes items such as the 1 Discovery Place (Discovery head office building in Sandton, South Africa) lease and includes guarantees issued to third parties.

<sup>2</sup> EBITDA is contractually defined and specifically includes items such as dividends from associates, rental paid on 1 Discovery Place and excludes items deemed extraordinary and specified Financial Reinsurance (FinRe) arrangements.

## B. OTHER SIGNIFICANT ITEMS IN THESE RESULTS *continued*

### B.3 IMPACT OF FINANCIAL RISK VARIANCES WITHIN THE SA LIFE AND UK LIFE OPERATING SEGMENTS

The actuarial bases of Discovery Life and VitalityLife are actively maintained to ensure that the most up-to-date view of best-estimate expectations of the future is accurately reflected.

In accordance with IFRS 17, financial risk assumptions are updated to reflect current market prices as at the reporting date. Discovery has elected, as permitted under IFRS 17, to recognise the impact of changes in these assumptions at the end of the reporting period within Other Comprehensive Income (OCI) for the specified portfolios. Consequently, changes in financial risk, including changes in the discount rate, do not directly affect the Group income statement due to this election. Instead, the effect of changes in financial risk during the period is recognised within net finance income and expenses from insurance contracts issued and reinsurance contracts held in OCI, with the cumulative effect presented in the Insurance Finance Reserve within equity.

The balance of the Insurance Finance Reserve will be reclassified to profit or loss using a systematic rate over the life of the contract. The systematic rate is determined such that, over the lifetime of the contracts, the Insurance Finance Reserve reverts to zero.

A summary of the movements in the Insurance Finance Reserve, net of reinsurance and net of tax, for the respective portfolios during the period is set out below.

R million (Cumulative debit balance)/Cumulative credit balance	SA Life Risk (GMM)	SA Life: Group Life and Other (PAA)	UK Life Risk (GMM)	Total
Balance at beginning of the period	(7 004)	214	1 958	(4 832)
Effects of changes in financial risk	934	48	922	1 904
<b>Balance as at end of the period</b>	<b>(6 070)</b>	<b>262</b>	<b>2 880</b>	<b>(2 928)</b>

### B.4 CASH AND CASH EQUIVALENTS

#### B.4.1 Group Statement of Cash Flows

R million	Reference	Group 2025	Group 2024
Cash flows from operating activities	i	<b>8 667</b>	2 733
Cash flows from investing activities		<b>(1 823)</b>	(1 886)
Cash flows from financing activities	ii	<b>(4 016)</b>	(780)
<b>Net increase in cash and cash equivalents</b>		<b>2 828</b>	67

(i) The primary factors contributing to the improvement in cash flows from operating activities, which increased to R8 667 million in 2025 from R2 733 million in the previous year, are as follows:

- An increase in organic cash generation driven by:
  - Discovery Life (both individual and CEB) delivering exceptional claims performances.
  - Discovery Insure experiencing benign weather conditions during the current financial year, in addition to improving non-weather -related claims experience.
  - Discovery Bank's improvement in operating losses coupled with fewer investments purchased in the current year.
  - Vitality Health's effective pricing actions, stabilising claims environment and tight claims and expense management.
- Transitioning between Insurance Premium Tax Schemes in the UK, resulting in the deferment of payment to collections from policyholders rather than upfront at inception
- Additional Value-in-Force (VIF) monetization in VitalityLife used to cover operational cashflow requirements and ensure the business maintained cash above its liquidity risk appetite
- Net withdrawals in the prior year as VitalityInvest wound down

(ii) Cash outflows from financing activities were R4 016 million (2024: R780 million) due to increased dividends paid to ordinary shareholders of R1 614 million (2024: R1 178 million) as well as net repayment of borrowings of R2 309 million (2024: R620 million net proceeds).

The Group statement of cash flows includes cash flows relating to policyholders as well as those arising from the consolidated Discovery Unit Trusts and therefore to assist in the understanding of cash flows not distorted by policyholder flows, a Group shareholder free cash movement has been included in additional analyst information published on Discovery's website.

## B. OTHER SIGNIFICANT ITEMS IN THESE RESULTS *continued*

### B.4 CASH AND CASH EQUIVALENTS *continued*

#### B.4.2 Shareholder cash and cash equivalents

R million	Shareholder	Unit-linked investment and insurance contracts <sup>1</sup>	Total
Cash and cash equivalents at beginning of the year	14 154	4 811	18 965
Effects of exchange rate changes on cash and cash equivalents	173	–	173
Increase in cash and cash equivalents	2 889	(61)	2 828
<b>Cash and cash equivalents at end of the year</b>	<b>17 216</b>	<b>4 750</b>	<b>21 966</b>

<sup>1</sup> Includes cash held within specific portfolios to match specific insurance liabilities.

Included in shareholder cash, is the cash held in the Group's insurance entities which is used to fund new business and match claims and other policyholder-related liabilities. This cash, together with the cash balances held by Discovery Bank of R6.3 billion (2024: R4.8 billion), although unencumbered, is held for specific purposes and therefore not considered available for distribution. The increase in cash and cash equivalents from these entities reflects in the Cash flow from operating activities in the Group statement of cash flows.

Cash available to support Group liquidity requirements is R2.6 billion (2024: R2.1 billion). The Group also has undrawn revolving credit facilities of R2 billion at 30 June 2025.

### B.5 CONSOLIDATION OF DISCOVERY UNIT TRUSTS

Unit trusts that the Group controls in terms of IFRS 10 Consolidated Financial Statements are consolidated into Discovery's results for accounting purposes, which results in the recognition of the underlying assets and liabilities of each of the funds.

As these policies are linked, the consolidation of the Discovery Unit Trusts has no impact on the net asset value for shareholders. Assets and liabilities of these Discovery Unit Trusts however increased by R3 940 million, compared to the prior financial year ended 30 June 2024, with movements in the following line items on the Group's statement of financial position:

R million	Group 2025	Group 2024	Movements
Investments at fair value through profit or loss	32 100	28 192	3 908
Contract receivables and other receivables	1 198	1 184	14
Cash and cash equivalents	2 743	2 735	8
Other assets	11	1	10
<b>Total change in assets</b>	<b>36 052</b>	<b>32 112</b>	<b>3 940</b>
Third-party interest in consolidated funds	35 357	31 456	3 901
Borrowings at amortised costs (bank overdraft)	2	6	(4)
Other payables and provisions	605	693	(88)
Liabilities arising from insurance contracts issued	73	(47)	120
Other liabilities	15	4	11
<b>Total change in liabilities</b>	<b>36 052</b>	<b>32 112</b>	<b>3 940</b>

There are significant trade volumes in the underlying funds of Discovery Unit Trusts. The net cash inflow of the movement in policyholder investments for the period is R966 million and has been included in the 'Increase in operating assets' line item on the Group's statement of cash flows.

## B. OTHER SIGNIFICANT ITEMS IN THESE RESULTS *continued*

### B.6 MATERIAL TRANSACTIONS WITH RELATED PARTIES

#### Discovery Long-term Incentive Plan Trust

At the Annual General Meeting (AGM) held on 28 November 2019, the shareholders approved the establishment of the Discovery Long-term Incentive Plan Trust (Trust) with the purpose, inter alia, to subscribe, purchase and/or otherwise acquire and hold Discovery ordinary shares from time to time for the benefit of the share-based payment plan for employees, in accordance with the requirements of the Trust. During the year ended 30 June 2025, 3 306 749 (2024: 3 227 675) new shares were issued by Discovery Limited to the Trust at a value of R626 million (2024: R432 million). In addition, during the year ended 30 June 2025, shares of 5 402 773 (2024: 3 660 857) vested with participants. In terms of IFRS Accounting Standards, while held in the Trust, these shares are treated as treasury shares and not treated as issued for accounting purposes.

### B.7 MAJOR CUSTOMERS AND OTHER DISCOVERY ENTITIES NOT PART OF DISCOVERY GROUP

#### Discovery Health Medical Scheme (DHMS)

Discovery Health administers DHMS and provides managed care services, for which it charges an administration fee and a managed healthcare fee, respectively. These fees are determined on an annual basis and approved by the trustees of DHMS. The fees totalled R8 386 million for the year ended 30 June 2025 (2024: R7 940 million). Discovery offers the members of DHMS access to the Vitality programme.

### B.8 CHANGES IN DIRECTORATE

Changes to the Board of Discovery Limited from 1 July 2024 to the date of this announcement are as follows:

- Mr Tito Titus Mboweni, an independent non-executive of Discovery, passed away on 12 October 2024.

The late Mr Mboweni was a member of the Nominations, Remuneration and the Risk and Compliance Committees respectively. These committees remain quorate.

- Ms VN Fakude has been appointed as an independent non-executive director with effect from 1 September 2025.

She is a member of the Discovery Limited Nominations, Remuneration and Social and Ethics Committees. Her appointment will further augment the Board's global business experience and expertise while improving its diversity.

### B.9 EVENTS AFTER REPORTING DATE

The following non-adjusting events occurred between the end of the reporting period and the date when the financial results were authorised for issue.

## B. OTHER SIGNIFICANT ITEMS IN THESE RESULTS *continued*

### B.9 EVENTS AFTER REPORTING DATE *continued*

#### B.9.1 Dividend declaration in respect of the year ended 30 June 2025

##### **B PREFERENCE SHARE CASH DIVIDEND DECLARATION**

On Thursday, 4 September 2025, the Board of directors declared a final gross cash dividend of 545.47945 cents (436.38356 cents net of dividend withholding tax) per B preference share for the period 1 January 2025 to 30 June 2025, payable from the income reserves of the Company.

A dividend withholding tax of 20% will be applicable to all shareholders who are not exempt. The issued preference share capital at the declaration date is 8 million B preference shares. The salient dates for the dividend will be as follows:

Last day of trade to receive a dividend	Monday, 22 September 2025
Shares commence trading "ex" dividend	Tuesday, 23 September 2025
Record date	Friday, 26 September 2025
Payment date	Monday, 29 September 2025

B preference share certificates may not be dematerialised or rematerialised between Tuesday, 23 September 2025 and Friday, 26 September 2025, both days inclusive.

##### **ORDINARY SHARE CASH DIVIDEND DECLARATION**

On Wednesday, 10 September 2025 the Board of Directors declared a final gross cash dividend of 201.00000 cents (160.80000 cents net of dividend withholding tax) per ordinary share, out of the income reserves of the company. A dividend withholding tax of 20% will be applicable to all shareholders who are not exempt.

The number of ordinary shares in issue at the date of declaration is 679 680 841. The salient dates for the dividend will be as follows:

Last day of trade to receive a dividend	Tuesday, 14 October 2025
Shares commence trading "ex" dividend	Wednesday, 15 October 2025
Record date	Friday, 17 October 2025
Payment date	Monday, 20 October 2025

Ordinary share certificates may not be dematerialised or rematerialised between Wednesday, 15 October 2025 and Friday, 17 October 2025, both days inclusive.

## SECTION C

## INSURANCE AND REINSURANCE CONTRACTS RELATED DISCLOSURE

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## C. INSURANCE AND REINSURANCE CONTRACTS RELATED DISCLOSURE *continued*

### C.1.1 INSURANCE AND REINSURANCE CONTRACTS DISCLOSURES AND RECONCILIATIONS

The following disclosures enable the user to assess the effect of insurance contracts issued and reinsurance contracts held on Discovery's financial position, financial performance and cash flows.

#### Introduction

To assist the users of the financial statements in understanding the insurance and reinsurance disclosures, Section C disclosures have been re-presented for the following:

1. The Discovery SA Life and Invest (Risk) (GMM) portfolio has been split into two separate portfolios —SA Life (Risk) (GMM) and SA Invest (Risk) (GMM). This change is purely a re-presentation of the information, with no impact on the total values reported in the SA Life and SA Invest disclosures.

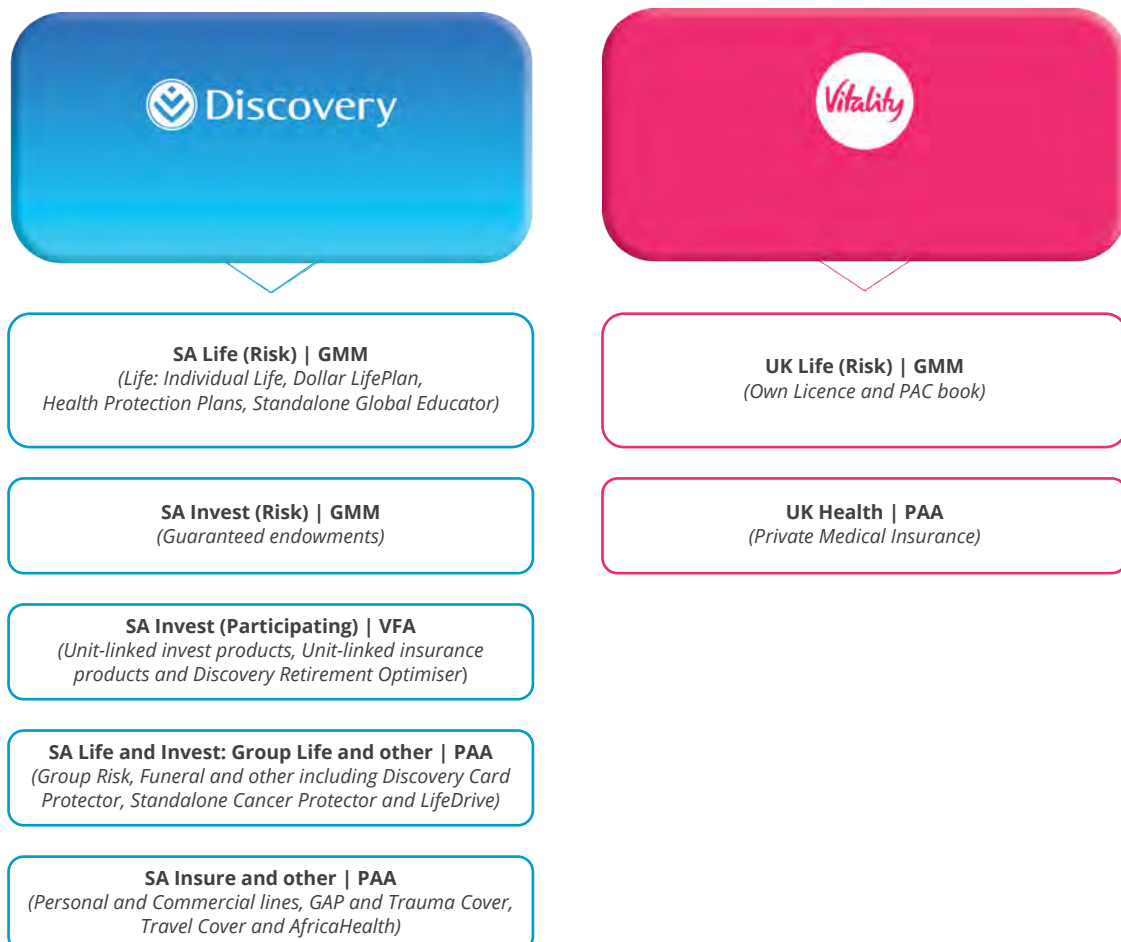
The purpose of this split is to provide users of the financial statements with a clearer view of the movements within each portfolio during the reporting period. By presenting SA Life (Risk) (GMM) and SA Invest (Risk) (GMM) separately, the users of the financial statements can better understand the distinct performance and financial impact of each portfolio during the reporting period.

