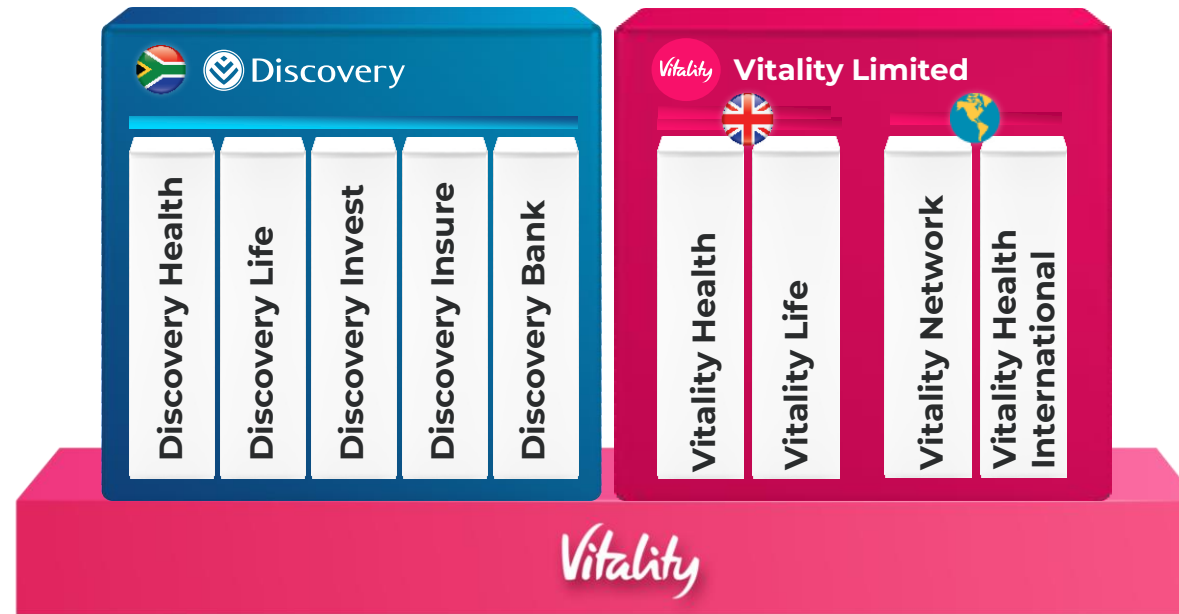




Annual Results Presentation

for the year ended 30 June 2024

FY24 performance overview



Normalised operating profit
+17%
to R11 604m

Core new business
+18%
to R26 667m

Total income from non-insurance
+16%
to R6 191m

Normalised headline earnings
+15%
to R7 329m

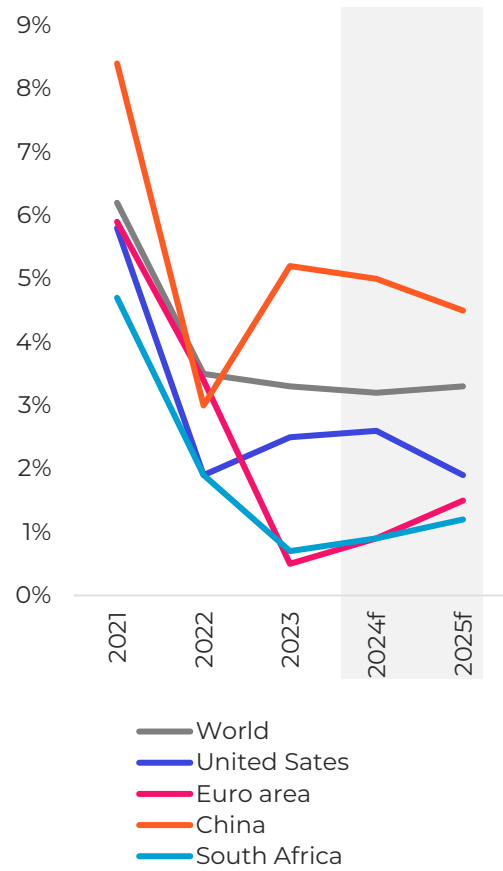
Headline earnings
+7%
to R7 202m

Excluding discontinued products like VitalityInvest and DBI and Ping An Health reinsurance business

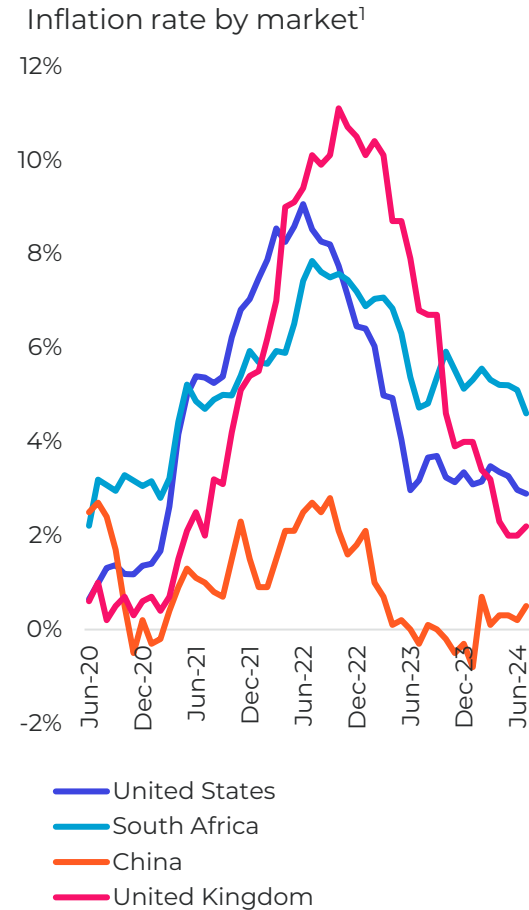
Slow but steady economic recovery



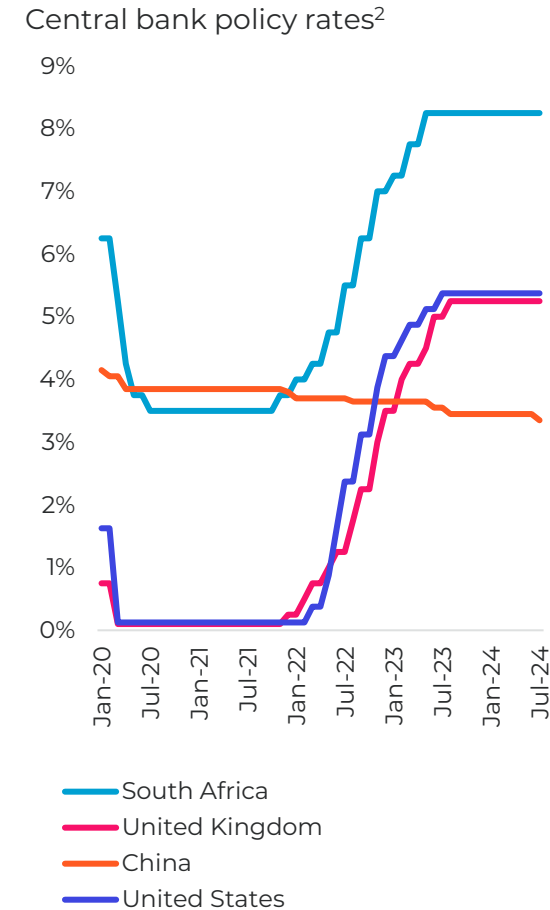
Moderate GDP growth



Slowing inflation



High interest rates



Outlook

- Global**
 - Declining global inflation
 - Accommodative financial conditions
 - Stable growth expected
 - Geopolitical tensions persist with elections in major economies
- South Africa**
 - Stabilising interest rates
 - Moderating inflation; consumer pressure remains
 - Economic green shoots post-GNU
- United Kingdom**
 - NHS challenges persist
 - Modest growth; falling inflation continues
 - Recovering consumer spending
- China**
 - Strained West relations
 - GDP growth expected to reach 5% in 2024
 - Stabilising exports from global manufacturing recovery
 - Accommodative policy expected
- United States**
 - Recession fears due to slowing growth and cooling jobs market
 - Falling inflation; Fed commenced cutting rates
 - Elevated geopolitical risk from volatile politics

1 Sources: StatsSA, Statista, Office for National Statistics, US Bureau of Labor Statistics
2 Source: Bank of International Settlements



	R11 604m	R26 667m	R6 191m
	+17%	+8%	+1%
	Operating profit	New business	Non-operating
Health	2,976	+1%	8,609
Life	4,765	+2%	2,942
Invest	1,520	+20%	3,900
Bank	245	+50%	1,008
Other SA	325	+3%	1,027
SA	9,931	+8%	19,736
UK			
Vitality Health	420	+1%	2,400
Vitality Life	375	+3%	1,996
UK Initiatives	45	+1%	100
UK	840	+1%	4,496
Vitality Network	533	+30%	1,891
Vitality Health International	124	+80%	2,456
Vitality - Other	386	+9%	353
Initiatives	31	+2%	100
UK	1,240	+9%	2,486
SA	9,931	+8%	19,736
UK	1,240	+9%	2,486