2. The net investment note has been updated to provide a granular breakdown of the key components driving the interest accretion as presented in profit or loss and OCI. The change is aimed at providing the users of the financial statements a better understanding of the detailed interest accretion components.
3. The comparative disclosures for the Discovery SA Life (Risk) (GMM) portfolio has been restated due to a correction of a prior period error, refer to section D for more detail. Refer to the index summary table for all the notes that have been restated.

IFRS 17 requires that in determining the level at which an aggregated group of insurance contracts can provide useful information to the user, Discovery considers:

- The type of contract that would consider the nature of the product and the measurement model.
- The geographical areas may expose the entity to different sets of risks, even for similar products.
- Reportable segments.

Having applied the guidance, Discovery has aggregated its portfolios for the disclosures as set out below.



## C. INSURANCE AND REINSURANCE CONTRACTS RELATED DISCLOSURE *continued*

### C.1.1 INSURANCE AND REINSURANCE CONTRACTS DISCLOSURES AND RECONCILIATIONS *continued*

The following index is a summary of all the quantitative disclosures set out in the notes:

	Note	Description
Analysis of financial position	<b>C.1.2.1 Summary of insurance contracts issued and reinsurance contracts held<sup>1,2</sup></b>	The note summarises the total value of insurance and reinsurance contracts held across the disclosed portfolios, showing separately those insurance and reinsurance contracts in a net liability or net asset position.
	<b>Reconciliation of insurance contracts</b> <i>Analysis by measurement component</i> <b>GMM</b> C.1.2.2.1 SA Life (Risk) <sup>1,2,3</sup> C.1.2.2.2 SA Invest (Risk) <sup>1,2</sup> C.1.2.2.3 UK Life (Risk) <b>VFA</b> C.1.2.3.1 SA Invest (Participating) <b>Reconciliation of reinsurance contracts</b> <i>Analysis by measurement component</i> <b>GMM</b> C.1.2.4.1 SA Life (Risk) <sup>3</sup> C.1.2.4.2 UK Life (Risk)	The notes provide a detailed reconciliation of disclosed portfolios showing the build-up of the measurement components, namely: <ul style="list-style-type: none"> <li>■ Estimates of the present value of expected fulfilment cash flows.</li> <li>■ The Risk adjustment.</li> <li>■ The Contractual service margin reflects unearned profit. The CSM is further separated to reflect how the CSM was calculated at transition, being modified retrospectively or fully retrospectively.</li> </ul>

<sup>1</sup> The comparative information has been restated due to correction of a prior period error. Refer to item 3 noted in the introduction of section C.

<sup>2</sup> The note has been re-presented for the split of the Discovery SA Life and Invest (Risk) (GMM) portfolio. Refer to item 1 noted in the introduction of section C.

<sup>3</sup> The note has been re-presented to provide a granular breakdown of interest accretion components. Refer to item 2 noted in the introduction of section C.

## C. INSURANCE AND REINSURANCE CONTRACTS RELATED DISCLOSURE *continued*

### C.1.1 INSURANCE AND REINSURANCE CONTRACTS DISCLOSURES AND RECONCILIATIONS *continued*

	Note	Description
Analysis of income statement	C.1.2.5 Insurance revenue <sup>1,2,3</sup>	<p>The note provides a breakdown of the makeup of insurance revenue for each disclosed portfolio business unit.</p> <p>For those contracts not measured using the PAA approach, the amount reflects the provision of services and the recovery of insurance acquisition cash flows. The provision of services is represented by the change in the LRC, namely:</p> <ul style="list-style-type: none"> <li>■ CSM recognised during the period for the service provided.</li> <li>■ The change in the risk adjustment for non-financial risk.</li> <li>■ Expected claims and insurance services expenses.</li> <li>■ Experience adjustments.</li> </ul>
	C.1.2.6 Net investment result <sup>1,2</sup>	<p>The note provides a holistic view of the following:</p> <ul style="list-style-type: none"> <li>■ The investment returns on financial assets held.</li> <li>■ The insurance and reinsurance finance income and expenses, including the amounts recognised in profit or loss and other comprehensive income (OCI).</li> </ul>
Additional information	<p><b>Effect of contracts initially recognised in the period:</b></p> <p>C.1.2.7 Effect of insurance contracts initially recognised in the year<sup>2</sup>.</p> <p>C.1.2.7 Effect of reinsurance contracts initially recognised in the year<sup>2</sup>.</p>	<p>The notes provide a breakdown of the contracts initially recognised during the period for each disclosed portfolio business unit.</p> <ul style="list-style-type: none"> <li>■ For insurance contracts, differentiate between profitable contracts recognised with CSM and onerous contracts.</li> <li>■ Reinsurance contracts reflect contracts originated with and without the loss-recovery component.</li> </ul>

<sup>1</sup> The comparative information has been restated due to correction of a prior period error. Refer to item 3 noted in the introduction of section C.

<sup>2</sup> The note has been re-presented for the split of the Discovery SA Life and Invest (Risk) (GMM) portfolio. Refer to item 1 noted in the introduction of section C.

<sup>3</sup> The note has been re-presented to provide a granular breakdown of interest accretion components. Refer to item 2 noted in the introduction of section C.

## C. INSURANCE AND REINSURANCE CONTRACTS RELATED DISCLOSURE *continued*

### C.1.1 INSURANCE AND REINSURANCE CONTRACTS DISCLOSURES AND RECONCILIATIONS *continued*

#### Definitions and Abbreviations

The following abbreviations and terms are commonly used within the accounting policy:

Abbreviation or definition	Meaning
CSM	Contractual Service Margin
DISCOVERY	Discovery Group
DPF	Direct Participation Features
DRO	Discovery Retirement Optimiser
EFCF	Expected Fulfilment Cash Flows
FINANCIAL RISK	The risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, currency exchange rate, index of prices or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.
GMM	General Measurement Model
IACF	Insurance Acquisition Cash Flows
IFIE	Insurance finance income and expense comprises of the change in the carrying amount of the group of insurance contracts arising from: <ul style="list-style-type: none"> <li>■ The effect of the time value of money and changes in the time value of money, and</li> <li>■ The effect of financial risk and changes in financial risk</li> </ul>
IFRS	IFRS <sup>®</sup> Accounting Standards
IFRS 17	IFRS 17 Insurance Contracts (effective for Discovery post 1 July 2023)
IFRS 17 margins	IFRS 17 margins refers to the contractual service margin plus the risk adjustment
ISE	Insurance Service Expenses
LIC	Liability for Incurred Claims
LRC	Liability for Remaining Coverage
OCI	Other Comprehensive Income
PAA	Premium Allocation Approach
VFA	Variable Fee Approach

## C. INSURANCE AND REINSURANCE CONTRACTS RELATED DISCLOSURE

*continued*

### C.1.2 INSURANCE AND REINSURANCE CONTRACT DISCLOSURES AND RECONCILIATIONS

#### C.1.2.1 Summary of insurance contracts issued and reinsurance contracts held

Group R million (Assets)/Liabilities	Navigation	SA Life Risk (GMM)	SA Invest Risk (GMM)	UK Life Risk (GMM)	SA Invest Partici- pating (VFA)	SA Life: Group Life and other (PAA)	SA Insure and other (PAA)	UK Health (PAA)	Total
<b>Year ended</b>									
<b>30 June 2025</b>									
Insurance Contracts	A = D + E	(23 002)	23 580	(20 180)	88 150	6 414	734	(4 865)	70 831
Reinsurance Contracts	B = F	370	-	8 751	-	(865)	(84)	(13)	8 159
<b>Total</b>	<b>C = A + B</b>	<b>(22 632)</b>	<b>23 580</b>	<b>(11 429)</b>	<b>88 150</b>	<b>5 549</b>	<b>650</b>	<b>(4 878)</b>	<b>78 990</b>
<b>Insurance contracts issued</b>									
<b>Assets arising from insurance contracts</b>									
- Insurance contract balances		(23 002)	-	(20 180)	-	-	-	884	(42 298)
- Assets for insurance acquisition cash flows		-	-	-	-	-	-	(5 749)	(5 749)
<b>Total</b>	<b>D</b>	<b>(23 002)</b>	<b>-</b>	<b>(20 180)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4 865)</b>	<b>(48 047)</b>
<b>Liabilities arising from insurance contracts</b>									
- Insurance contract balances		-	23 580	-	88 150	6 414	734	-	118 878
<b>Total</b>	<b>E</b>	<b>-</b>	<b>23 580</b>	<b>-</b>	<b>88 150</b>	<b>6 414</b>	<b>734</b>	<b>-</b>	<b>118 878</b>
<b>Reinsurance contracts held</b>									
Reinsurance contract assets		-	-	-	-	(865)	(84)	(13)	(962)
Reinsurance contract liabilities		370	-	8 751	-	-	-	-	9 121
<b>Total</b>	<b>F</b>	<b>370</b>	<b>-</b>	<b>8 751</b>	<b>-</b>	<b>(865)</b>	<b>(84)</b>	<b>(13)</b>	<b>8 159</b>
<b>Year ended</b>									
<b>30 June 2024</b>									
Insurance Contracts		(17 846)	24 565	(15 269)	73 721	5 888	896	(4 224)	67 731
Reinsurance Contracts		126	-	5 270	-	(685)	(139)	(13)	4 559
<b>Total</b>		<b>(17 720)</b>	<b>24 565</b>	<b>(9 999)</b>	<b>73 721</b>	<b>5 203</b>	<b>757</b>	<b>(4 237)</b>	<b>72 290</b>
<b>Insurance contracts issued</b>									
<b>Assets arising from insurance contracts</b>									
- Insurance contract balances		(17 846)	-	(15 269)	-	-	-	683	(32 432)
- Assets for insurance acquisition cash flows		-	-	-	-	-	-	(4 907)	(4 907)
<b>Total</b>		<b>(17 846)</b>	<b>-</b>	<b>(15 269)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4 224)</b>	<b>(37 339)</b>
<b>Liabilities arising from insurance contracts</b>									
- Insurance contract balances		-	24 565	-	73 721	5 888	896	-	105 070
		-	24 565	-	73 721	5 888	896	-	105 070
<b>Reinsurance contracts held</b>									
Reinsurance contract assets		-	-	-	-	(685)	(139)	(13)	(837)
Reinsurance contract liabilities		126	-	5 270	-	-	-	-	5 396
<b>Total</b>		<b>126</b>	<b>-</b>	<b>5 270</b>	<b>-</b>	<b>(685)</b>	<b>(139)</b>	<b>(13)</b>	<b>4 559</b>
Cross reference to related notes of insurance contracts issued									
- Analysis by measurement component		C.1.2.2.1	C.1.2.2.2	C.1.2.2.3	C.1.2.3				
Cross reference to related notes of reinsurance contracts held									
- Analysis by measurement component		C.1.2.4.1	C.1.2.4.2						

## C. INSURANCE AND REINSURANCE CONTRACTS RELATED DISCLOSURE *continued*

### C.1.2 INSURANCE AND REINSURANCE CONTRACT DISCLOSURES AND RECONCILIATIONS *continued*

#### C.1.2.2 Movement in insurance contract balances: GMM

##### C.1.2.2.1 SA LIFE (RISK)

ANALYSIS BY MEASUREMENT COMPONENT

Group R million (Assets)/Liabilities	Navigation	2025			Total
		Estimates of PVFCF	RA for non- financial Risk	CSM Other contracts	
Opening assets arising from insurance contracts issued		(54 499)	7 811	28 842	(17 846)
<b>Net balance at beginning of the year</b>	A	(54 499)	7 811	28 842	(17 846)
<b>Changes in the income statement and OCI</b>					
<i>Changes that relate to current services</i>					
CSM recognised for services provided		-	-	(1 862)	(1 862)
Change in Risk Adjustment for non-financial risk that relates to expired risk		-	(642)	-	(642)
Experience adjustments		(724)	-	-	(724)
<i>Changes that relate to future services</i>					
Contracts initially recognised in the period		(1 647)	395	1 286	34
Changes in estimates that adjust CSM		4 046	(362)	(3 684)	-
Changes in estimates that result in onerous contract losses or reversal of losses		202	(14)	-	188
Servicing expenses and commission for onerous contracts		13	-	-	13
<i>Changes that relate to past services</i>					
Adjustment to liability for incurred claims		-	6	-	6
<b>Insurance service result</b>	B	1 890	(617)	(4 260)	(2 987)
Net finance expenses from insurance contracts	C	(8 647)	1 163	2 713	(4 771)
<b>Net changes to income statement and OCI</b>	D = B + C	(6 757)	546	(1 547)	(7 758)
Cash flows	E	2 602	-	-	2 602
<b>Net balance at the end of the year</b>	G = A + D + E	(58 654)	8 357	27 295	(23 002)
Closing assets arising from insurance contracts issued		(58 654)	8 357	27 295	(23 002)
<b>Net balance at the end of the year</b>		(58 654)	8 357	27 295	(23 002)

2024				
Estimates of PVFCF	RA for non- financial Risk	CSM		Total
			Other contracts	
(52 454)	6 960		30 838	(14 656)
(52 454)	6 960		30 838	(14 656)
-	-		(1 800)	(1 800)
-	(593)		-	(593)
656	-		-	656
(1 888)	402		1 522	36
4 024	369		(4 393)	-
(337)	(9)		(6)	(352)
26	-		-	26
-	37		-	37
2 481	206		(4 677)	(1 990)
(6 366)	645		2 681	(3 040)
(3 885)	851		(1 996)	(5 030)
1 840	-		-	1 840
(54 499)	7 811		28 842	(17 846)
(54 499)	7 811		28 842	(17 846)
(54 499)	7 811		28 842	(17 846)