1 Strong FY24 performance



2 Entering a new phase in the lifecycle of the Group



3 Creating two distinct businesses with significant ambition and a common business model



4 Delivering on business-specific performance



ZARm	R11 604m +17% Operating profit		R26 667m +18% New business²		R6 191m +16% Non-insurance income	
Health	3 972	+7%	11 069	+26%	1 260	+5%
Life	4 765	+9%	2 942	+4%		
Invest	1 522	+20%	3 300	+8%		
Insure	248	+240%	1 388	+11%		
Bank	-454	-41%			2 102	+39%
Other SA ¹	-335	+19%	1 037	+38%		
SA	9 717	+16%	19 736	+19%	3 362	+24%
Vitality Health	435	-47%	2 488	+21%		
Vitality Life	375	-20%	1 956	+14%		
UK initiatives	-163	-69%				
UK	647	-14%	4 444	+17%		
Vitality Network	533	+30%			1 894	+16%
VHI - Ping An Health	1 124	+85%	2 486	+14%	935	-6%
VHI - Other	-386	+98%				
VG initiatives	-31	-11%				
VG	1 240	+57%	2 486	+14%	2 829	+8%

FY24 Performance

Strong operating performance



ZARm	R11 604m +17% Operating profit		R26 667m +18% New business²		R6 191m +16% Non-insurance income	
Health	3 972	+7%	11 069	+26%	1 260	+5%
Life	4 765	+9%	2 942	+4%		
Invest	1 522	+20%	3 300	+8%		
Insure	248	+240%	1 388	+11%		
Bank	-454	-41%			2 102	+39%
Other SA ¹	-336	+20%	1 038	+38%		
SA	9 717	+16%	19 737	+19%	3 362	+24%
Vitality Health	435	-47%	2 488	+21%		
Vitality Life	375	-20%	1 956	+14%		
UK initiatives	-163	-70%				
UK	647	-14%	4 444	+17%		
Vitality Network	533	+30%			1 894	+16%
VHI - Ping An Health	1 124	+85%	2 486	+14%	935	-6%
VHI - Other	-386	+98%				
VG initiatives	-31	-11%				
VG	1 240	+57%	2 486	+14%	2 829	+8%

¹ Vitality, Other SA Initiatives and Group initiatives and central costs

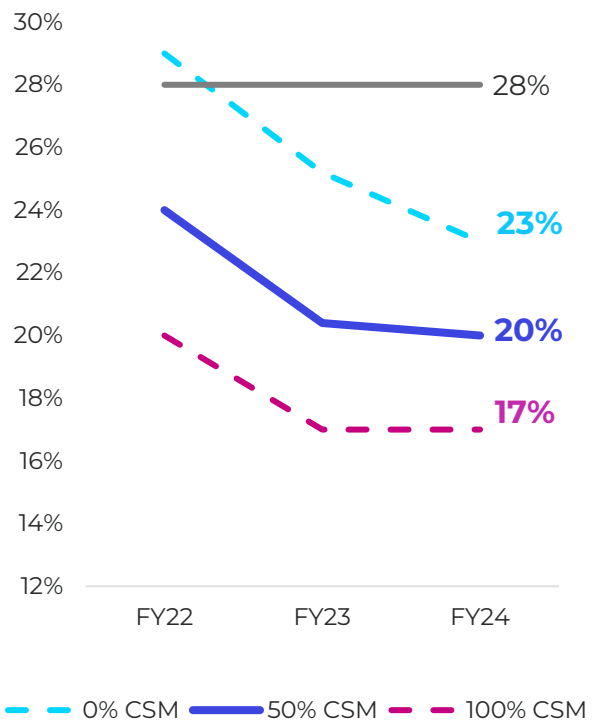
² Excl products in run down

Group well capitalised with robust cash generation



FLR decreasing

FLR



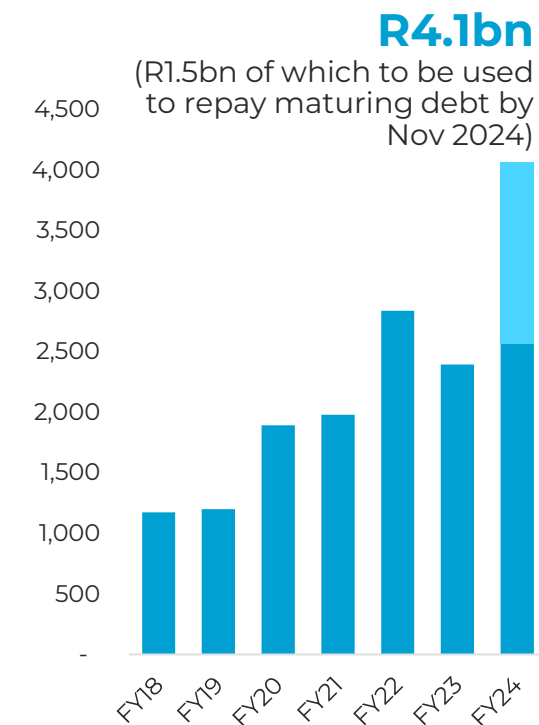
Strongly capitalised

	Jun 23 Cover	Jun 24 Cover
Life	1.8x	1.8x
Insure	1.6x	1.6x
VH	1.4x	1.6x
VL	2.1x	2.0x
Bank ¹	1.3x	1.3x
PAHI ²	2.7x	3.2x

DHMS solvency (unaudited) 30%

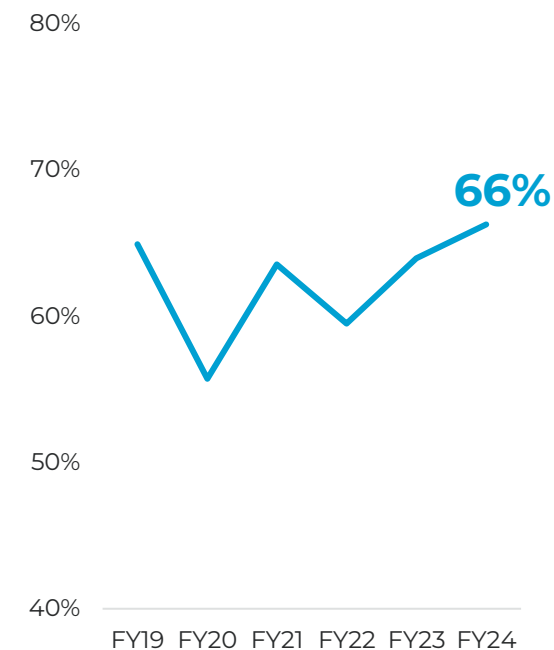
Sufficient centre liquidity

Centre liquidity³, Rm



Improving cash conversion

Group cash conversion⁴



¹ Capital Adequacy Ratio

² Comprehensive Solvency Ratio, definition set by China Banking and Insurance Regulatory Commission

³ Centre cash + undrawn committed facilities

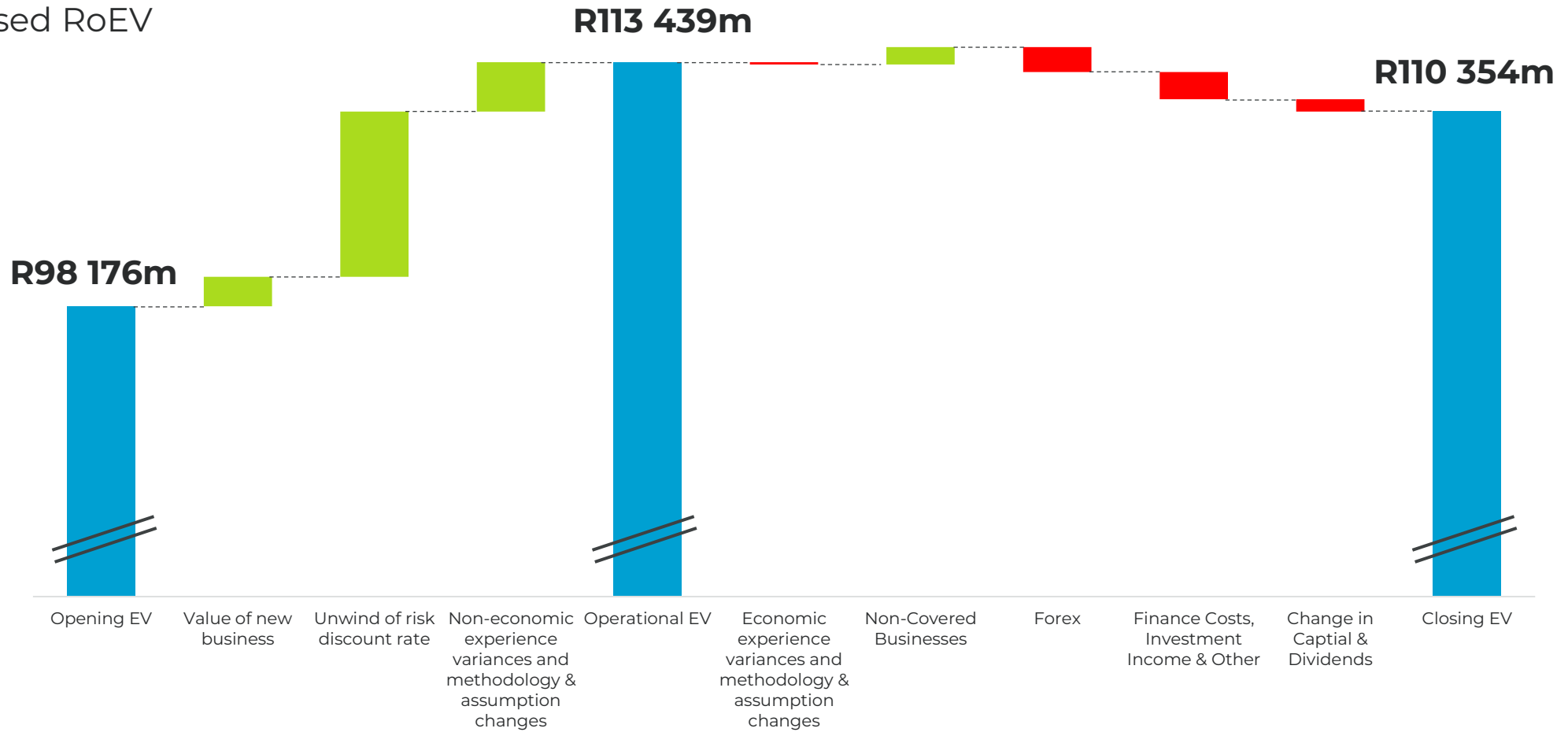
⁴ Normalised for COVID-19 reserve impact

Strong growth in Group Embedded Value



13.2%

Annualised RoEV



Below the line affected by swaption in prior period



Rm	12 months ended Jun-24	12 months ended Jun-23	%
Normalised profit from operations	11 604	9 917	17%
Forex losses/gains	-87	150	
1 DP financing lease impact	-105	-134	
Investment income and fair value gains on financial instruments	480	354	
Finance charges excl. 1DP finance lease	-1 750	-1 628	
Other	-131	-117	
Profit before fair value gains on VL swaption	10 011	8 543	17%
Fair value gains on VL swaption		516	
Profit before tax	10 011	9 059	11%
Tax	-2 647	-2 486	
Profit not attributable to ordinary shareholders	-206	-174	
Loss on impairment and derecognition	48	257	
Other headline earnings adjustments	-4	65	
Headline earnings	7 202	6 720	7%
Fair value gains on VL swaption	0	-410	
Other	127	90	
Normalised headline earnings	7 329	6 400	15%

Forex losses/gains: ZAR closing rates strengthened compared to opening rates resulting in losses on translation of GBP and USD currency accounts and loans receivable. In the prior year, the closing rates weakened resulting in a foreign translation gain

Fair value gains: prior period includes a considerable fair value gain from the swaption held in DHEL, which was realised towards the end of the previous financial year

Loss on impairment and derecognition: Largely attributable to write-off of assets resulting from wind-down of VitalityCar and assets no longer in use in VitalityHealth

Final dividend declaration of 152cps in respect of FY24



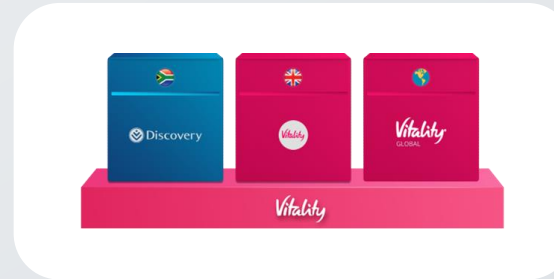
Past

Pioneering and globalising the Vitality shared-value model; substantial investment in new initiatives for organic growth



Today

Reduced spend and streamlined new initiatives; key initiatives maturing; transitioned to IFRS 17



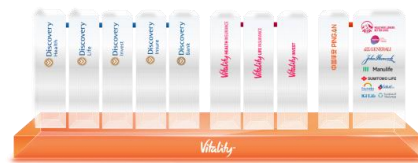
Future

Highly cash generative with superior growth. Maintaining leadership in SA with the Bank scaling; and a material international business



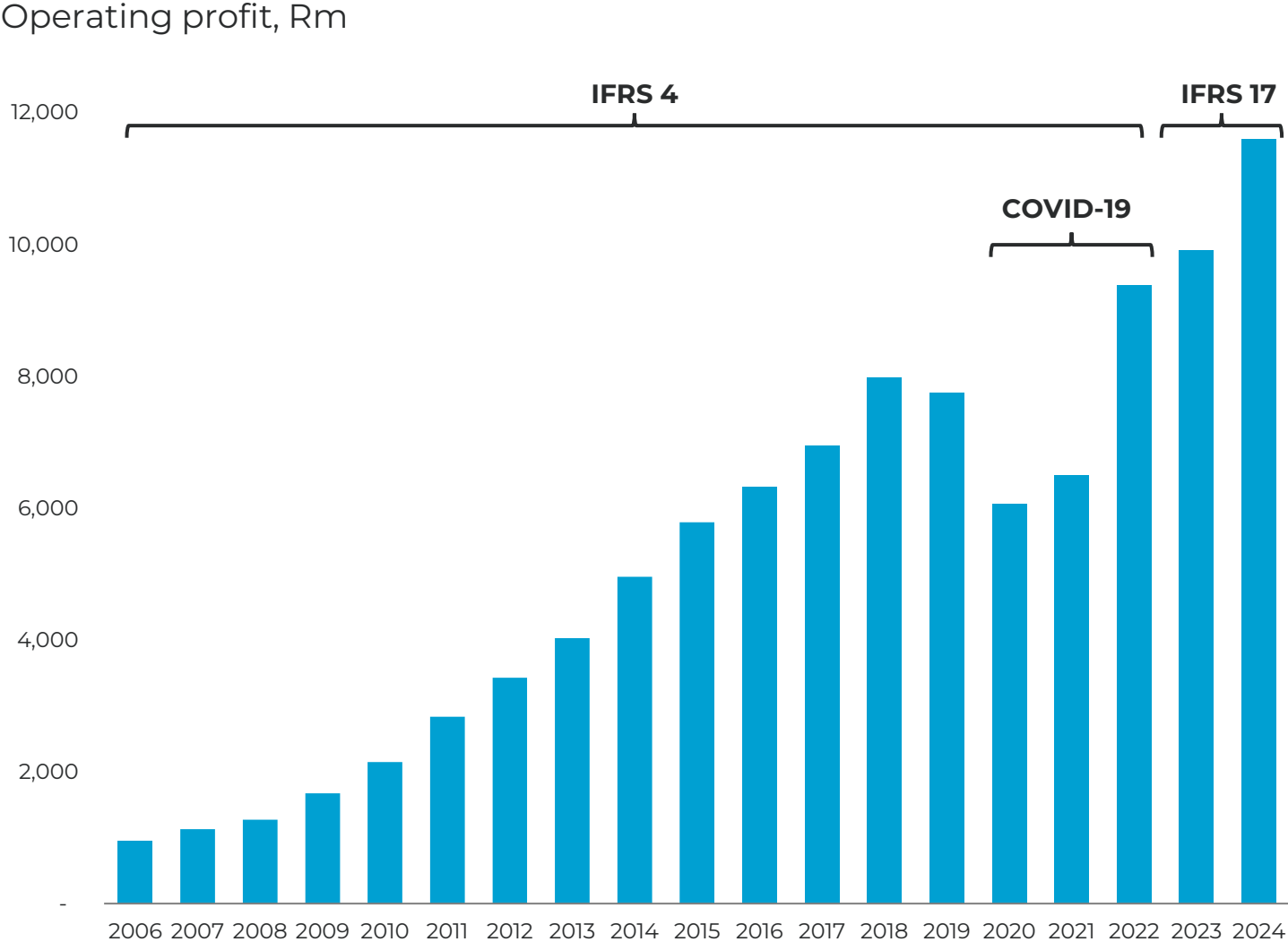
Entering a new phase of growth

The new phase of growth should have a positive impact on financial metrics



Average	Where we were (FY16-FY23)	Where we are today (FY24)	Where we are headed (FY25-FY29)
Earnings growth	9% CAGR	17%	15-20% CAGR
% spend on New	15% (maxed at 25%)	8%	c5%
Cash conversion	56%	66%	60-70%
RoE	13%	13%	15-20%
FLR	22%	20%	10-20%
Dividend cover	5.7x	5x	<5x