## C. INSURANCE AND REINSURANCE CONTRACTS RELATED DISCLOSURE

*continued*

### C.1.2 INSURANCE AND REINSURANCE CONTRACT DISCLOSURES AND RECONCILIATIONS *continued*

#### C.1.2.2 Movement in insurance contract balances: GMM *continued*

##### C.1.2.2.2 SA INVEST (RISK)

ANALYSIS BY MEASUREMENT COMPONENT

Group R million (Assets)/Liabilities	Navigation	2025			
		Estimates of PVFCF	RA for non- financial Risk	CSM	
				Other contracts	
Opening liabilities arising from insurance contracts issued		23 489	135	941	24 565
<b>Net balance at beginning of the year</b>	A	23 489	135	941	24 565
<b>Changes in the income statement and OCI</b>					
<i>Changes that relate to current services</i>					
CSM recognised for services provided		-	-	(395)	(395)
Change in Risk Adjustment for non-financial risk that relates to expired risk		-	(38)	-	(38)
Experience adjustments		32	-	-	32
<i>Changes that relate to future services</i>					
Contracts initially recognised in the period		(266)	25	245	4
Changes in estimates that adjust CSM		49	17	(66)	-
Changes in estimates that result in onerous contract losses or reversal of losses		(5)	23	-	18
Servicing expenses and commission for onerous contracts		-	-	-	-
<i>Changes that relate to past services</i>					
Adjustment to liability for incurred claims		-	-	-	-
<b>Insurance service result</b>	B	(190)	27	(216)	(379)
Net finance expenses from insurance contracts	C	2 805	28	95	2 928
<b>Net changes to income statement and OCI</b>	D = B + C	2 615	55	(121)	2 549
Cash flows	E	(3 534)	-	-	(3 534)
<b>Net balance at the end of the year</b>	G = A + D + E	22 570	190	820	23 580
Closing liabilities arising from insurance contracts issued		22 570	190	820	23 580
<b>Net balance at the end of the year</b>		22 570	190	820	23 580

2024				
Estimates of PVFCF	RA for non-financial Risk	CSM		Total
			Other contracts	
21 521	86		814	22 421
21 521	86		814	22 421
-	-		(295)	(295)
-	(23)		-	(23)
7	-		-	7
(369)	27		365	23
15	11		(26)	-
22	10		-	32
-	-		-	-
-	-		-	-
(325)	25		44	(256)
2 234	24		83	2 341
1 909	49		127	2 085
59	-		-	59
23 489	135		941	24 565
23 489	135		941	24 565
23 489	135		941	24 565

## C. INSURANCE AND REINSURANCE CONTRACTS RELATED DISCLOSURE

*continued*

### C.1.2 INSURANCE AND REINSURANCE CONTRACT DISCLOSURES AND RECONCILIATIONS *continued*

#### C.1.2.2 Movement in insurance contract balances: GMM *continued*

##### C.1.2.2.3 UK LIFE (RISK)

ANALYSIS BY MEASUREMENT COMPONENT

Group R million (Assets)/Liabilities	Navigation	2025			
		Estimates of PVFCF	RA for non- financial Risk	CSM	
				Other contracts	
Opening assets arising from insurance contracts issued		(30 819)	2 239	13 311	(15 269)
<b>Net balance at beginning of the year</b>	A	(30 819)	2 239	13 311	(15 269)
<b>Changes in the income statement and OCI</b>					
<i>Changes that relate to current services</i>					
CSM recognised for services provided		-	-	(1 332)	(1 332)
Change in Risk Adjustment for non-financial risk that relates to expired risk		-	(246)	-	(246)
Experience adjustments		362	-	-	362
<i>Changes that relate to future services</i>					
Contracts initially recognised in the period		(2 192)	471	2 128	407
<i>Changes in estimates that adjust CSM</i>		(164)	(2)	166	-
Changes in estimates that result in onerous contract losses or reversal of losses		345	9	-	354
<b>Insurance service result</b>	B	(1 649)	232	962	(455)
Net finance expenses from insurance contracts	C	(2 178)	(39)	298	(1 919)
<b>Net changes to income statement and OCI</b>	D = B + C	(3 827)	193	1 260	(2 374)
Cash flows	E	(1 553)	-	-	(1 553)
Effect of movements in exchange rates	F	(1 892)	130	778	(984)
<b>Net balance at the end of the year</b>	G = A + D + E + F	(38 091)	2 562	15 349	(20 180)
Closing assets arising from insurance contracts issued		(38 091)	2 562	15 349	(20 180)
<b>Net balance at the end of the year</b>		(38 091)	2 562	15 349	(20 180)

2024				
Estimates of PVFCF	RA for non- financial Risk	CSM		Total
			Other contracts	
(27 886)	2 020		13 807	(12 059)
(27 886)	2 020		13 807	(12 059)
-	-		(1 242)	(1 242)
-	(209)		-	(209)
224	-		-	224
(1 573)	368		1 482	277
447	(3)		(444)	-
224	39		-	263
(678)	195		(204)	(687)
(3 108)	107		239	(2 762)
(3 786)	302		35	(3 449)
(300)	-		-	(300)
1 153	(83)		(531)	539
(30 819)	2 239		13 311	(15 269)
(30 819)	2 239		13 311	(15 269)
(30 819)	2 239		13 311	(15 269)

## C. INSURANCE AND REINSURANCE CONTRACTS RELATED DISCLOSURE

*continued*

### C.1.2 INSURANCE AND REINSURANCE CONTRACT DISCLOSURES AND RECONCILIATIONS *continued*

#### C.1.2.3 Movement in insurance contract balances: VFA

##### C.1.2.3.1 SA INVEST (PARTICIPATING)

ANALYSIS OF MEASUREMENT COMPONENT

Group R million (Assets)/Liabilities	Navigation	2025				Total
		Estimates of PVFCF	RA for non- financial Risk	CSM		
				Transition: Modified retro- spective	Other contracts	
Opening liabilities arising from insurance contracts issued		66 642	773	5 275	1 031	73 721
<b>Net balance at beginning of the year</b>	A	66 642	773	5 275	1 031	73 721
<b>Changes in the income statement and OCI</b>						
<i>Changes that relate to current services</i>						
CSM recognised for services provided		-	-	(1 058)	(266)	(1 324)
Change in Risk Adjustment for non-financial risk that relates to expired risk		-	(186)	-	-	(186)
Experience adjustments		(96)	-	56	(22)	(62)
<i>Changes that relate to future services</i>						
Contracts initially recognised in the period		(764)	89	-	732	57
Changes in estimates that adjust CSM		(357)	99	202	56	-
Changes in estimates that result in onerous contract losses or reversal of losses		6	1	-	-	7
<b>Insurance service result</b>	B	(1 211)	3	(800)	500	(1 508)
Net finance expenses from insurance contracts	C	11 855	67	902	200	13 024
<b>Net changes to income statement and OCI</b>	D = B + C	10 644	70	102	700	11 516
Cash flows	E	2 913	-	-	-	2 913
<b>Net balance at the end of the year</b>	G = A + D + E	80 199	843	5 377	1 731	88 150
Closing liabilities arising from insurance contracts issued		80 199	843	5 377	1 731	88 150
<b>Net balance at the end of the year</b>		80 199	843	5 377	1 731	88 150

2024				
Estimates of PVFCF	RA for non- financial Risk	CSM		Total
		Transition: Modified retro- spective	Other contracts	
59 328	912	5 430	638	66 308
59 328	912	5 430	638	66 308
-	-	(1 080)	(142)	(1 222)
-	(212)	-	-	(212)
(93)	-	63	1	(29)
(510)	70	-	490	50
289	(83)	(122)	(84)	-
(23)	1	-	-	(22)
(337)	(224)	(1 139)	265	(1 435)
6 613	85	984	128	7 810
6 276	(139)	(155)	393	6 375
1 038	-	-	-	1 038
66 642	773	5 275	1 031	73 721
66 642	773	5 275	1 031	73 721
66 642	773	5 275	1 031	73 721

## C. INSURANCE AND REINSURANCE CONTRACTS RELATED DISCLOSURE

*continued*

### C.1.2 INSURANCE AND REINSURANCE CONTRACT DISCLOSURES AND RECONCILIATIONS *continued*

#### C.1.2.4 Movement in reinsurance contract balances: GMM

##### C.1.2.4.1 SA LIFE (RISK)

ANALYSIS BY MEASUREMENT COMPONENT

Group R million (Assets)/Liabilities	Navigation	2025				Total
		Estimates of PVFCF	RA for non- financial Risk	CSM		
				Transition: Modified retro- spective	Other contracts	
Opening liabilities arising from reinsurance contracts held		5 899	(703)	(100)	(4 970)	126
<b>Net balance at beginning of the year</b>	A	5 899	(703)	(100)	(4 970)	126
<b>Changes in the income statement and OCI</b>						
<i>Changes that relate to current services</i>						
CSM recognised for services provided		-	-	6	319	325
Change in Risk Adjustment for non-financial risk that relates to expired risk		-	73	-	-	73
Experience adjustments		624	-	-	-	624
<i>Changes that relate to future services</i>						
Contracts initially recognised in the period		187	(21)	-	(172)	(6)
Changes in estimates that adjust CSM		(897)	76	3	839	21
Changes in estimates that relate to losses and reversal of losses on underlying contracts		(19)	(2)	-	-	(21)
<i>Changes that relate to past services</i>						
Adjustment to assets for incurred claims		-	(1)	-	-	(1)
<b>Net Expenses from reinsurance contracts held</b>	B	(105)	125	9	986	1 015
Net finance income from reinsurance contracts	C	1 035	(93)	(13)	(520)	409
<b>Net changes to income statement and OCI</b>	D = B + C	930	32	(4)	466	1 424
<b>Cash flows</b>	E	(1 180)	-	-	-	(1 180)
Effect of movements in exchange rates	F	-	-	-	-	-
<b>Net balance at the end of the year</b>	G = A + D + E + F	5 649	(671)	(104)	(4 504)	370
Closing liabilities arising from reinsurance contracts held		5 649	(671)	(104)	(4 504)	370
<b>Net balance at the end of the year</b>		5 649	(671)	(104)	(4 504)	370

2024				
Estimates of PVFCF	RA for non- financial Risk	CSM		Total
		Transition: Modified retro- spective	Other contracts	
6 094	(698)	(80)	(4 749)	567
6 094	(698)	(80)	(4 749)	567
-	-	6	338	344
-	71	-	-	71
(12)	-	-	-	(12)
-	-	-	-	-
202	(22)	-	(186)	(6)
16	-	(16)	40	40
(17)	4	-	-	(13)
-	(10)	-	-	(10)
189	43	(10)	192	414
537	(48)	(10)	(413)	66
726	(5)	(20)	(221)	480
(921)	-	-	-	(921)
-	-	-	-	-
5 899	(703)	(100)	(4 970)	126
5 899	(703)	(100)	(4 970)	126
5 899	(703)	(100)	(4 970)	126

## C. INSURANCE AND REINSURANCE CONTRACTS RELATED DISCLOSURE

*continued*

### C.1.2 INSURANCE AND REINSURANCE CONTRACT DISCLOSURES AND RECONCILIATIONS *continued*

#### C.1.2.4 Movement in reinsurance contract balances: GMM *continued*

##### C.1.2.4.2 UK LIFE (RISK)

ANALYSIS BY MEASUREMENT COMPONENT

Group R million (Assets)/Liabilities	Navigation	2025			Total
		Estimates of PVFCF	RA for non- financial Risk	CSM	
					Other contracts
Opening liabilities arising from reinsurance contracts held		11 460	(471)	(5 719)	5 270
<b>Net balance at beginning of the year</b>	A	11 460	(471)	(5 719)	5 270
<b>Changes in the income statement and OCI</b>					
<i>Changes that relate to current services</i>					
CSM recognised for services provided		-	-	636	636
Change in Risk Adjustment for non-financial risk that relates to expired risk		-	25	-	25
Experience adjustments		(130)	-	-	(130)
<i>Changes that relate to future services</i>					
Contracts initially recognised in the period		1 574	(76)	(1 782)	(284)
Changes in estimates that adjust CSM		333	(2)	(331)	-
Changes in estimates that relate to losses and reversal of losses on underlying contracts		(81)	(4)	-	(85)
<b>Net Expenses from reinsurance contracts held</b>	B	1 696	(57)	(1 477)	162
Net finance income from reinsurance contracts	C	598	34	(180)	452
<b>Net changes to income statement and OCI</b>	D = B + C	2 294	(23)	(1 657)	614
<b>Cash flows</b>	E	2 460	-	-	2 460
Effect of movements in exchange rates	F	809	(27)	(375)	407
<b>Net balance at the end of the year</b>	G = A + D + E + F	17 023	(521)	(7 751)	8 751
Closing liabilities arising from reinsurance contracts held		17 023	(521)	(7 751)	8 751
<b>Net balance at the end of the year</b>		17 023	(521)	(7 751)	8 751

2024				
Estimates of PVFCF	RA for non-financial Risk	CSM		Total
			Other contracts	
9 701	(429)		(5 020)	4 252
9 701	(429)		(5 020)	4 252
-	-		495	495
-	24		-	24
22	-		-	22
1 193	(65)		(1 318)	(190)
(30)	(2)		33	1
63	(8)		-	55
1 248	(51)		(790)	407
743	(8)		(119)	616
1 991	(59)		(909)	1 023
183	-		-	183
(415)	17		210	(188)
11 460	(471)		(5 719)	5 270
11 460	(471)		(5 719)	5 270
11 460	(471)		(5 719)	5 270

## C. INSURANCE AND REINSURANCE CONTRACTS RELATED DISCLOSURE *continued*

### C.1.2 INSURANCE AND REINSURANCE CONTRACT DISCLOSURES AND RECONCILIATIONS *continued*

#### C.1.2.5 Insurance revenue

The following tables present an analysis of the insurance revenue recognised in the period.

Group  
R million (Income/(expense))

#### Year ended 30 June 2025

##### Contracts not measured under the PAA

Amounts relating to changes in liabilities for remaining coverage

- CSM recognised for services provided
- Change in risk adjustment for non-financial risk for risk expired
- Expected incurred claims and other insurance service expenses
- Experience adjustments

Recovery of insurance acquisition cash flows

##### Contracts not measured under the PAA

Contracts measured under the PAA

##### Total insurance revenue

#### Year ended 30 June 2024

##### Contracts not measured under the PAA

Amounts relating to changes in liabilities for remaining coverage

- CSM recognised for services provided
- Change in risk adjustment for non-financial risk for risk expired
- Expected incurred claims and other insurance service expenses
- Experience adjustments

Recovery of insurance acquisition cash flows

##### Contracts not measured under the PAA

Contracts measured under the PAA

##### Total insurance revenue

SA Life Risk (GMM)	SA Invest Risk (GMM)	SA Invest Participating (VFA)	SA Life: Group life and other (PAA)	SA Insure and other (PAA)	UK Life Risk (GMM) <sup>1</sup>	UK Health (PAA)	Total
13 257	975	2 574	-	-	5 014	-	21 820
1 862	395	1 324	-	-	1 332	-	4 913
640	36	167	-	-	239	-	1 082
10 712	502	986	-	-	3 565	-	15 765
43	42	97	-	-	(122)	-	60
2 162	228	783	-	-	3 036	-	6 209
15 419	1 203	3 357	-	-	8 050	-	28 029
-	-	-	3 738	6 822	-	19 124	29 684
15 419	1 203	3 357	3 738	6 822	8 050	19 124	57 713
12 176	727	2 572	-	-	4 294	-	19 769
1 800	295	1 222	-	-	1 241	-	4 558
589	22	201	-	-	201	-	1 013
9 880	370	1 074	-	-	3 146	-	14 470
(93)	40	75	-	-	(294)	-	(272)
1 838	304	757	-	-	2 610	-	5 509
14 014	1 031	3 329	-	-	6 904	-	25 278
-	-	-	3 517	6 861	-	16 474	26 852
14 014	1 031	3 329	3 517	6 861	6 904	16 474	52 130

## C. INSURANCE AND REINSURANCE CONTRACTS RELATED DISCLOSURE *continued*

### C.1.2 INSURANCE AND REINSURANCE CONTRACT DISCLOSURES AND RECONCILIATIONS *continued*

#### C.1.2.6 Net investment result

The following table analyses the Group's net investment result in profit or loss and OCI.