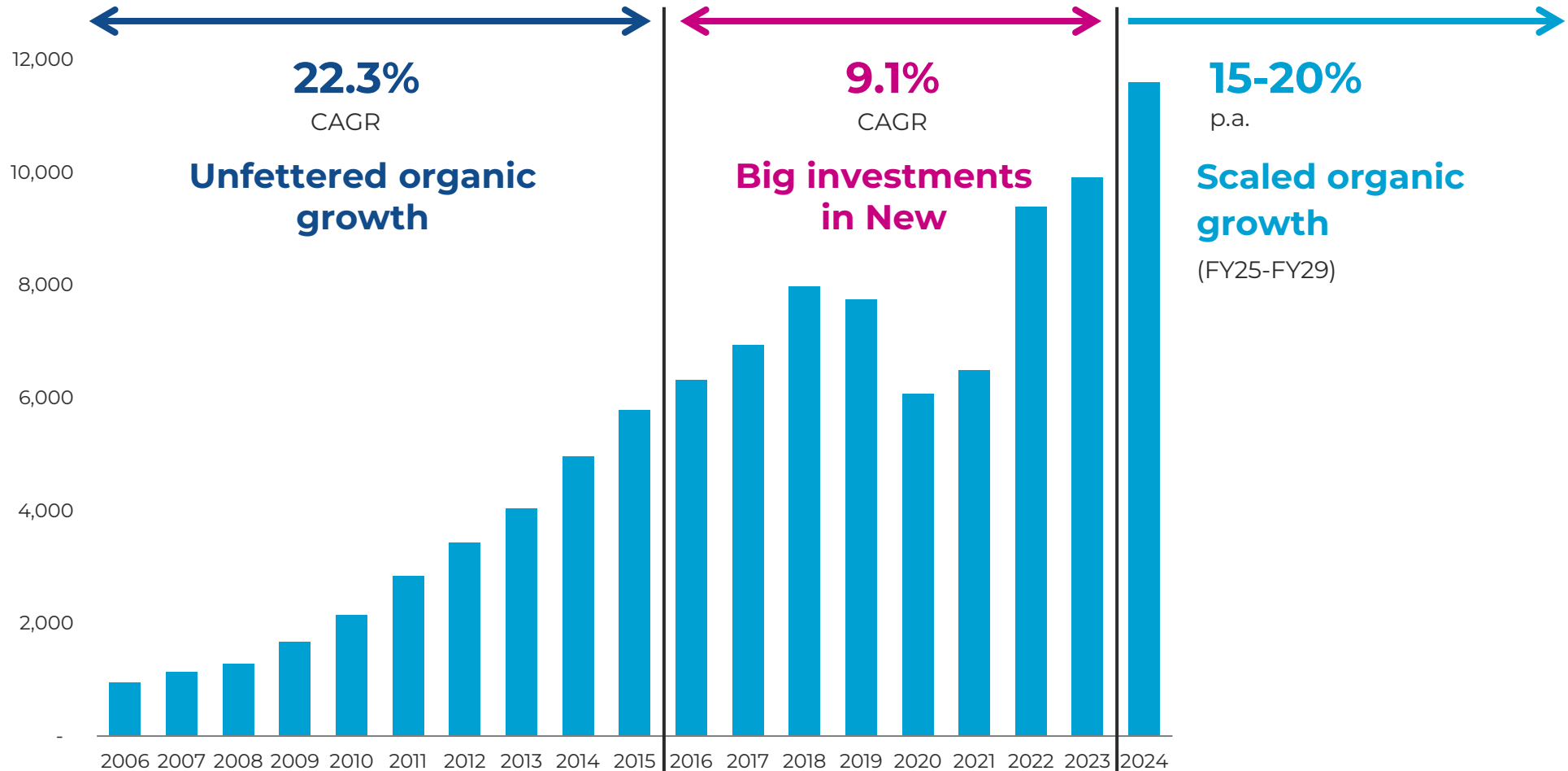
Strong operating profit performance



Three distinct phases



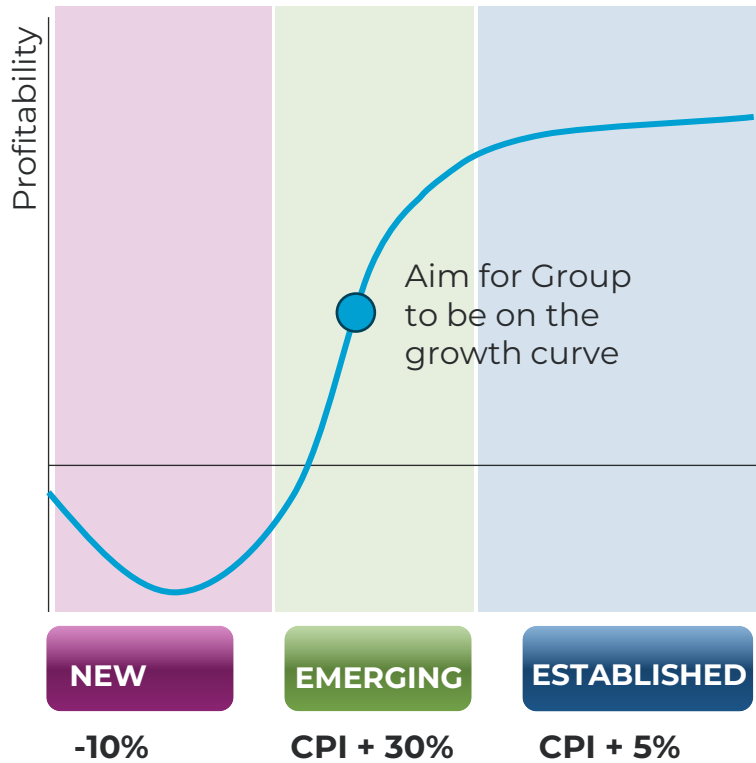
Operating profit by phase of growth, Rm



Growth dynamics of the operating and business model

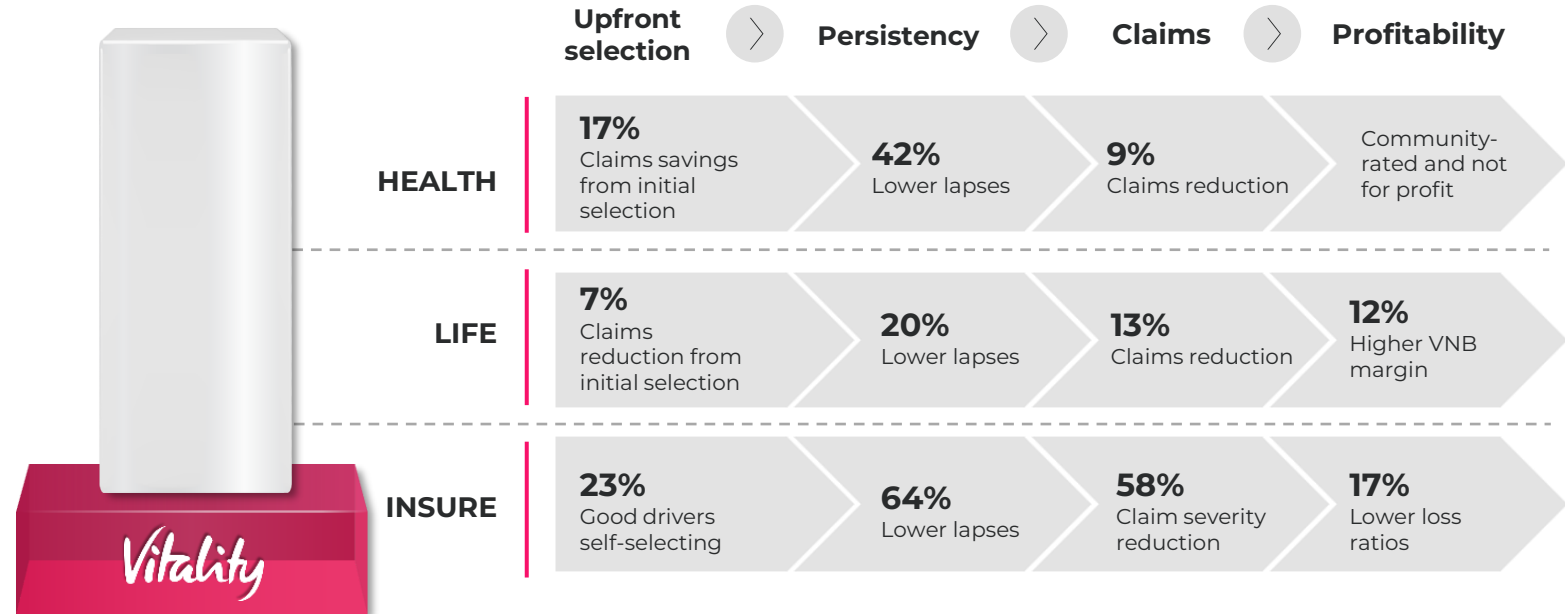


Organic growth engine

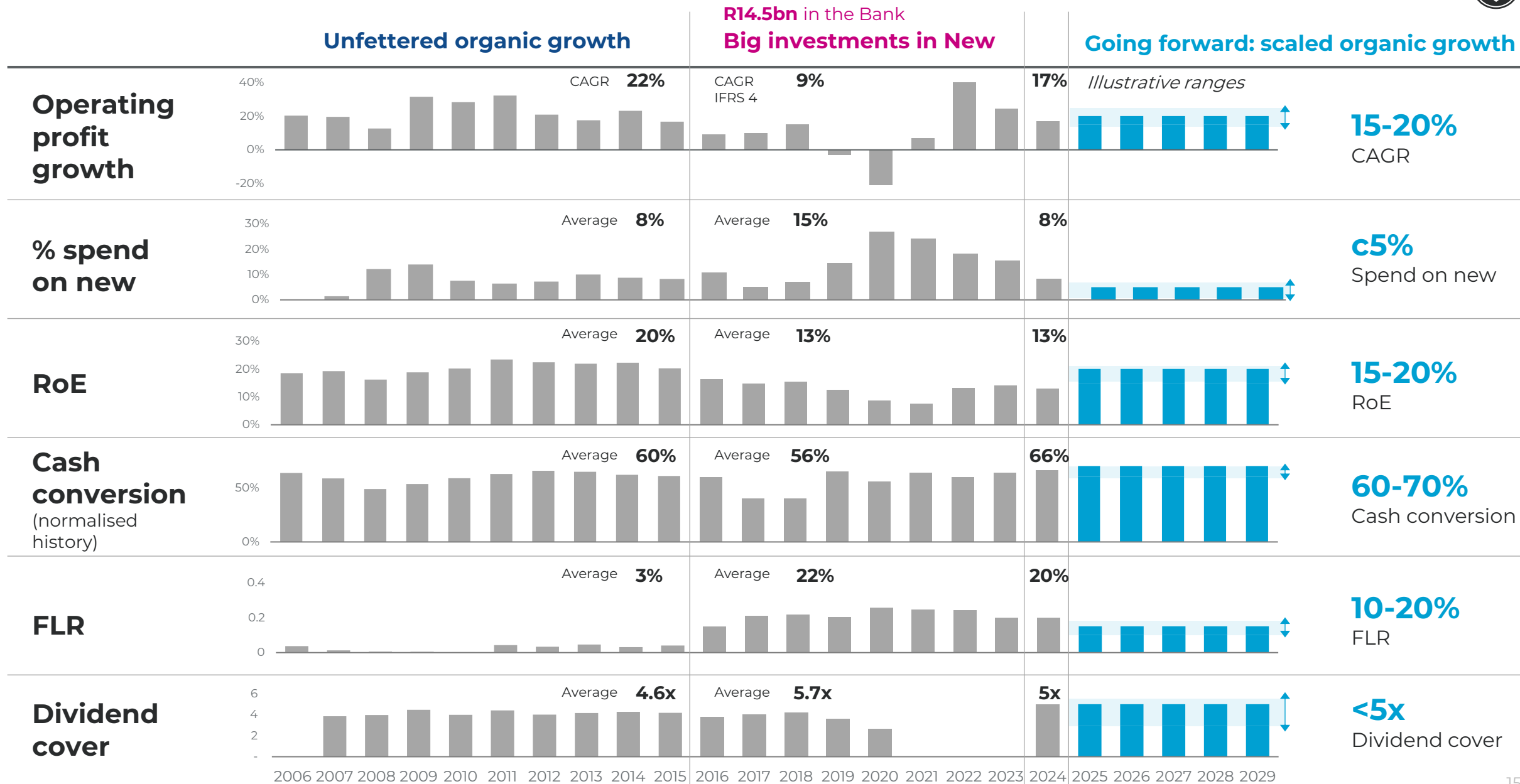


Vitality shared-value business model

Consistent value drivers across the business yielding superior outcomes relative to traditional insurance books



Entering a new phase of growth



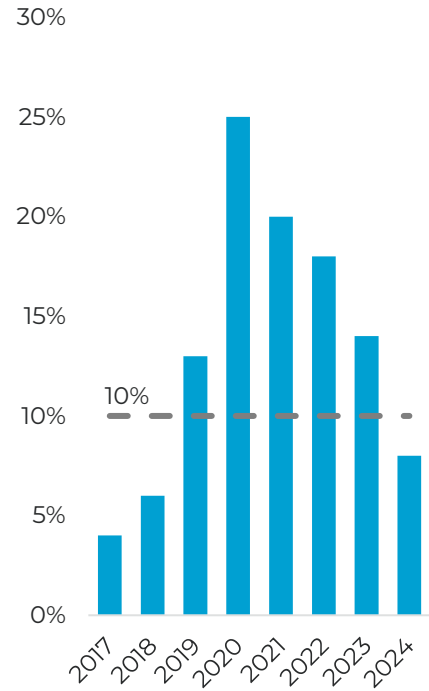
Forward looking information on this slide is for illustration and has not been reviewed or reported on by the auditors and reflects the average expected over the time frame

The new phase should result in an improving central cash position



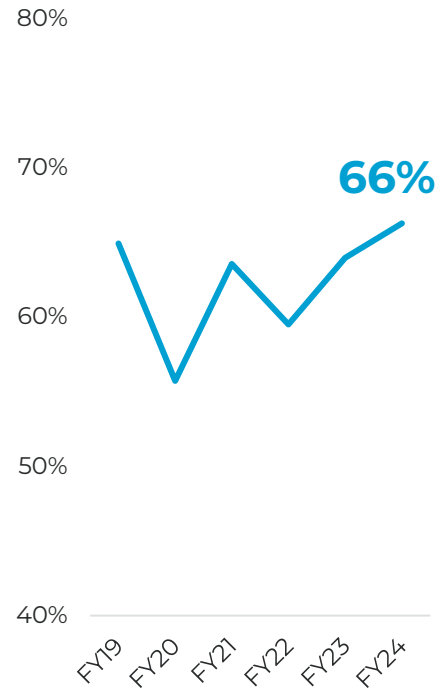
Decreasing spend on New initiatives

% earnings on new



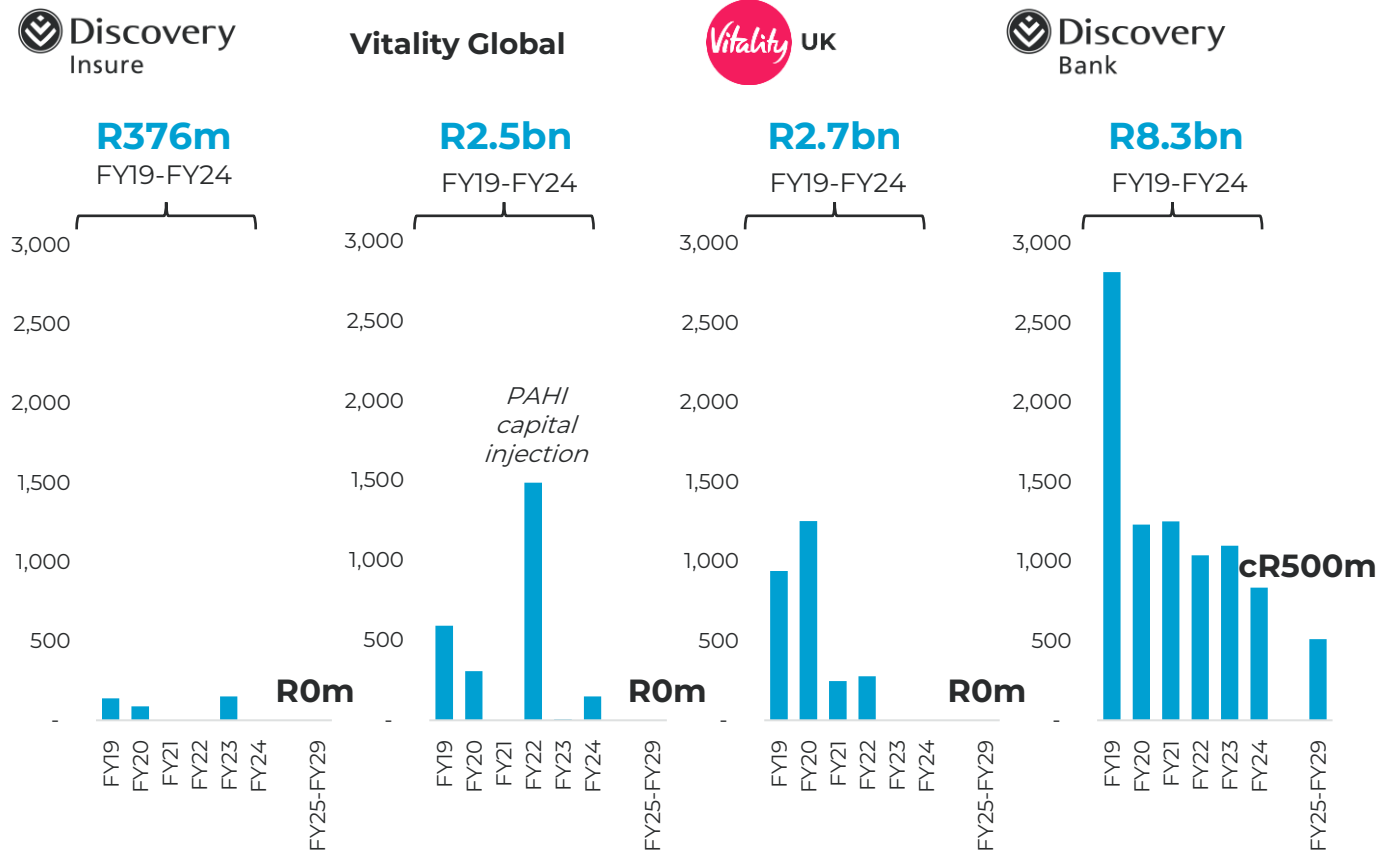
Improving cash conversion

Cash conversion



Reducing demand for cash from the centre

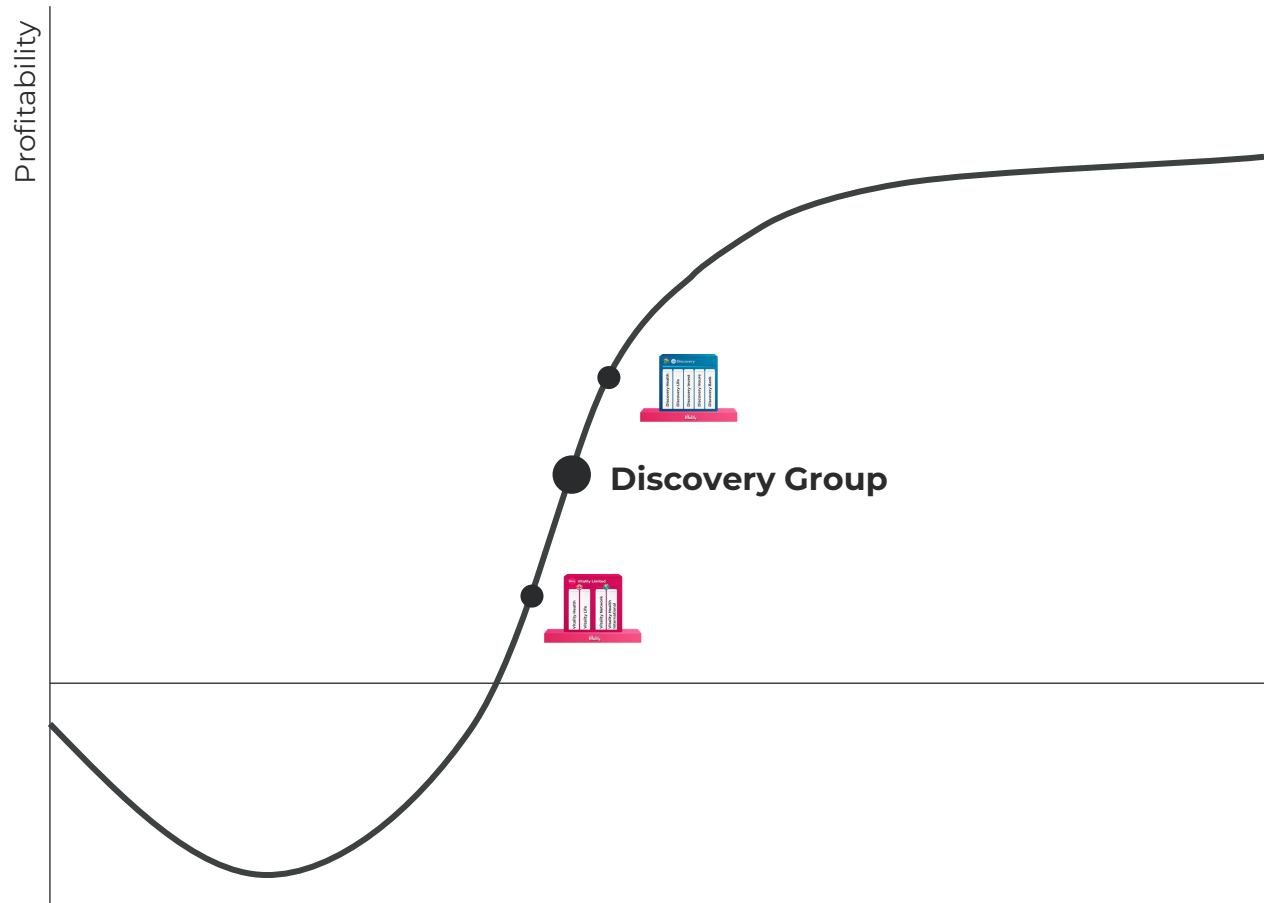
Cash from the centre, Rm



Well positioned for future growth



Expect continued organic growth



Inherent organic growth from Bank and Vitality Limited:



12.5% to 17.5%
average earnings
growth p.a.
(FY25-FY29)



20% to 30%
average earnings
growth p.a.
(FY25-FY29)

The effect of behaviour change exceeds expectations

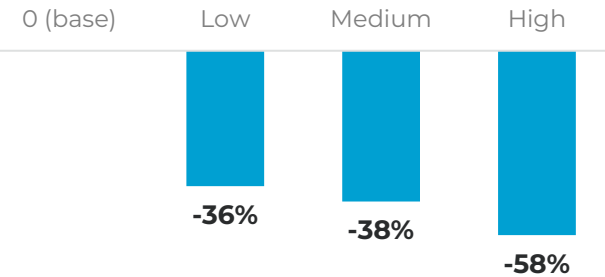


Physical activity has a significant impact on mortality and increases by age

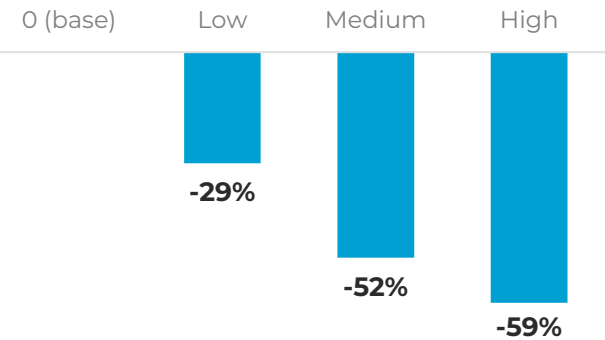
Physical activity has a significant impact on healthcare costs