Group  
R million (Income/(expense))

#### Year ended 30 June 2025

##### Investment return

Interest revenue from financial assets not measured at FVTPL

Net gains on FVTPL investments

##### Total investment return

##### Movement in investment contract liabilities

##### Movement in third party interests in consolidated funds

##### Finance income/(expenses) from insurance contracts

##### Amounts recognised in profit or loss

- Changes in fair value of underlying items of direct participation contracts
- Interest accreted to the CSM
- Interest on FCF and other finance (income)/expenses
- Effect of changes in interest rates and other financial assumptions
- Effect of movements in exchange rates

##### Amounts recognised in OCI

- Interest accreted to the CSM
- Interest on FCF and other finance (income)/expenses
- Effect of changes in interest rates and other financial assumptions
- Effect of changing FCF at current rates when adjusting the CSM at rates on initial recognition
- Effect of movements in exchange rates

##### Net finance expenses from insurance contracts

##### Finance income/(expenses) from reinsurance contracts

##### Amounts recognised in profit or loss

- Interest accreted to the CSM
- Interest on FCF and other finance (income)/expenses
- Effect of changes in interest rates and other financial assumptions
- Effect of movements in exchange rates

##### Amounts recognised in OCI

- Interest accreted to the CSM
- Interest on FCF and other finance (income)/expenses
- Effect of changes in interest rates and other financial assumptions
- Effect of changing FCF at current rates when adjusting the CSM at rates on initial recognition
- Effect of movements in exchange rates

##### Net finance income from reinsurance contracts

SA Life Risk (GMM)	SA Invest Risk (GMM)	SA Invest Participating (VFA)	SA Life: Group Life and other (PAA)	SA Insure and other immaterial (PAA)	UK Life Risk (GMM)	UK Health (PAA)	Other businesses	Total
3	-	-	-	5	76	154	760	998
29	2 986	13 130	503	-	-	70	9 100	25 818
32	2 986	13 130	503	5	76	224	9 860	26 816
							(3 810)	(3 810)
							(4 394)	(4 394)
-	-	(13 024)	-	-	-	-	-	(13 024)
(3 475)	(95)	(1 101)	-	-	(258)	-	-	(4 929)
6 562	(1 838)	1 101	(496)	(20)	974	-	-	6 283
-	(995)	-	-	-	-	-	-	(995)
-	-	-	-	-	-	-	-	-
731	-	-	-	-	(40)	-	-	691
(2 465)	-	-	81	-	1 061	-	-	(1 323)
2 309	-	-	(10)	-	125	-	-	2 424
1 151	-	-	-	-	57	-	-	1 208
(42)	-	-	3	-	-	-	-	(39)
4 771	(2 928)	(13 024)	(422)	(20)	1 919	-	-	(9 704)
509	-	-	-	-	156	-	-	665
(697)	-	-	64	-	(455)	-	-	(1 088)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
(44)	-	-	-	-	24	-	-	(20)
291	-	-	(8)	-	(260)	-	-	23
(229)	-	-	3	-	12	-	-	(214)
(242)	-	-	-	-	71	-	-	(171)
3	-	-	(3)	-	-	-	-	-
(409)	-	-	56	-	(452)	-	-	(805)

## C. INSURANCE AND REINSURANCE CONTRACTS RELATED DISCLOSURE *continued*

### C.1.2 INSURANCE AND REINSURANCE CONTRACT DISCLOSURES AND RECONCILIATIONS *continued*

#### C.1.2.6 Net investment result *continued*

Group  
R million (Income/(expense))

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#### Year ended 30 June 2024

##### Investment return

Interest revenue from financial assets not measured at FVTPL

Net gains on FVTPL investments

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##### Total investment return

##### Movement in investment contract liabilities

##### Movement in third party interests in consolidated funds

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##### Finance income/(expenses) from insurance contracts

##### Amounts recognised in profit or loss

- Changes in fair value of underlying items of direct participation contracts
- Interest accreted to the CSM
- Interest on FCF and other finance (income)/expenses
- Effect of changes in interest rates and other financial assumptions
- Effect of movements in exchange rates

##### Amounts recognised in OCI

- Interest accreted to the CSM
- Interest on FCF and other finance (income)/expenses
- Effect of changes in interest rates and other financial assumptions
- Effect of changing FCF at current rates when adjusting the CSM at rates on initial recognition
- Effect of movements in exchange rates

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##### Net finance expenses from insurance contracts

##### Finance income/(expenses) from reinsurance contracts

##### Amounts recognised in profit or loss

- Interest accreted to the CSM
- Interest on FCF and other finance (income)/expenses
- Effect of changes in interest rates and other financial assumptions
- Effect of movements in exchange rates

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##### Amounts recognised in OCI

- Interest accreted to the CSM
- Interest on FCF and other finance (income)/expenses
- Effect of changes in interest rates and other financial assumptions
- Effect of changing FCF at current rates when adjusting the CSM at rates on initial recognition
- Effect of movements in exchange rates

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##### Net finance Income from reinsurance contracts

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SA Life Risk (GMM)	SA Invest Risk (GMM)	SA Invest Participating (VFA)	SA Life: Group Life and other (PAA)	SA Insure and other immaterial (PAA)	UK Life Risk (GMM)	UK Health (PAA)	Other businesses	Total
22	-	-	-	234	58	160	386	860
(113)	2 356	7 843	506	1	-	60	5 592	16 245
(91)	2 356	7 843	506	235	58	220	5 978	17 105
							(2 142)	(2 142)
							(2 873)	(2 873)
-	-	(7 789)	-	-	-	-	-	(7 789)
(3 397)	(83)	(1 112)	-	-	(208)	-	-	(4 800)
6 675	(1 876)	1 091	(458)	-	587	-	-	6 019
-	(382)	-	-	-	-	-	-	(382)
-	-	-	-	-	-	-	-	-
662	-	-	-	-	(31)	-	-	631
(2 478)	-	-	77	-	1 056	-	-	(1 345)
381	-	-	40	-	1 402	-	-	1 823
1 242	-	-	-	-	(44)	-	-	1 198
(45)	-	-	5	-	-	-	-	(40)
3 040	(2 341)	(7 810)	(336)	-	2 762	-	-	(4 685)
477	-	-	-	-	100	-	-	577
(736)	-	-	64	-	(248)	-	-	(920)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
(48)	-	-	-	-	18	-	-	(30)
206	-	-	(12)	-	(346)	-	-	(152)
(88)	-	-	2	-	(166)	-	-	(252)
121	-	-	-	-	26	-	-	147
2	-	-	(5)	-	-	-	-	(3)
(66)	-	-	49	-	(616)	-	-	(633)

## C. INSURANCE AND REINSURANCE CONTRACTS RELATED DISCLOSURE *continued*

### C.1.2 INSURANCE AND REINSURANCE CONTRACT DISCLOSURES AND RECONCILIATIONS *continued*

#### C.1.2.7 Effect of contracts initially recognised in the period INSURANCE CONTRACTS

Group  
R million Assets/(Liabilities)

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##### Year ended 30 June 2025

Insurance acquisition cash flows  
Claims and other insurance service expenses payable  
Estimates of present value of cash outflows  
Estimates of present value of cash inflows  
Risk adjustment for non-financial risk  
CSM

---

##### Losses recognised on initial recognition

##### Year ended 30 June 2024

Insurance acquisition cash flows  
Claims and other insurance service expenses payable  
Estimates of present value of cash outflows  
Estimates of present value of cash inflows  
Risk adjustment for non-financial risk  
CSM

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##### Losses recognised on initial recognition

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Profitable contracts issued				Onerous contracts issued				Total
SA Life Risk (GMM)	SA Invest Risk (GMM)	SA Invest Participating (VFA)	UK Life Risk (GMM)	SA Invest Risk (GMM)	SA Life Risk (GMM)	SA Invest Participating (VFA)	UK Life Risk (GMM)	
(1 465)	(160)	(567)	(4 956)	(112)	(11)	(87)	(1 276)	(8 634)
(2 050)	(3 640)	(9 543)	(7 284)	(180)	(215)	(840)	(2 918)	(26 670)
(3 515)	(3 800)	(10 110)	(12 240)	(292)	(226)	(927)	(4 194)	(35 304)
5 176	4 063	10 913	14 760	278	229	888	3 866	40 173
(375)	(18)	(71)	(392)	(20)	(7)	(18)	(79)	(980)
(1 286)	(245)	(732)	(2 128)	-	-	-	-	(4 391)
-	-	-	-	(34)	(4)	(57)	(407)	(502)
(1 290)	(192)	(421)	(3 766)	(111)	(16)	(113)	(1 022)	(6 931)
(2 564)	(4 652)	(5 973)	(4 994)	(268)	(377)	(1 834)	(2 090)	(22 752)
(3 854)	(4 844)	(6 394)	(8 760)	(379)	(393)	(1 947)	(3 112)	(29 683)
5 758	5 226	6 940	10 549	363	380	1 911	2 897	34 024
(382)	(16)	(56)	(307)	(21)	(11)	(14)	(62)	(868)
(1 522)	(366)	(490)	(1 482)	-	-	-	-	(3 860)
-	-	-	-	(37)	(24)	(50)	(277)	(388)

## C. INSURANCE AND REINSURANCE CONTRACTS RELATED DISCLOSURE *continued*

### C.1.2 INSURANCE AND REINSURANCE CONTRACT DISCLOSURES AND RECONCILIATIONS *continued*

#### C.1.2.7 Effect of contracts initially recognised in the period *continued*

##### REINSURANCE CONTRACTS

Group R million Assets/(Liabilities)	Group of contracts with a net cost on initial recognition <sup>1</sup>		
	SA Life Risk (GMM)	UK Life Risk (GMM)	Total
<b>Year ended 30 June 2025</b>			
Estimates of present value of cash outflows	(1 032)	(13 919)	(14 951)
Estimates of present value of cash inflows	845	12 345	13 190
Risk adjustment for non-financial Risk	21	76	97
Income recognised on initial recognition (for offset)	(6)	(284)	(290)
CSM	(172)	(1 782)	(1 954)
<b>Year ended 30 June 2024</b>			
Estimates of present value of cash outflows	(1 134)	(9 103)	(10 237)
Estimates of present value of cash inflows	932	7 910	8 842
Risk adjustment for non-financial Risk	22	65	87
Income recognised on initial recognition (for offset)	(6)	(190)	(196)
CSM	(186)	(1 318)	(1 504)

<sup>1</sup> Group of contracts with a net cost on initial recognition refers to those reinsurance contracts with a CSM on initial recognition, that will reflect as a future cost relative to the insurance contract CSM that will release as future revenue.

## SECTION D

# ADOPTION OF NEW STANDARDS AND INTERPRETATIONS AND RESTATEMENTS

68 D.1.1 Restatement as a result of prior  
period errors identified



## D. ADOPTION OF NEW STANDARDS AND INTERPRETATIONS AND RESTATEMENTS *continued*

The section provides information on the material new standards, amendments and interpretations that became effective for Discovery for its financial year commencing 1 July 2024. In addition, the section sets out the correction of prior period errors and the changes in presentation of specified line items.

### New standards and interpretation

For the financial year commencing 1 July 2024, there were no material new standards, amendments or interpretations that became effective for Discovery.

#### D.1.1 RESTATEMENT AS A RESULT OF PRIOR PERIOD ERRORS IDENTIFIED

This section provides summary information of the impact as a result of the correction of prior period errors. The corrections impacted the Group statement of financial position as at 1 July 2023 and 30 June 2024, the Group income statement and Group statement of other comprehensive income for the year ended 30 June 2024 as well as the Group statement of cash flows for the year ended 30 June 2024. The information is set out to reconcile the previously published information to the final restated financial positions and performance.

##### ITEM 1: CORRECTION OF SA LIFE AND SA INVEST INSURANCE RESULTS

In the previous financial year ended 30 June 2024, Discovery adopted IFRS 17 *Insurance Contracts* for the first time, with full retrospective effect. The impacts of adoption of IFRS 17 were fully disclosed in the prior year's financial statements.

During the current year under review, Discovery identified the need to correct a coding error that impacted the quantification of the transitional impact of IFRS 17. This error affected the way in which the SA Life and SA Invest businesses accounted for changes in estimates. The correction resulted in a reallocation from the Insurance Finance Reserve, a component of equity, with a resultant increase in the Contractual Service Margin (CSM).

As explained during transition to IFRS 17, the positive increase in CSM represents a "store of value" that is expected to release to the income statement, and ultimately to equity as retained earnings, over time. The CSM releases to the income statement as services are provided based on the coverage units of the underlying groups of insurance contracts.

Notably, the strengthening of the CSM resulted in a decrease in the number of groups classified as onerous. The decrease in the onerous contract groups resulted in an increase in retained earnings as well as an increase in earnings of the prior year.

The other measurement components of insurance contract balances, namely the present value of fulfilment cash flows and the risk adjustment, were unaffected by this correction. Importantly, the correction had a cumulative impact on the later years of the fully retrospective transition.

Discovery corrected the error in the earliest period presented (1 July 2023) and in the comparative period ended 30 June 2024. The restatement has had no effect on operating, investing, or financing cash flows. While there was no overall impact on cash flows from operating activities, the correction resulted in an increase of R253 million in cash generated from operations, with an equal and opposite adjustment to operating liabilities. Consistent with the impacts explained upon transition, the restatement does not affect regulatory solvency positions or embedded value.