Effects of behaviour change increase with age and chronicity

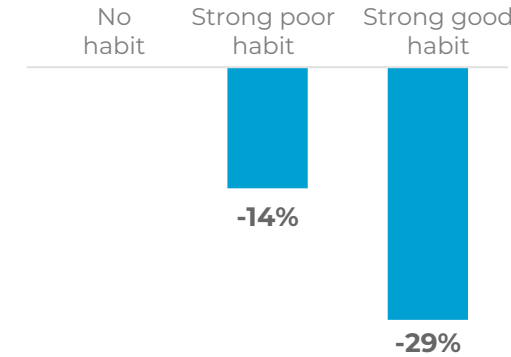
Relative mortality for the 45-65 age group



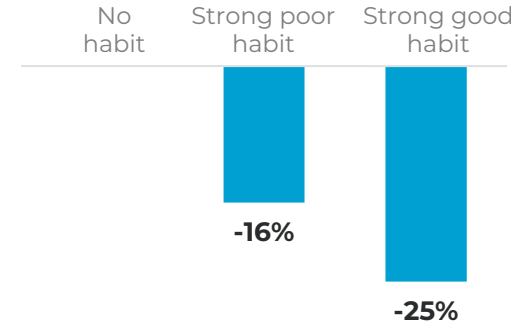
Relative mortality for the 65+ age group



Relative reduction for the 45-65 age group

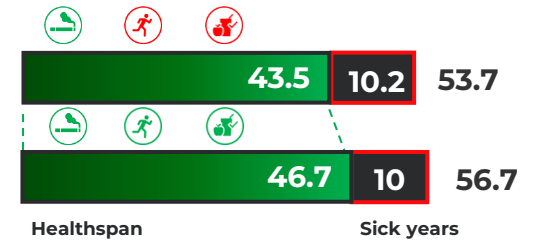


Relative reduction for the 65+ age group



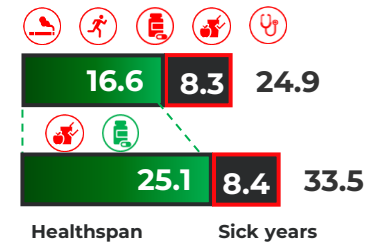
Young moderately healthy 30-year-old

+7%
increase in healthspan



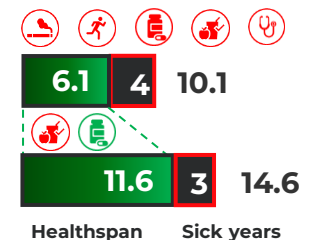
Middle age unhealthy 50-year-old

+51%
increase in healthspan



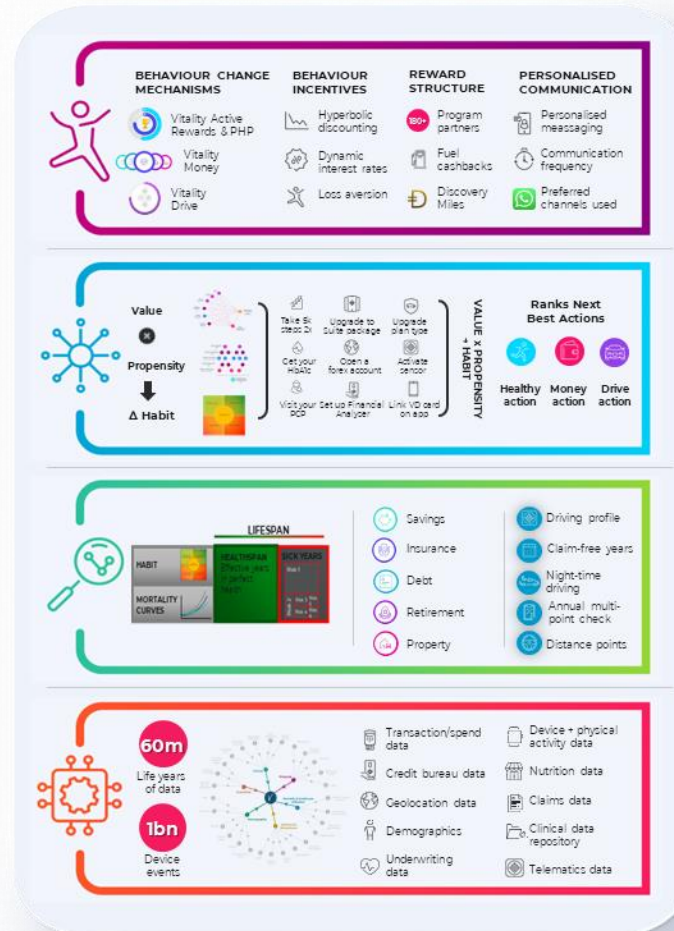
Advanced age unhealthy 70-year-old

+90%
increase in healthspan

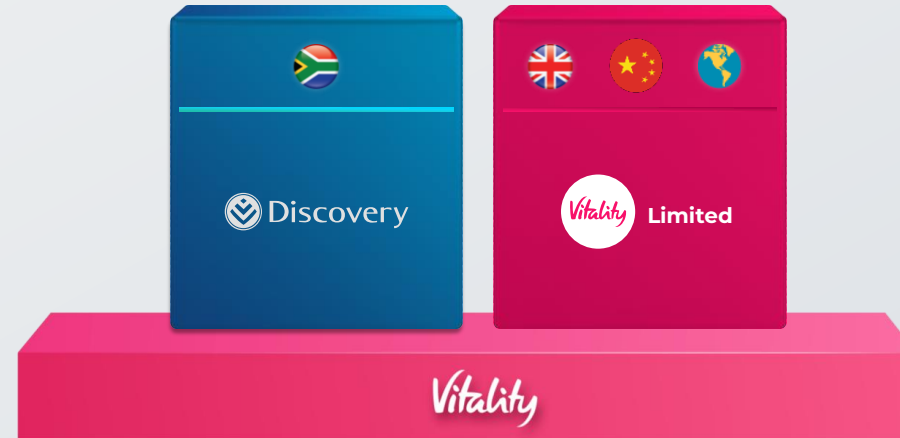




Evolving the shared-value model to engage members in a personalised programme



Go for a mammogram
By 13 August



Creating two distinct businesses with significant ambition and a common business model

Consolidating Vitality UK and Vitality Global to achieve two clear composites with competitive advantage



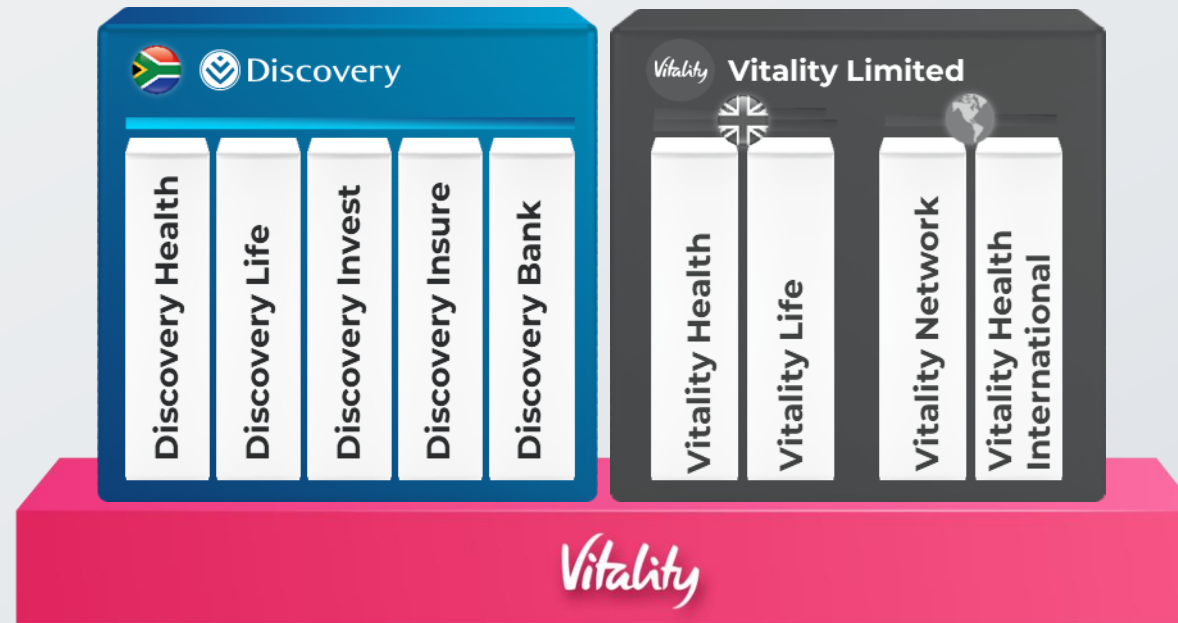
Ambition:

Leading financial services group in SA via the consistent application of the Vitality Shared-value Insurance model, ensuring every business is a market leader in its category and integrates with other businesses in the Group to benefit customers; and a best-in-class bank that enables the composite via its unique payment systems, ecosystems and shared currency



Ambition:

Leading international insurance group that revolutionises insurance through the scaling of the Vitality Shared-value Insurance model, utilising the UK – and the institutional structure and strength of its insurance businesses – as the centre of excellence and epicentre for R&D, together with partnerships with the best insurers globally



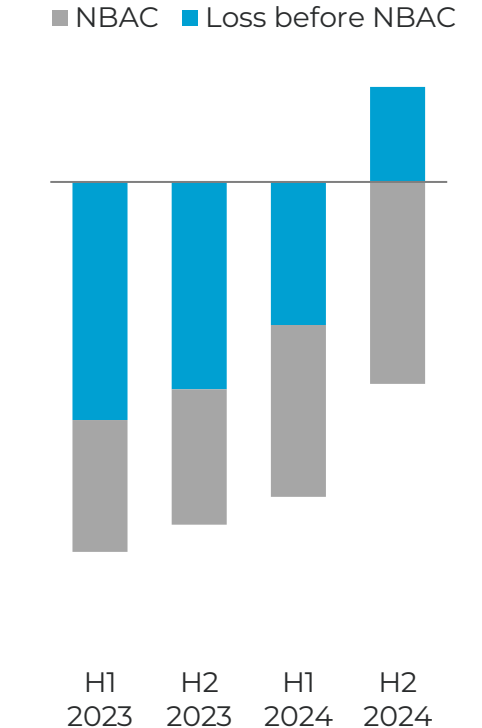
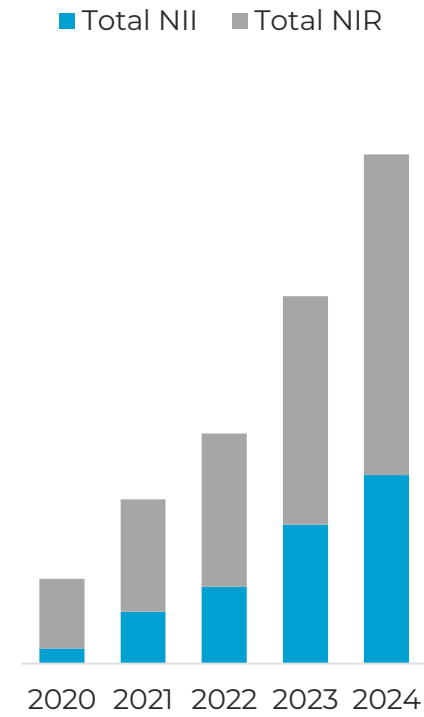
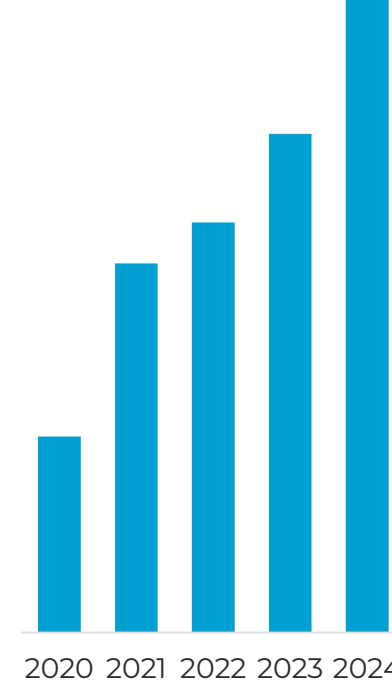
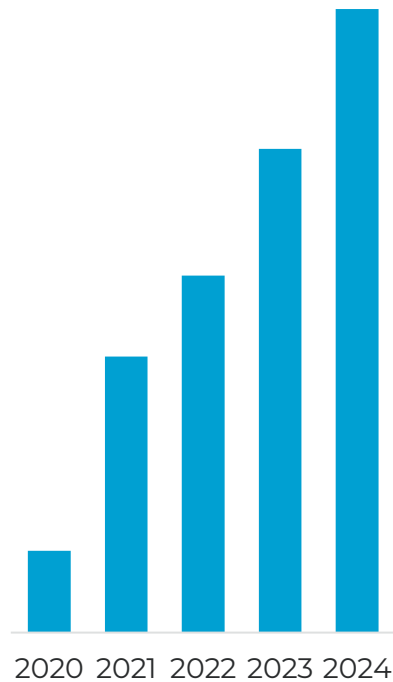
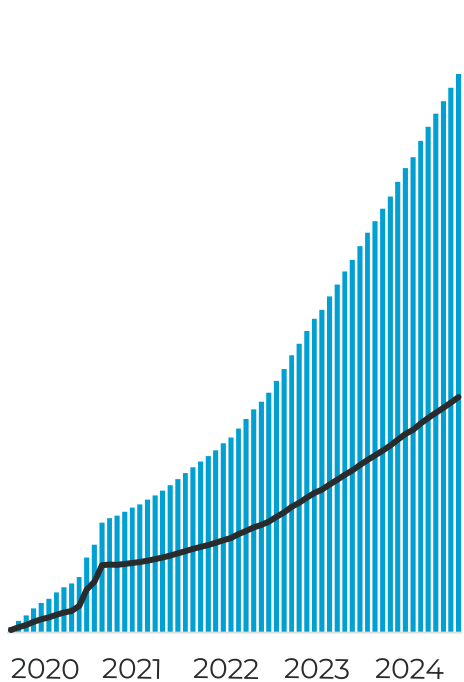
Discovery SA





Total clients	Total accounts	Retail deposits	Advances	Revenue (NII + NIR)	Operating result
+36% to >950k	+40% to 2.3m	+29% to R18.5bn	+27% to R6.6bn	+41% to R2.1bn	+41% to (R454m)
					+89% to (R52m) Before NBAC