## D. ADOPTION OF NEW STANDARDS AND INTERPRETATIONS AND RESTATEMENTS *continued*

### D.1.1 RESTATEMENT AS A RESULT OF PRIOR PERIOD ERRORS IDENTIFIED *continued*

RECONCILIATION OF THE RESTATED GROUP STATEMENT OF FINANCIAL POSITION AS AT 1 JULY 2023

R million	Group 30 June 2023 (previously reported)	Item 1 Correction Increase/ (Decrease)	Group 30 June 2023 Restated
<b>Assets</b>			
Assets arising from insurance contracts issued	33 624	(3 400)	30 224
– Estimates of PVFCF	80 340	–	80 340
– RA for non-financial Risk	(8 981)	–	(8 981)
– Contractual service margin	(41 244)	(3 400)	(44 644)
– Portfolios applying the PAA approach	3 509	–	3 509
Total of assets unaffected by restatement	225 115	–	225 115
<b>TOTAL ASSETS</b>	<b>258 739</b>	<b>(3 400)</b>	<b>255 339</b>
<b>Equity</b>			
Other reserves	4 690	(3 128)	1 562
Retained earnings	33 900	646	34 546
Total of equity unaffected by restatement	11 134	–	11 134
<b>TOTAL EQUITY</b>	<b>49 724</b>	<b>(2 482)</b>	<b>47 242</b>
<b>Liabilities</b>			
Deferred liability	6 706	(918)	5 788
Total of liabilities unaffected by restatement	202 309	–	202 309
<b>TOTAL LIABILITIES</b>	<b>209 015</b>	<b>(918)</b>	<b>208 097</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>258 739</b>	<b>(3 400)</b>	<b>255 339</b>

RECONCILIATION OF THE RESTATED GROUP STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

R million	Group 30 June 2024 (previously reported)	Item 1 Correction Increase/ (Decrease)	Group 30 June 2024 Restated
<b>Assets</b>			
Assets arising from insurance contracts issued	41 816	(4 477)	37 339
– Estimates of PVFCF	85 318	–	85 318
– RA for non-financial Risk	(10 050)	–	(10 050)
– Contractual service margin	(37 676)	(4 477)	(42 153)
– Portfolios applying the PAA approach	4 224	–	4 224
Total of assets unaffected by restatement	242 295	–	242 295
<b>TOTAL ASSETS</b>	<b>284 111</b>	<b>(4 477)</b>	<b>279 634</b>
<b>Equity</b>			
Other reserves	6 275	(4 099)	2 176
Retained earnings	39 998	831	40 829
Total of equity unaffected by restatement	11 446	–	11 446
<b>TOTAL EQUITY</b>	<b>57 719</b>	<b>(3 268)</b>	<b>54 451</b>
<b>Liabilities</b>			
Deferred liability	8 184	(1 209)	6 975
Total of liabilities unaffected by restatement	218 208	–	218 208
<b>TOTAL LIABILITIES</b>	<b>226 392</b>	<b>(1 209)</b>	<b>225 183</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>284 111</b>	<b>(4 477)</b>	<b>279 634</b>

## D. ADOPTION OF NEW STANDARDS AND INTERPRETATIONS AND RESTATEMENTS *continued*

### D.1.1 RESTATEMENT AS A RESULT OF PRIOR PERIOD ERRORS IDENTIFIED *continued*

RECONCILIATION OF GROUP INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2024<sup>1</sup>

R million	Group 30 June 2024 (previously reported)	Item 1 Correction Increase/ (Decrease)	Group 30 June 2024 Restated
Insurance revenue	51 857	273	52 130
Insurance service expenses	(46 145)	28	(46 117)
Net income/(expenses) from reinsurance contracts	(915)	-	(915)
<b>Insurance service result</b>	<b>4 797</b>	<b>301</b>	<b>5 098</b>
Net financial result from insurance finance income and expense	(7 245)	(48)	(7 293)
- Net finance income/(expense) from insurance contracts	(6 902)	(48)	(6 950)
- Net finance income/(expense) from reinsurance contracts	(343)	-	(343)
<b>Net insurance and investment results</b>	<b>9 647</b>	<b>253</b>	<b>9 900</b>
<b>Net income</b>	<b>31 952</b>	<b>253</b>	<b>32 205</b>
<b>Operating profit</b>	<b>11 137</b>	<b>253</b>	<b>11 390</b>
<b>Profit before financing and income tax</b>	<b>12 134</b>	<b>253</b>	<b>12 387</b>
<b>Profit before income tax</b>	<b>10 011</b>	<b>253</b>	<b>10 264</b>
Income tax expense	(2 647)	(68)	(2 715)
<b>Profit for the year</b>	<b>7 364</b>	<b>185</b>	<b>7 549</b>
<b>Earnings per share for profit attributable to ordinary shareholders of the company during the year (cents):</b>			
- Basic	1 082.7	27.6	1 110.3
- Diluted	1 076.3	27.4	1 103.7

<sup>1</sup> Only the financial statement line items impacted by the adjustments have been included in this note; therefore, the note does not reproduce all line items from the Group income statement.

RECONCILIATION OF GROUP STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2024<sup>1</sup>

R million	Group 30 June 2024 (previously reported)	Item 1 Correction Increase/ (Decrease)	Group 30 June 2024 Restated
<b>Profit for the year</b>	<b>7 364</b>	<b>185</b>	<b>7 549</b>
Net finance income/(expense) from insurance contracts issued	2 672	(971)	1 701
- Unrealised income/(expense)	3 595	(1 330)	2 265
- Tax on unrealised (income)/expense	(923)	359	(564)
<b>Total income and expenses that will be reclassified to profit or loss when specific conditions are met</b>	<b>1 331</b>	<b>(971)</b>	<b>360</b>
<b>Other comprehensive income for the year, net of tax</b>	<b>1 348</b>	<b>(971)</b>	<b>377</b>
<b>Total comprehensive income for the year</b>	<b>8 712</b>	<b>(786)</b>	<b>7 926</b>

<sup>1</sup> Only the financial statement line items impacted by the adjustments have been included in this note; therefore, the note does not reproduce all line items from the Group statement of other comprehensive income.

## D. ADOPTION OF NEW STANDARDS AND INTERPRETATIONS AND RESTATEMENTS *continued*

### D.1.1 RESTATEMENT AS A RESULT OF PRIOR PERIOD ERRORS IDENTIFIED *continued*

#### ITEM 2: CORRECTION OF THE NON-INSURANCE ACQUISITION COSTS FOR DISCOVERY INVEST

During the year ended 30 June 2025, Discovery identified that it had not eliminated intragroup transactions for the reimbursement of the acquisition costs incurred within the SA Invest segment. This incorrect treatment resulted in an overstatement of both the fee income from administration business and non-insurance acquisition costs in the period ended 30 June 2024.

The correction does not impact the Group income statement's total profit, basic earnings per share, or diluted earnings per share. The restatement has had no impact on operating, investing, or financing cash flows.

RECONCILIATION OF GROUP INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2024<sup>1</sup>

R million	Group 30 June 2024 (post item 1 correction)	Item 2 Correction Increase/ (Decrease)	Group 30 June 2024 Restated
Fee income from administration business	14 093	(497)	13 596
<b>Non-insurance revenue and income</b>	<b>22 305</b>	<b>(497)</b>	<b>21 808</b>
<b>Net income</b>	<b>32 205</b>	<b>(497)</b>	<b>31 708</b>
Non-insurance acquisition costs	(988)	497	(491)
<b>Operating profit</b>	<b>11 390</b>	<b>-</b>	<b>11 390</b>
<b>Profit before financing and income tax</b>	<b>12 387</b>	<b>-</b>	<b>12 387</b>
<b>Profit before income tax</b>	<b>10 264</b>	<b>-</b>	<b>10 264</b>
Income tax expense	(2 715)	-	(2 715)
<b>Profit for the year</b>	<b>7 549</b>	<b>-</b>	<b>7 549</b>

<sup>1</sup> Only the financial statement line items impacted by the adjustments have been included in this note; therefore, the note does not reproduce all line items from the Group income statement.

#### ITEM 3: GROUP STATEMENT OF CASH FLOWS

Discovery regularly reviews its presentation and disclosures in line with evolving market practices, IFRS Accounting Standards, and changes in its business to enhance clarity and understanding. The Group has accordingly updated its statement of cash flows, applying the changes to the year ended 30 June 2025 and restating the prior year for comparability, with a reconciliation provided between the originally published 2024 figures and the restated balances.

Previously, changes in 'Fair value adjustments to liabilities under investment contracts' and 'Third-party interest: fair value adjustment to liabilities under investment contracts' were recorded as cash outflows in Cash generated from operations with a corresponding entry within changes in operating liabilities. These fair value adjustments are now appropriately recognised as non-cash movements, with an equal and opposite change to the operating liabilities. In addition, the method for determining realised gains and losses on investments has been revised, and the prior year corrected accordingly.

Importantly, the restatements have no impact on total 'Cash flows from operating activities', as reflected below.

RECONCILIATION OF GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024<sup>1</sup>

R million	Group 30 June 2024 As previously published, including correction of item 1 as set out above	Item 3 Correction Increase/ (Decrease)	Group 30 June 2024 Restated
<b>Cash flow from operating activities</b>	<b>2 733</b>	<b>-</b>	<b>2 733</b>
Cash generated by operations	3 250	726	3 976
Net movement in operating assets and liabilities	1 307	(726)	581
- Decrease in operating assets	(7 513)	4 289	(3 224)
- Increase in operating liabilities	8 820	(5 015)	3 805

<sup>1</sup> Only the financial statement line items impacted by the adjustments have been included in this note; therefore, the note does not reproduce all line items from the Group statement of cash flows.

A man with grey hair, wearing an orange puffer jacket and blue jeans, is shown from the waist up. He has a large, dark-colored backpack on his back. He is looking off to the side with a thoughtful expression. The background is a blurred mountain landscape with some autumn-colored trees.

## SECTION E

# ACCOUNTING POLICIES

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## E. ACCOUNTING POLICIES *continued*

### E.1 NEW ACCOUNTING STANDARDS AND AMENDMENTS TO PUBLISHED ACCOUNTING STANDARDS NOT YET EFFECTIVE

For the financial year commencing 1 July 2024, there were no material new standards, amendments and interpretations that became effective for Discovery, other than the IFRIC agenda decision relating to segment reporting. Refer to section A.1 Segment Information.

Discovery has not early adopted any other IFRS Accounting Standards, amendments or interpretations that have been issued but not yet effective. Discovery does not expect any new IFRS Accounting Standards, amendments or interpretations that have been issued but not yet effective to have a material impact on the recognised amounts except for IFRS 18 Presentation and disclosure in Financial Statements (IFRS 18), which supersedes IAS 1 Presentation of Financial Statements (IAS 1) and provides additional requirements for the presentation and disclosure of information in the primary financial statements and the notes to improve transparency and comparability of information. For Discovery, IFRS 18 will be effective from 1 July 2027. Discovery is assessing additional disclosure requirements required.

#### Interest Rate Benchmark Reforms (IBOR)

In recent years, major interest rate benchmarks have been reformed globally, including the replacement of certain interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as "IBOR reform"). Discovery has financial instruments that have been or will be affected by these market-wide changes, most notably the transition from LIBOR to Sterling Overnight Index Average (SONIA) in the UK and the upcoming replacement of Johannesburg Interbank Average Rate (JIBAR) with South African Rand Overnight Index Average Rate (ZARONIA).

JIBAR will be replaced by the ZARONIA. Following an observation period from 1 November 2022 to 31 October 2023, ZARONIA was identified and endorsed as JIBAR's successor. The South African Reserve Bank (SARB) has indicated that JIBAR is expected to be discontinued by the end of 2026, with the official cessation date to be confirmed in December 2025. Several key milestones leading up to the cessation are outlined in the industry timeline published by the SARB, including:

- November 2024 – ZARONIA-first for derivatives
- June 2025 – ZARONIA-first for the cash market
- March 2026 – No new JIBAR

Discovery has the current following JIBAR-linked exposures as at 30 June 2025:

- SA Bank borrowings, with associated interest rate derivatives, as detailed in Note A.5.2.
- Investments of c. R7.8 billion.
- Home loans provided to customers of c. R1.7 billion.

Discovery will apply the same transition relief under IFRS Accounting Standards as it did when transitioning from LIBOR to SONIA.

IBOR reforms generally result in changes to the basis for determining the contractual cash flows of financial assets and liabilities, including derivatives.

For financial assets and liabilities measured at amortised cost, the entity will update the effective interest rate without recognising a gain or loss, provided that:

- The change is a direct consequence of IBOR reform, and
- The new basis for determining contractual cash flows is economically equivalent to the previous basis.

For cash flow hedges, when assessing whether a forecast transaction remains highly probable, an entity will assume that the interest rate benchmark on which the hedged cash flows are based remains unchanged as a result of IBOR reform.

### E.2 NORMALISED HEADLINE EARNINGS

Discovery assesses its performance using normalised headline earnings, an alternative profit measure not under the IFRS Accounting Standards, alongside its IFRS Accounting Standards profit measures. Management considers that Normalised Headline Earnings Per Share (NHEPS) is an appropriate alternative performance measure to enhance the comparability and understanding of the financial performance of the Group.

Measures not in terms of IFRS Accounting Standards are not uniformly defined or used by all entities and may not be comparable with similarly labelled measures and disclosures provided by other entities.

Discovery calculates headline earnings in accordance with the latest SAICA circular: 'Headline Earnings'. NHEPS is calculated by starting with headline earnings and adjusted to exclude material items that are not considered to be part of Discovery's normal operations as follows:

- Once-off transactions – for example, restructuring costs, transaction costs related to interest rate derivatives and initial deferred tax assets raised on previously unrecognised assessed losses
- Unusual items – the Group considers items to be unusual when they have limited predictive value, or it is reasonable that items of a similar nature would not necessarily arise for several future reporting periods
- Income or expenses not considered to be part of the Group's normal operations – for example, amortisation of intangibles from business combinations and fair value gains or losses on foreign exchange contracts not designated as hedges

Management is responsible for the calculation of NHEPS and determining the inclusions and exclusions in accordance with the policy. The Discovery Limited Audit Committee reviews the normalised headline earnings for transparency and consistency.

## E. ACCOUNTING POLICIES *continued*

### E.3 BASIS OF PREPARATION

#### Statement of compliance

Discovery Limited is a company incorporated in South Africa.

The condensed consolidated annual financial statements for the year ended 30 June 2025 (annual results) consolidate the results of Discovery and its subsidiaries (together the Group) and equity account the Group's interests in associates and joint ventures.

The annual results comprise the Group statement of financial position at 30 June 2025, Group income statement, Group statement of other comprehensive income, Group statement of changes in equity and Group statement of cash flows for the year ended 30 June 2025 and selected explanatory notes.

The condensed consolidated annual financial statements have been prepared in accordance with the JSE Limited (JSE) Listings Requirements, IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards), including IAS 34 Interim Financial Reporting (IAS 34), the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council (FRSC) and the requirements of the Companies Act of South Africa.

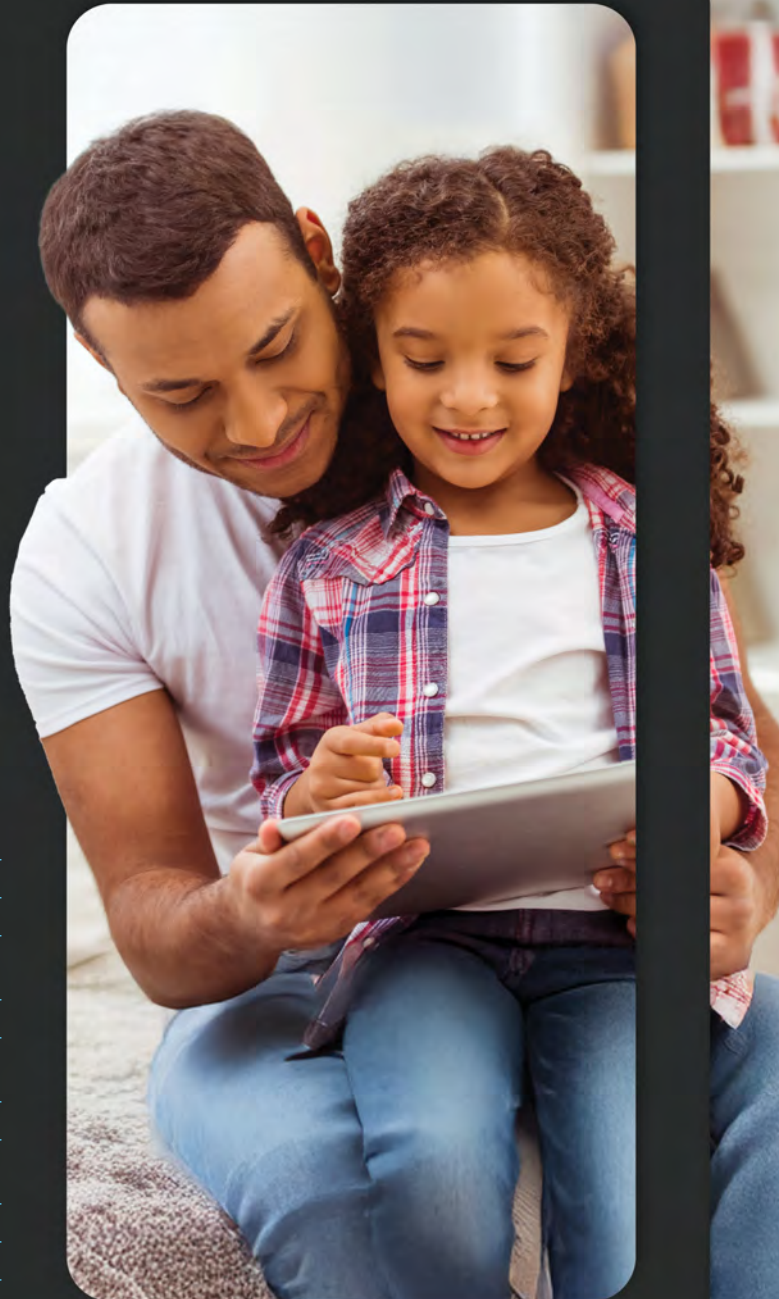
The accounting policies adopted are consistent with the accounting policies applied in the prior annual financial statements.

The financial information in these annual results has been extracted from the Group audited consolidated financial statements for the year ended 30 June 2025, but is not itself audited. As such, these annual results do not include all the notes typically included in the annual financial statements and must be read together with the Group audited consolidated financial statements for the year ended 30 June 2025. The Board of Discovery takes full responsibility for the accuracy of the extracted information.

The Group audited consolidated financial statements for the year ended 30 June 2025 were audited by KPMG Inc. and Deloitte & Touche, who expressed an unmodified audit opinion. A copy of the set of Group audited consolidated financial statements with the signatures of the directors is available at the Company's registered office through a secure electronic manner, at the election of the person requesting inspection.

## EMBEDDED VALUE STATEMENT

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## Embedded value statement

for the year ended 30 June 2025

The embedded value of the Discovery Group consists of the following components:

- the adjusted net worth attributed to the business at the valuation date;
- plus: the present value of expected future shareholder cash flows from the in-force covered business;
- less: the cost of required capital.

The present value of expected future shareholder cash flows from the in-force covered business is calculated as the value of projected future after-tax shareholder cash flows of the business in-force at the valuation date, discounted at the risk discount rate.

The required capital are the assets attributed to the covered business above the amount required to back covered business liabilities, whose distribution to shareholders is restricted as they are allocated to cover regulatory and internal capital requirements.

The value of new business is the present value, at the point of sale, of the projected future after-tax shareholder cash flows of the new business written by the Discovery Group, discounted at the risk discount rate, less an allowance for the reserving strain, initial expenses and cost of required capital. The value of new business is calculated using the current reporting date assumptions.

The embedded value includes the insurance and administration profits of the covered business in the Discovery Group. Covered business includes business written in South Africa through Discovery Life ("Life"), Discovery Invest ("Invest"), Discovery Health ("Health") and Discovery Vitality ("Vitality"), and in the United Kingdom through VitalityLife and VitalityHealth. For Vitality Group, Ping An Health Insurance, Discovery Insure, Discovery Bank and Umbrella Funds, no published value has been placed on the current in-force business.

In August 2011, the Discovery Group raised R800 million through the issue of non-cumulative, non-participating, non-convertible preference shares. For embedded value purposes this capital, net of share issue expenses, has been excluded from the adjusted net worth.

# Embedded value statement *continued*

for the year ended 30 June 2025

TABLE 1: GROUP EMBEDDED VALUE

R millions	30 June 2025	30 June 2024 <sup>1</sup>	% change
Shareholders' funds	65 699	54 451	21
Adjustment to shareholders' funds from published basis <sup>2</sup>	(40 660)	(35 163)	16
Adjusted net worth <sup>3</sup>	25 039	19 288	30
Value of in-force covered business before cost of required capital	104 812	94 258	11
Cost of required capital	(3 297)	(3 192)	3
<b>Discovery Group embedded value</b>	<b>126 554</b>	<b>110 354</b>	<b>15</b>
Number of shares (millions)	666.6	661.0	
Embedded value per share	189.85	166.95	14
Diluted number of shares (millions)	668.7	665.0	
Diluted embedded value per share <sup>4</sup>	189.25	165.94	14

1 "Shareholders' funds" and "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.

2 A breakdown of the adjustment to shareholders' funds is shown in the table below. Note that where relevant, adjustments have been converted using the closing exchange rate of R24.34/GBP (June 2024: R23.07/GBP).

R millions	30 June 2025	30 June 2024
Life net assets under insurance contracts	(21 333)	(16 597)
Vitality Life Limited 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 relating to the acquisition of Standard Life Healthcare and the PAC joint venture	(3 012)	(2 855)
Intangible assets (net of deferred tax) in covered businesses	(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
	<b>(40 660)</b>	<b>(35 163)</b>

\* The "equity settled share based payment mark-to-market adjustment" reflects the difference between the provision in the IFRS equity and the mark-to-market value of the equity settled share based payments.

## Embedded value statement *continued*

for the year ended 30 June 2025

3 The following table sets out the capital position of the covered businesses with the required capital on a consistent basis to that used in the embedded value.

R millions	30 June 2025	30 June 2024
Shareholders' funds	65 699	54 451
Adjustment to shareholders' funds	(40 660)	(35 163)
<b>Adjusted net worth</b>	<b>25 039</b>	<b>19 288</b>
Excess of available capital over adjusted net worth	52 419	48 318
<b>Available capital</b>	<b>77 458</b>	<b>67 606</b>
<b>Required capital</b>	<b>48 446</b>	<b>44 610</b>
<b>Excess available capital</b>	<b>29 012</b>	<b>22 996</b>

The excess of available capital over adjusted net worth reflects the difference between the adjusted net worth for embedded value purposes and the available capital on a statutory solvency basis for covered business. This includes:

- The net preference share capital of R779 million which is included as available capital.
- The difference between Vitality Life Limited's Solvency UK Pillar 1 Own Funds and its adjusted net worth.
- The difference between Life's Pillar 1 Own Funds and its adjusted net worth.

The following table sets out the required capital for each of the covered businesses:

R millions	30 June 2025	30 June 2024
Health and Vitality	1 286	1 238
Life and Invest	29 349	27 935
VitalityHealth	4 761	4 138
VitalityLife	13 050	11 299
<b>Total Required Capital</b>	<b>48 446</b>	<b>44 610</b>

- For Health and Vitality, the required capital was set equal to two times the monthly renewal expense and Vitality benefit cost.
- For Life and Invest, the required capital was set equal to 1.25 times the SAM Pillar 1 Solvency Capital Requirement.
- For VitalityHealth, the required capital was set equal to 1.55 times the Solvency UK Pillar 1 Solvency Capital Requirement.
- For VitalityLife, the required capital was set equal to 1.4 times the Solvency UK Pillar 1 Solvency Capital Requirement.

4 The diluted embedded value per share adjusts for the effect of vested treasury shares, share options exercised, and vesting of share awards where the impact is dilutive. This adjustment has been aligned to the diluted number of shares shown elsewhere in the financial statements.

## Embedded value statement *continued*

for the year ended 30 June 2025

### TABLE 2: VALUE OF IN-FORCE COVERED BUSINESS

R millions	Value before cost of required capital	Cost of required capital	Value after cost of required capital
<b>At 30 June 2025</b>			
Health and Vitality	27 972	(525)	27 447
Life and Invest <sup>1</sup>	42 869	(1 614)	41 255
VitalityHealth <sup>2</sup>	18 395	(526)	17 869
VitalityLife <sup>2</sup>	15 576	(632)	14 944
<b>Total</b>	<b>104 812</b>	<b>(3 297)</b>	<b>101 515</b>
<b>At 30 June 2024</b>			
Health and Vitality	27 441	(527)	26 914
Life and Invest <sup>1</sup>	37 570	(1 757)	35 813
VitalityHealth <sup>2</sup>	14 353	(449)	13 904
VitalityLife <sup>2</sup>	14 894	(459)	14 435
<b>Total</b>	<b>94 258</b>	<b>(3 192)</b>	<b>91 066</b>

<sup>1</sup> Included in the Life and Invest value of in-force covered business is R2 849 million (June 2024: R2 318 million) in respect of investment management services provided on off balance sheet investment business. The net assets of the investment service provider are included in the adjusted net worth.

<sup>2</sup> The value of in-force has been converted using the closing exchange rate of R24.34/GBP (June 2024: R23.07/GBP).

### TABLE 3: GROUP EMBEDDED VALUE EARNINGS

R millions	Year ended	
	30 June 2025	30 June 2024
Embedded value at end of period	126 554	110 354
Less: embedded value at beginning of period	(110 354)	(98 176)
Increase in embedded value	16 200	12 178
Dividends paid	1 707	1 269
Employee share option schemes	(721)	(683)
Net change in capital	23	131
Transfer to hedging reserve	104	61
Acquisition of subsidiaries with non-controlling interest	(1)	(6)
IFRS 17 impact on non-covered businesses <sup>1</sup>	-	(2)
Embedded value earnings	17 312	12 948
Annualised return on opening embedded value	15.7%	13.2%

<sup>1</sup> In respect of 30 June 2024, the opening embedded value for that period (30 June 2023) was not restated for the transition to IFRS 17. This item represents the difference between IFRS 4 and IFRS 17 equity on non-covered business, such as Discovery Insure and Ping An Health Insurance, and an opening IFRS balance sheet restatement as a result of prior period errors. These impacts were not included in the embedded value earnings for 30 June 2024 and so a minor adjustment was required to reconcile the change from the embedded value at the beginning of the period.

## Embedded value statement *continued*

for the year ended 30 June 2025

TABLE 4: COMPONENTS OF GROUP EMBEDDED VALUE EARNINGS

R millions	Year ended 30 June 2025				Year ended 30 June 2024
	Net worth	Cost of required capital	Value of in-force covered business	Embedded value	Embedded value
Total profit from new business (at point of sale)	(6 609)	(300)	9 063	<b>2 154</b>	1 832
Profit from existing business					
- Expected return	8 856	(25)	2 047	<b>10 878</b>	10 340
- Change in methodology and assumptions <sup>1</sup>	4 169	162	(4 735)	<b>(404)</b>	2 385
- Experience variances	331	113	2 461	<b>2 905</b>	564
Impairment, amortisation and fair value adjustment <sup>2</sup>	(62)	-	-	<b>(62)</b>	(60)
Increase in goodwill and intangibles	(382)	-	-	<b>(382)</b>	(308)
Non-covered businesses <sup>3</sup>	2 537	-	-	<b>2 537</b>	1 088
Non-recurring expenses	(355)	-	-	<b>(355)</b>	(96)
Acquisition costs <sup>4</sup>	(45)	-	-	<b>(45)</b>	(33)
Finance costs <sup>5</sup>	(3 125)	-	-	<b>(3 125)</b>	(2 796)
Foreign exchange rate movements <sup>6</sup>	(113)	(57)	1 720	<b>1 550</b>	(1 555)
Other <sup>7</sup>	(8)	-	-	<b>(8)</b>	2
Return on shareholders' funds <sup>5,8</sup>	1 669	-	-	<b>1 669</b>	1 585
<b>Embedded value earnings</b>	<b>6 863</b>	<b>(107)</b>	<b>10 556</b>	<b>17 312</b>	<b>12 948</b>

1 The changes in methodology and assumptions will vary over time to reflect adjustments to the model and assumptions as a result of changes to the operating and economic environment. The current period's changes are described in detail in Table 6 below (for previous periods refer to previous embedded value statements).

2 This item reflects the amortisation of the intangible assets reflecting the banking costs, Cambridge Mobile Telematics system spend and capital expenditure in Vitality Global.

3 This item includes the profits of non-covered businesses. Head office costs which relate to non-covered business are included in this item, as well as cR171 million of expenses which are currently incurred by the covered businesses but will be met by non-covered businesses in due course, and hence have not been included in the relevant covered businesses' embedded value expense analysis. For June 2025, profits of non-covered segments within the covered businesses of cR267 million, which were previously reported as experience variances have been included in this item.

4 Acquisition costs relate to commission paid on the Life and Invest business and expenses incurred in writing Health and Vitality business that has been written over the period but will only be activated and on risk after the valuation date. These policies are not included in the embedded value or the value of new business and therefore the costs are not deducted from the value of new business.

5 Finance costs and return on shareholders' funds are shown gross of intercompany charges (R1 351 million at 30 June 2025 and R1 046 million at 30 June 2024).

6 This item includes foreign exchange gains / (losses) emerging through the income statement, in addition to translation impacts on the cost of required capital and value of in-force.

7 This item includes, among other items, the tangible tax impact from movements in covered business intangible assets, which are excluded from the net worth.

8 The return on shareholders' funds is shown net of tax and management charges.

# Embedded value statement *continued*

for the year ended 30 June 2025

TABLE 5: EXPERIENCE VARIANCES

R millions	Health and Vitality		Life and Invest		VitalityHealth		VitalityLife		Year ended 30 June 2025	Year ended 30 June 2024
	Net worth	Value of in-force	Net worth	Value of in-force	Net worth	Value of in-force	Net worth	of in-force	Total	Total
Renewal expenses	15	-	(24)	6	(12)	-	40	-	25	(55)
Lapses and surrenders <sup>1</sup>	12	(255)	80	227	-	1 524	(172)	167	1 583	508
Mortality and morbidity <sup>2</sup>	-	-	848	(68)	(1 204)	-	(38)	-	(462)	(681)
Policy alterations <sup>3</sup>	-	(1)	(562)	(27)	-	-	19	(190)	(761)	(669)
Backdated cancellations	-	-	-	-	-	-	-	-	-	-
Premium and fee income <sup>2</sup>	119	-	14	179	814	-	(45)	19	1 100	754
Inflation-linked indexation <sup>4</sup>	-	-	(13)	(218)	-	-	8	93	(130)	(152)
Economic <sup>5</sup>	-	-	(74)	592	198	-	3	-	719	269
Tax <sup>6</sup>	130	-	200	(159)	(19)	-	308	23	483	147
Reinsurance <sup>7</sup>	-	-	-	-	-	-	(162)	68	(94)	(184)
Maintain modelling term <sup>8</sup>	-	339	-	93	-	134	-	-	566	546
Vitality benefits <sup>9</sup>	(107)	-	-	-	-	-	(9)	-	(116)	(186)
Other	-	(1)	(12)	38	-	-	(24)	(9)	(8)	267
<b>Total</b>	<b>169</b>	<b>82</b>	<b>457</b>	<b>663</b>	<b>(223)</b>	<b>1 658</b>	<b>(72)</b>	<b>171</b>	<b>2 905</b>	<b>564</b>

1 For Health and Vitality, the lapse and surrender experience was driven by the impact of employer groups who have widened the eligible schemes that employees can join beyond the Discovery Health Medical Scheme. For VitalityHealth, the lapse and surrender experience reflects improved retention rates and higher achieved premium increases.

2 For Life and Invest, overall claims experience for the period was better than expected for Individual Life, Group Life and Invest lines of business. For VitalityHealth, this item reflects the difference between the assumed long-term margin for embedded value purposes and the net impact of increasing claims and the associated increased risk premiums. In light of this, and expected future trends, VitalityHealth have updated their embedded value margin and premium run-off assumptions as part of their periodic review of the embedded value basis.

3 For Life and Invest, and VitalityLife, the policy alterations experience relates mainly to persistent pressures within the economic environment. This is partially offset by positive experience on lapses and premium income.

4 For Life and Invest, the experience reflects lower than expected CPI increases on inflation-linked policies on the Individual Life business.

5 For Life and Invest, better than expected unit fund growth in Invest resulted in an improved projected fee income reflected in the value of in-force. For VitalityHealth, investment return continued to contribute to profitability as interest rates in the UK remain high.

6 The tax variance arises due to the timing difference between the expected tax payments and actual payments.

7 For VitalityLife, the reinsurance experience reflects the better-than-expected retention in the business and higher in-period inflation, which resulted in higher reinsurance premiums, as well as an increase in provisions related to prior periods.

8 For Health and Vitality, Life and Invest, and VitalityHealth, the projection term is rebased at each reporting period. Therefore, an experience variance arises because the total term of the in-force covered business is effectively increased by twelve months.

9 For Health and Vitality, the experience is driven by higher benefit costs and utilisation in the Vitality business.

# Embedded value statement *continued*

for the year ended 30 June 2025

TABLE 6: METHODOLOGY AND ASSUMPTION CHANGES

R millions	Health and Vitality		Life and Invest		VitalityHealth		VitalityLife		Year ended 30 June 2025	Year ended 30 June 2024
	Net worth	Value of in-force	Net worth	Value of in-force	Net worth	Value of in-force	Net worth	Value of in-force	Total	Total
Modelling changes <sup>1</sup>	-	(51)	96	(26)	-	-	(10)	(108)	(99)	2 289
Expenses <sup>2</sup>	-	(267)	(23)	(87)	-	-	-	-	(377)	(34)
Lapses <sup>3</sup>	-	(251)	-	(345)	-	-	(376)	(325)	(1 297)	(652)
Mortality and morbidity <sup>4</sup>	-	-	(141)	262	-	487	99	327	1 034	(501)
Benefit changes	-	17	-	-	-	-	-	-	17	(57)
Vitality	-	-	-	-	-	-	-	-	-	-
Tax	-	-	-	-	-	-	-	-	-	-
Economic assumptions <sup>5</sup>	-	(1 542)	-	1 116	-	-	536	64	174	(411)
Premium and fee income <sup>6</sup>	-	472	-	(276)	-	-	-	-	196	198
Reinsurance and financing <sup>7</sup>	-	-	647	(363)	-	-	3 008	(3 188)	104	404
Other <sup>8</sup>	-	(1)	28	(201)	-	-	305	(287)	(156)	1 149
<b>Total</b>	<b>-</b>	<b>(1 623)</b>	<b>607</b>	<b>80</b>	<b>-</b>	<b>487</b>	<b>3 562</b>	<b>(3 517)</b>	<b>(404)</b>	<b>2 385</b>

<sup>1</sup> Minor refinements to the modelling environment were introduced.

<sup>2</sup> For Health and Vitality, and Life and Invest, the expense assumptions were updated to align to budget.

<sup>3</sup> For Health and Vitality, a one-year stressed lapse assumption was implemented to manage expected short term negative variation, allowing time for specific interventions to take effect. For Life and Invest, the lapse basis for certain plan types was strengthened in line with internal investigations. For VitalityLife, the item includes a strengthening of the PAC business lapse basis and VitalityLife servicing assumptions.

<sup>4</sup> For Life and Invest, refinements to the mortality and morbidity assumptions on the Individual Life business and changes to the interest on lump sum claims reserves on the Group Life business were implemented. For VitalityHealth, the Margin and Annuity Factor assumptions were revised to align to recent experience and forward-looking expectations. For VitalityLife, the item reflects a strengthening of the mortality basis, which is more than offset by a weakening of the morbidity basis, to be more in line with experience.

<sup>5</sup> For Health and Vitality, and Life and Invest, the item includes the impact of updating the internally derived yield curves as at 30 June 2025. For Health and Vitality, this also includes the impact of lower-than-expected inflation applicable to the administration and managed care fee escalation in 2025. For VitalityLife, this item includes the impact of updating the assumptions relative to the Solvency UK yield curves and the IFRS interest rates.

<sup>6</sup> For Health and Vitality, this item represents an additional administration and managed care fee margin effective for 2025. This additional margin is contractually effective given a defined level of spend to enhance the services rendered by the administrator. For Life and Invest, this item includes assumption changes relating to Vitality status progressions, decrement rates and integration benefits applied in the shared value model.

<sup>7</sup> For Life and Invest, the reinsurance and financing item primarily relates to the impact of internal financing arrangements, where the future expected cash flows arising from part of the negative reserves are monetised to match other positive policy liabilities. For VitalityLife, this item includes the impact of external financing arrangements, where future expected cash flows arising from part of the negative reserves are monetised to partially fund new business and support liquidity needs in the business.

<sup>8</sup> For Life and Invest, this item mainly relates to a portion of the IAS12 deferred tax liability that has now been recognized in the embedded value. For VitalityLife, the discretionary margin on the PAC IFRS 4 reserves was removed in line with basis changes approved on the PAC book of business. This item also includes an increase to the cost of capital for VitalityLife, driven by a reduced allowance for the loss absorbing capacity of deferred taxes on required capital.

# Embedded value statement *continued*

for the year ended 30 June 2025

TABLE 7: VALUE OF NEW BUSINESS

R millions	Year ended		
	30 June 2025	30 June 2024	% change
<b>Health and Vitality</b>			
Gross profit from new business (at point of sale)	1 095	1 103	
Cost of required capital	(45)	(52)	
Present value of future profits from new business (at point of sale) after cost of required capital	1 050	1 051	0
New business annualised premium income <sup>1</sup>	6 093	7 716	(21)
<b>Life and Invest</b>			
Present value of future profits from new business (at point of sale) <sup>2</sup>	535	560	
Cost of required capital	(74)	(79)	
Present value of future profits from new business (at point of sale) after cost of required capital	461	481	(4)
New business annualised premium income <sup>3</sup>	3 270	3 214	2
Annualised profit margin <sup>4</sup>	1.8%	2.0%	
Annualised profit margin excluding Invest business	2.1%	3.8%	
<b>VitalityHealth<sup>5</sup></b>			
Present value of future profits from new business (at point of sale)	671	491	
Cost of required capital	(62)	(63)	
Present value of future profits from new business (at point of sale) after cost of required capital	609	428	42
New business annualised premium income <sup>6</sup>	2 564	2 443	5
Annualised profit margin <sup>4</sup>	3.1%	2.6%	
<b>VitalityLife</b>			
Present value of future profits from new business (at point of sale)	153	(58)	
Cost of required capital	(119)	(70)	
Present value of future profits from new business (at point of sale) after cost of required capital	34	(128)	127
New business annualised premium income <sup>7</sup>	2 094	1 462	43
Annualised profit margin <sup>4</sup>	0.2%	(1.3%)	

1 Health new business annualised premium income is the gross contribution to the medical schemes. The new business annualised premium income shown above excludes premiums in respect of members who join an existing employer where the member has no choice of medical scheme, as well as premiums in respect of new business written during the period but only activated after 30 June 2025. The total Health and Vitality new business annualised premium income written over the period was R10 119 million (June 2024: R11 481 million, which included the onboarding of the Sasolmed medical scheme).

2 Included in the Life and Invest embedded value of new business is R49 million (June 2024: R15 million) in respect of investment management services provided on off balance sheet investment business. Risk business written prior to the valuation date allows certain Invest business to be written at financially advantageous terms, the impact of which has been recognised in the value of new business.

3 Life new business is defined as Life policies to which Life became contractually bound during the reporting period, including policies whose first premium is due after the valuation date. Invest new business is defined as business where at least one premium has been received and which has not been refunded after receipt. Invest new business also includes Discovery Retirement Optimiser policies to which Life and Invest became contractually bound during the reporting period, including policies whose first premium is due after the valuation date.

The new business annualised premium income of R3 270 million (single premium APE: R1 717 million (June 2024: R1 545 million)) shown above excludes automatic premium increases, servicing increases in respect of existing business and Umbrella Funds new business annualised premium income. The total new business annualised premium income written over the period was R6 633 million (single premium APE: R1 806 million (June 2024: R1 626 million)) and is set out in the table below:

R millions	30 June 2025	30 June 2024
New business annualised premium income	3 270	3 214
Automatic premium increases	2 219	2 249
Servicing increases	761	779
Umbrella Funds new business annualised premium income	383	626
<b>Total new business annualised premium income</b>	<b>6 633</b>	<b>6 868</b>

Single premium Invest business is included at 10% of the value of the single premium. Section 14 transfers for Umbrella Funds are included at 10% of the fund value.

Policy alterations and internal replacement policies, including Discovery Retirement Optimisers added to existing Life Plans, are shown in Table 5 as experience variances and not included as new business. Term extensions on existing contracts are not included as new business.

4 The annualised profit margin is the value of new business expressed as a percentage of the present value of future premiums.

5 The VitalityHealth value of new business is calculated as the value at point of sale of the new business written premium in-force at the valuation date multiplied by the Margin multiplied by the Annuity Factor plus the new business cash flows from point of sale to the valuation date. The assumptions for the Margin and Annuity Factor are shown in Table 8.

6 VitalityHealth new business is defined as individuals and employer groups which incepted during the reporting period. The new business annualised premium income shown above has been adjusted to exclude premiums in respect of members who join an existing employer group after the first month, as well as premiums in respect of new business written during the period but only activated after 30 June 2025.

7 VitalityLife new business is defined as policies to which VitalityLife became contractually bound during the reporting period, including policies whose first premium is due after the valuation date.

# Embedded value statement *continued*

for the year ended 30 June 2025

## BASIS OF PREPARATION

TABLE 8: EMBEDDED VALUE ECONOMIC ASSUMPTIONS

R millions	30 June 2025	30 June 2024
Beta coefficient	0.75	0.75
Equity risk premium (%)	3.5	3.5
Risk discount rate (%)		
- Health and Vitality <sup>1</sup>	13.875	14.875
- Life and Invest <sup>1</sup>	14.625	15.375
- VitalityHealth	6.573	6.573
- VitalityLife	6.734	6.495
Rand / GB Pound Exchange Rate		
Closing	24.34	23.07
Average	23.48	23.55
Margin over Expense inflation to derive medical inflation (%)		
South Africa	3.00	3.00
Expense inflation (%) <sup>2</sup>		
South Africa		
- Health and Vitality	5.66	6.87
- Life and Invest	6.41	7.05
United Kingdom	3.72	4.01
Pre-tax investment return (%)		
South Africa		
- Cash <sup>1</sup>	10.5	11.25
- Life and Invest bonds <sup>3</sup>	12	12.75
- Health and Vitality bonds <sup>3</sup>	11.25	12.25
- Equity	15.50	16.25
United Kingdom		
- VitalityHealth risk-free rate	3.95	3.95
- VitalityLife risk-free rate	4.11	3.87
- VitalityLife Investment return	5.26	4.91
Long-term corporation tax rate (%)		
South Africa	27	27
United Kingdom	25	25
VitalityHealth Margin and Annuity Factor assumptions		
- Margin (net of tax and cost of required capital) (%)	10.56	12.35
- Annuity Factor	7.81	6.42
Projection term		
- Health and Vitality	20 years	20 years
- Discovery Life	40 years	40 years
- Group Life	20 years	20 years
- VitalityLife	No cap	No cap
- VitalityHealth <sup>4</sup>	20 years	20 years

<sup>1</sup> Derived as a margin over (or below for cash) the respective pre-tax investment return for bonds.

<sup>2</sup> The inflation assumption is derived as the difference between the nominal and real yield curve at each duration. As an indication, the cash flow weighted average inflation is shown in the table. For the United Kingdom, the expense inflation assumption is aligned with the long-term market view of inflation.

<sup>3</sup> As indications, the cash flow weighted averages derived from the relevant yield curve(s) are shown.

<sup>4</sup> The VitalityHealth projection term of 20 years is used in the derivation of the Annuity Factor.

## Embedded value statement *continued*

for the year ended 30 June 2025

The Discovery Group embedded value is calculated based on a risk discount rate using the Capital Asset Pricing Model (CAPM) approach with specific reference to the Discovery Group beta coefficient. The assumed beta is fixed at 0.75. This has been set such that the risk discount rate proxies the result of a Weighted Average Cost of Capital approach with reference to the capital structure of the Group and the observed beta calculated using daily returns over a long time period. The observed beta is calculated with reference to the ALSI. The assumed beta will only change if the capital structure of the Group and/or the observed beta calculated using daily returns over a long time period suggest the beta assumption should depart significantly from the assumption at the financial year-end. As beta values reflect the historic performance of share prices relative to the market, they may not allow fully for non-market related and non-financial risk. Investors may want to form their own view on an appropriate allowance for these risks which have not been modelled explicitly.

Life and Invest mortality, morbidity and lapse and surrender assumptions were derived from internal experience, where available, augmented by reinsurance and industry information.

The Health and Vitality lapse assumptions were derived from the results of recent experience investigations.

The VitalityHealth assumptions were derived from internal experience and augmented by future expectations.

VitalityLife assumptions were derived from internal experience, where available, augmented by reinsurance, industry and Discovery Group information.

Renewal expense assumptions were based on the results of the latest expense and budget information.

The initial expenses included in the calculation of the embedded value of new business are the actual costs incurred excluding expenses of an exceptional or non-recurring nature.

The South African investment return assumptions for Life, Invest, Health and Vitality were set relative to an internally derived nominal yield curve, which is consistent with the IFRS 17 reporting basis.

The current and projected tax position of the policyholder funds within the Life company has been taken into account in determining the net investment return assumption.

The risk-free rate assumption for VitalityHealth was based on the single interest rate derived from the Prudential Regulatory Authority yield curve. VitalityLife has transitioned to the use of full yield curves to represent its risk-free rate assumption following the implementation of IFRS 17. For consistency, VitalityLife has also transitioned to the use of a market inflation curve from a long-term market view of inflation.

VitalityHealth calculate the value of in-force at the valuation date as the in-force written premium multiplied by the Margin multiplied by the Annuity Factor, as set out in the table above. The Annuity Factor assumption is derived from assumed future lapse rates and premium increases. The Margin assumption reflects assumed profit margins after tax and the cost of required capital. The assumptions underlying the Annuity Factor and Margin are set at the total book level, taking into account the current experience and future expectations across all durations of in-force business. The economic components underlying the Annuity Factor are reviewed at each reporting date; the non-economic components underlying the Annuity Factor and Margin assumptions are reviewed periodically.

The cost of required capital is calculated using the difference between the risk discount rate and the net of tax asset return on tangible assets. The Vitality Life Limited required capital amount is assumed to earn the investment return assumption, which is set based on the return on a portfolio of government and corporate bonds assumed to back the required capital. The Life and Invest cost of required capital is calculated assuming shareholder cash flow is limited to the cash flow available after having met both the required capital amount and an internally defined liquidity target capital requirement of tangible assets.

The embedded value has been calculated in accordance with the Actuarial Society of South Africa's Advisory Practice Note ("APN") 107: Embedded Value Reporting, except the recommended disclosure of Free Surplus and Required Capital has been adjusted to take into account the nature of the capital requirements in the covered businesses, as can be seen in Table 1 note 2.

## Embedded value statement *continued*

for the year ended 30 June 2025

### BASIS OF PREPARATION

The risk discount rate uses the CAPM approach with specific reference to the Discovery Group beta coefficient. As beta values reflect the historic performance of share prices relative to the market, they may not allow fully for non-market related and non-financial risk. Investors may want to form their own view on an appropriate allowance for these risks which have not been modelled explicitly. The sensitivity of the embedded value and the embedded value of new business at 30 June 2025 to changes in the risk discount rate is included in the tables below.

For each sensitivity illustrated below, all other assumptions have been left unchanged. No allowance has been made for management action such as risk premium increases where future experience is worse than the base assumptions.

### TABLE 9: EMBEDDED VALUE SENSITIVITY

R millions	Discovery Group	Health and Vitality	
	Adjusted net worth	Value of in-force	Cost of required capital
Base	25 039	27 972	(525)
Impact of:			
Risk discount rate + 1%	25 039	26 448	(570)
Risk discount rate - 1%	25 039	29 656	(475)
Lapses - 10%	24 873	28 893	(551)
Interest rates - 1% <sup>1</sup>	25 211	27 859	(506)
Equity and property market value - 10%	24 981	27 972	(525)
Equity and property return + 1%	25 039	27 972	(525)
Renewal expenses - 10%	25 150	30 731	(486)
Mortality and Morbidity - 5%	25 333	27 972	(525)
Projection term + 1 year	25 039	28 284	(530)

<sup>1</sup> All economic assumptions were reduced by 1%.

The following table shows the effect of using different assumptions on the embedded value of new business.

### TABLE 10: VALUE OF NEW BUSINESS SENSITIVITY

R millions	Health and Vitality	
	Value of in-force	Cost of required capital
Base	1 095	(45)
Impact of:		
Risk discount rate + 1%	1 006	(49)
Risk discount rate - 1%	1 192	(40)
Lapses - 10%	1 172	(49)
Interest rates - 1% <sup>1</sup>	1 102	(43)
Equity and property return + 1%	1 095	(45)
Renewal expenses - 10%	1 259	(42)
Mortality and Morbidity - 5%	1 095	(45)
Projection term + 1 year	1 112	(45)
Acquisition expenses - 10%	1 132	(45)

<sup>1</sup> All economic assumptions were reduced by 1%.

Life and Invest		VitalityHealth		VitalityLife		Embedded value	% change
Value of in-force	Cost of required capital	Value of in-force	Cost of required capital	Value of in-force	Cost of required capital		
42 869	(1 614)	18 395	(526)	15 576	(632)	<b>126 554</b>	
39 409	(1 715)	17 337	(684)	14 505	(720)	<b>119 049</b>	(6)
46 923	(1 496)	19 574	(346)	16 806	(499)	<b>135 182</b>	7
46 523	(1 687)	20 621	(589)	16 586	(717)	<b>133 952</b>	6
43 522	(1 566)	19 574	(559)	14 994	(745)	<b>127 784</b>	1
41 937	(1 602)	18 395	(526)	15 576	(632)	<b>125 576</b>	(1)
43 299	(1 604)	18 395	(526)	15 576	(632)	<b>126 994</b>	0
43 625	(1 580)	20 251	(526)	15 920	(613)	<b>132 472</b>	5
45 642	(1 508)	22 204	(526)	16 087	(607)	<b>134 072</b>	6
42 943	(1 616)	18 618	(532)	15 576	(632)	<b>127 150</b>	0

Life and Invest		VitalityHealth		VitalityLife		Value of new business	% change
Value of in-force	Cost of required capital	Value of in-force	Cost of required capital	Value of in-force	Cost of required capital		
535	(74)	671	(62)	153	(119)	<b>2 154</b>	
362	(79)	535	(78)	(37)	(134)	<b>1 526</b>	(29)
734	(69)	823	(42)	369	(95)	<b>2 872</b>	33
727	(77)	1 027	(72)	364	(137)	<b>2 955</b>	37
543	(72)	823	(66)	268	(136)	<b>2 419</b>	12
567	(74)	671	(62)	153	(119)	<b>2 186</b>	1
578	(72)	862	(62)	221	(116)	<b>2 628</b>	22
613	(69)	1 063	(62)	215	(116)	<b>2 694</b>	25
539	(74)	697	(62)	153	(119)	<b>2 201</b>	2
718	(74)	784	(62)	396	(119)	<b>2 730</b>	27



## ANNEXURE A

- 89 New business annualised premium income
- 90 Income from non-insurance business lines
- 90 Cash conversion ratio

## Annexure A

This Annexure does not form part of the IFRS results. Discovery assesses its performance using alternative non-IFRS profit and income measures. These measures enhance the comparability and understanding of the financial performance of the Group.

### NEW BUSINESS ANNUALISED PREMIUM INCOME

#### for the year ended 30 June 2025

The new business annualised premium income (API) set out below provides a view of the scale of new business across all operations of the Group and does not necessarily reflect the new business attributable to the legal entities within the Group. For instance, DHMS new business is attributable to the medical scheme but is under the administration and marketing of Discovery Health which earns a fee in respect of such services.

New business API, decreased by 2% for the year ended 30 June 2025 when compared to the corresponding prior period.

	Group 2025	Group 2024	% Change
Discovery Health <sup>1</sup>	9 573	11 069	(14%)
Discovery Life	3 203	3 568	(10%)
Individual Life	2 733	2 778	(2%)
Group Life	87	164	(47%)
Discovery Umbrella	383	626	(39%)
Discovery Invest	3 430	3 300	4%
Discovery Insure	1 361	1 388	(2%)
Discovery Vitality	546	412	33%
<b>New business API from Discovery SA</b>	<b>18 113</b>	<b>19 737</b>	<b>(8%)</b>
VitalityHealth <sup>2</sup>	2 851	2 779	3%
VitalityLife	2 499	1 956	28%
Ping An Health Insurance (PAHI) own licence	3 023	2 486	22%
<b>New business API from Vitality</b>	<b>8 373</b>	<b>7 221</b>	<b>16%</b>
<b>Total new business API of Group excluding products in run down or discontinued<sup>3</sup></b>	<b>26 486</b>	<b>26 958</b>	<b>(2%)</b>

<sup>1</sup> New business API for Discovery Health includes new business API for all businesses administered by Discovery Health, including DHMS, Closed Schemes and offerings such as Gap cover and FlexiCare cover. Closed Schemes refer to those restricted to certain employers and industries. In the corresponding prior year, Discovery Health secured the administration of Sasolmed Medical Scheme. Excluding Sasolmed, new business API increased 12%.

<sup>2</sup> VitalityHealth has amended the new business definition to include expansions of existing business. The comparative VitalityHealth API has been restated. This has been done to align to Discovery Health.

<sup>3</sup> Products in run down or discontinued include Discovery Insure Commercial and PAHI reinsurance business. The comparative API has been restated to exclude Discovery Insure Commercial given the decision to exit this market with cover ceasing on 31 August 2024.

### CALCULATION OF NEW BUSINESS API

New business API is calculated at 12 times the monthly premium for new recurring premium policies and 10% of the value of new single premium policies. It also includes both automatic premium increases and servicing increases on existing long-term insurance policies. The amounts exclude indirect taxes.

The new business API in the table above differs from the new business API disclosed in the embedded value largely as a result of:

- The timing of inclusion of the policyholders in the calculation of new business API – in the embedded value, new business is included from the earlier of the date that the first premium has been received or when the policy is on risk, whereas in the table above, new business is included when the policy has been contractually committed.
- Inclusion of automatic premium increases and servicing increases on existing life policies – these are included in the table above but excluded in the embedded value API values disclosed.

Refer to the footnotes to Table 7: Embedded Value of New Business for a more detailed description of the differences in new business disclosures between the embedded value and the table above.

## Annexure A *continued*

### INCOME FROM NON-INSURANCE BUSINESS LINES

for the year ended 30 June 2025

The table below includes income from business lines and activities not covered by the new business API definition, as outlined in the previous table. For Discovery Bank, banking fees and commissions are presented net of related expenses. This information differs from that provided in note A.4, which reflects the gross revenue streams for goods or services within the scope of IFRS 15 Revenue from Contracts with Customers.

	Group 2025	Group 2024	Change %
Discovery Health – Income excluded from API measure	1 343	1 260	7%
Discovery Bank	2 338	1 818	29%
Discovery Bank – Net banking fee and commission income (NIR) <sup>1</sup>	1 373	1 039	32%
Discovery Bank – Net bank interest and similar income (NII)	965	779	24%
Vitality Global income <sup>2</sup>	2 962	2 828	5%
Vitality Network	1 977	1 894	4%
Vitality Health International (excluding PAHI)	985	934	5%
<b>Total income from non-insurance business lines</b>	<b>6 643</b>	<b>5 906</b>	<b>12%</b>

<sup>1</sup> Refer to A.1 Segment Information.

<sup>2</sup> Vitality Global income includes gross recurring and lump sum revenues earned by Vitality Group and solutions revenue from external clients, while that from internal clients and rewards is specifically excluded.

### CASH CONVERSION RATIO

For the year ended 30 June 2025

Cash conversion is calculated as Operating Cash Flow (per the Group shareholder free cash movement included in the additional analyst information on Discovery's website), divided by Normalised profit from operations (IFRS total) net of Income tax expense (IFRS total) per A.1 Segment Information. The Operating Cash Flow includes the net impact of funding sourced from financial reinsurance (whether securitised from new business or the in-force book), which offsets new business acquisition costs, and the in-period repayments in respect of previous funding taken.

	Group 2025	Group 2024	Change %
Cash conversion ratio	76.7%	65%	–%

The cash conversion ratio for the prior year has been restated for the correction of prior period errors as disclosed in D.1.1 and for changes to segment disclosure (refer A.1 Segment Information "Changes from 1 July 2024").

## Annexure B

### ANNEXURE B

92 Impact of corrections on normalised profit from operations for the six months ended 31 December 2024



## Annexure B *continued*

### IMPACT OF CORRECTIONS ON NORMALISED PROFIT FROM OPERATIONS FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

#### NORMALISED PROFIT FROM OPERATIONS

The table below presents the estimated corrected results for the prior period error described in note D.1, for the six months ended 31 December 2024:

R million	Updated	As previously published in March 2025	Change
	Group December 2024 Unaudited	Group December 2024 Unaudited	
Discovery Life	2 686	2 612	74
Discovery Invest	971	904	67
Other Discovery SA operations	2 030	2 004	26
<b>Normalised profit from Discovery SA</b>	<b>5 687</b>	<b>5 520</b>	<b>167</b>
<b>Normalised profit from Vitality</b>	<b>1 500</b>	<b>1 500</b>	<b>-</b>
<b>Normalised profit from operations</b>	<b>7 187</b>	<b>7 020</b>	<b>167</b>

#### TOTAL EQUITY

R million	Updated	As previously published in March 2025	Change
	Group December 2024 Unaudited	Group December 2024 Unaudited	
Equity attributable to equity holders of the Company	61 040	64 647	(3 607)
Non-controlling interest	(3)	(3)	-
<b>Total equity</b>	<b>61 037</b>	<b>64 644</b>	<b>(3 607)</b>

# Administration

## Transfer secretaries

Computershare Investor Services (Pty) Limited  
 (Registration number: 2004/003647/07)  
 Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196  
 Private Bag X9000, Saxonwold, 2132

## Sponsors and debt sponsors

Nedbank Corporate and Investment Banking,  
 a division of Nedbank Limited

## Secretary and registered office

AC Ceba (FCG) (F.Inst D)  
 Discovery Limited  
 (Incorporated in the Republic of South Africa)  
 (Registration number: 1999/007789/06)  
 Company tax reference number: 9652/003/71/7

JSE share code: DSY ISIN: ZAE000022331  
 JSE share code: DSBP ISIN: ZAE000158564  
 JSE bond company code: DSYI

1 Discovery Place, Sandton, 2196  
 PO Box 786722, Sandton, 2146  
 Tel: (011) 529 2888 Fax: (011) 539 8003

## Directors

ME Tucker (UK) (Chairperson), A Gore\* (Group Chief Executive), LM Chiume, VN Fakude<sup>1</sup>  
 R Farber, WM Hlahla, FN Khanyile, D Macready, KC Ramon, M Schreuder, B Swartzberg\*,  
 BA van Kralingen, DM Viljoen\* (Group Chief Financial Officer).

\* Executive.

<sup>1</sup> Appointed effective 1 September 2025

## Debt officer

DM Viljoen

## Annual financial results

- prepared by G Pieterse CA(SA), J Symons CA(SA)
- supervised by DM Viljoen CA(SA)

## Embedded value statement

- prepared by P Bolink FASSA
- supervised by A Rayner FASSA, FIA

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