■ Total Accounts — Total Clients



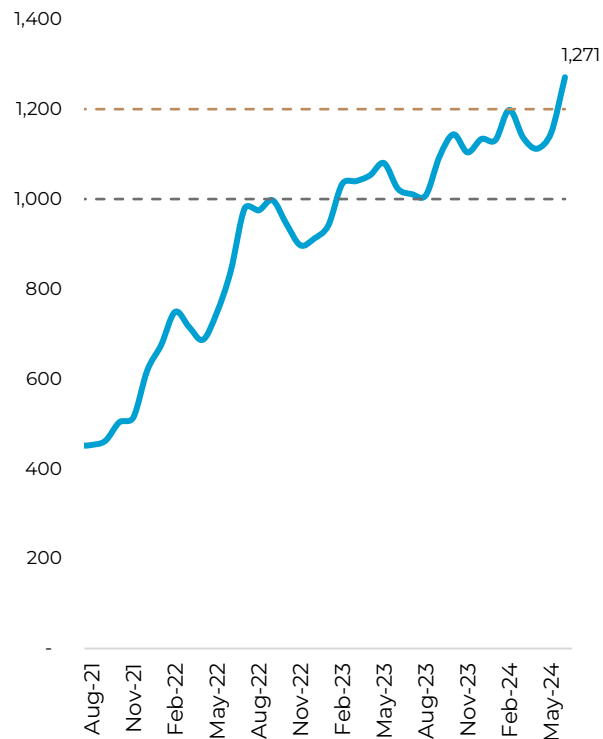
Strong and quality new business growth from multiple sources



Accelerating growth in sales

±1,100 sales per day

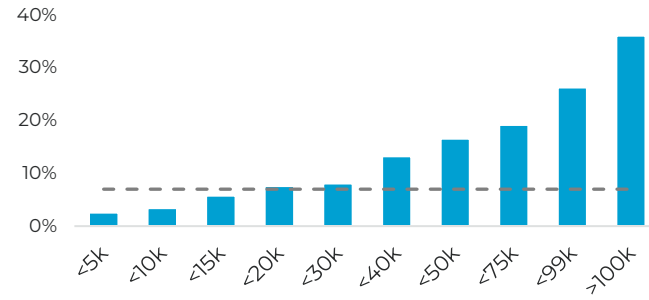
3-month moving average; per business day



Relevance across demographic groups

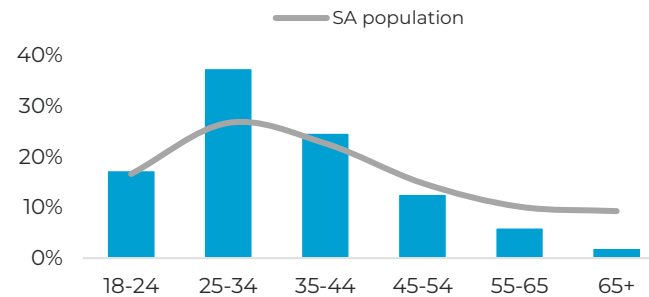
Credit card new business by income

#1 market share in affluent, and one of the leading banks in mass affluent



New business by age group

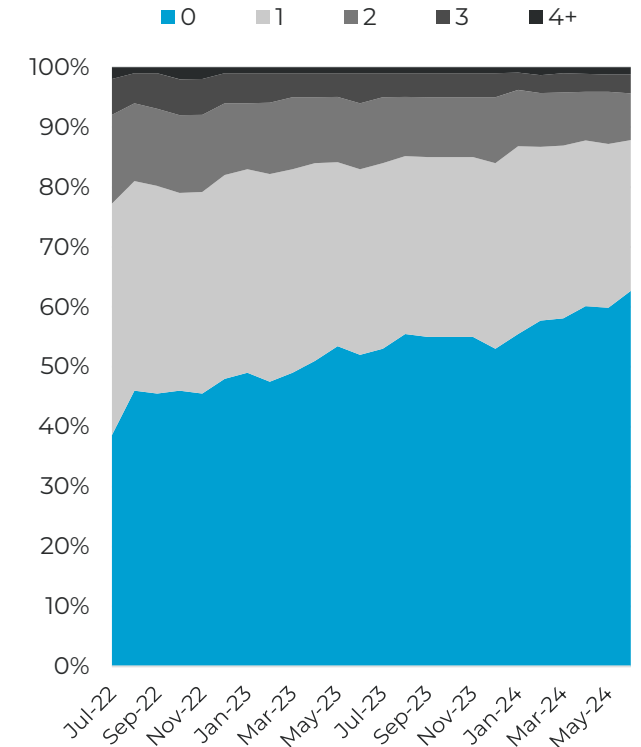
High share of new business from young adults



Majority new to Discovery

58% of new business is new to Discovery

Number of other Discovery products



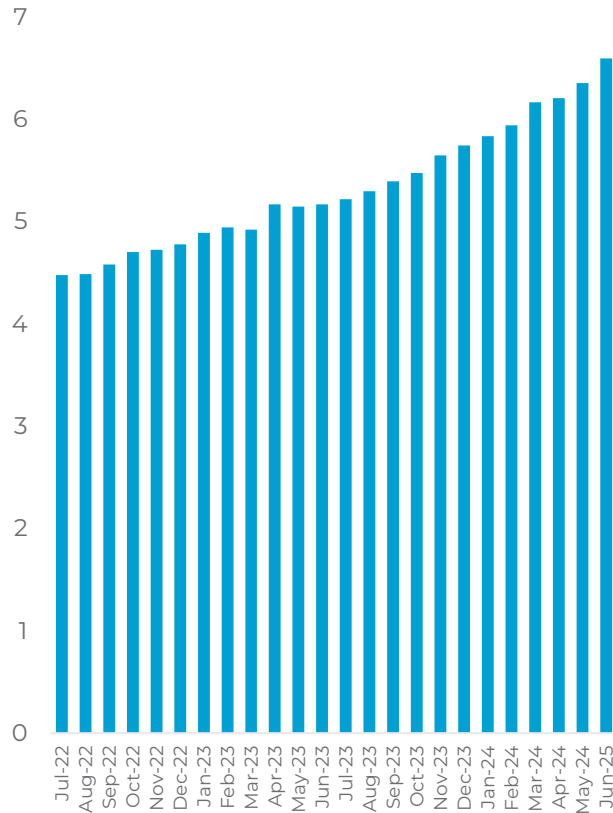
Maintained focus on credit book growth and quality



Strong growth in advances book

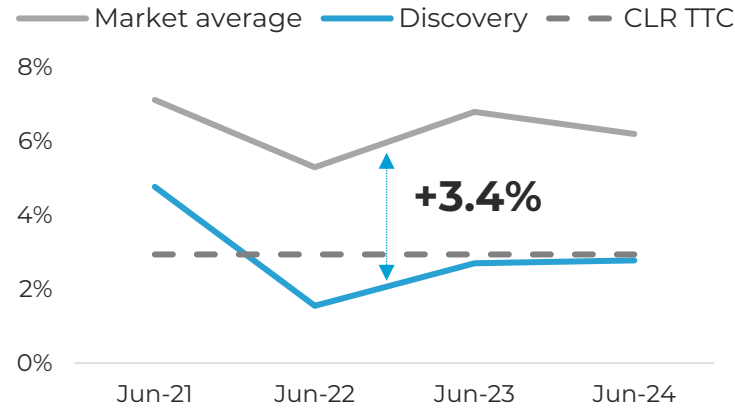
Advances, Rbn

+27%

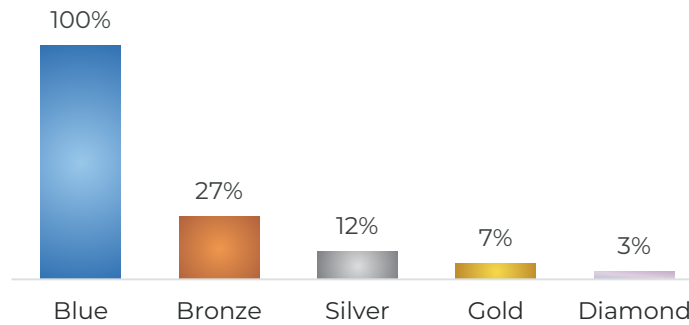


Better than market credit losses driven SVM

Credit loss ratio vs market¹



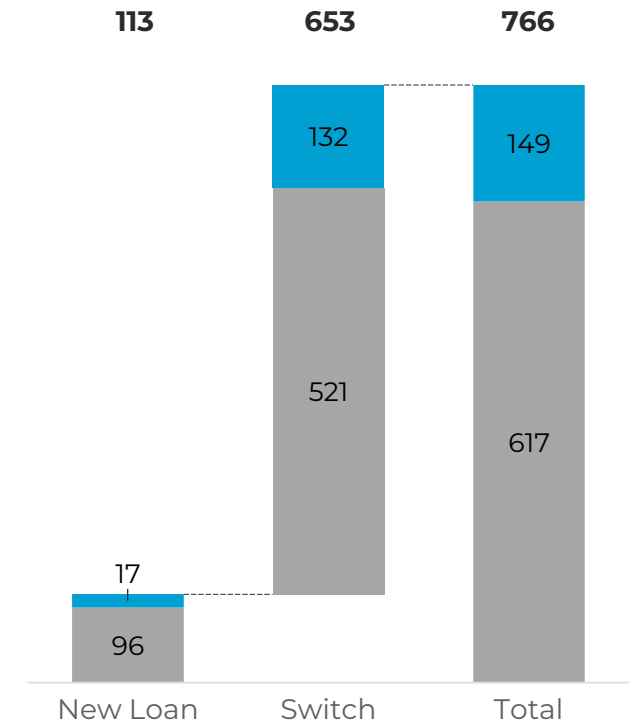
Credit loss ratio by VM status



Promising home loans book and pipeline

Value of home loans disbursed, Rm

Loans Disbursed (Blue) | Approved - legal finalisation (Grey)



¹ Market average Credit Loss Ratio based on the latest results of the top 5 banks in South Africa

Best bank brand driven by disruptive products and superior service



Established market leadership



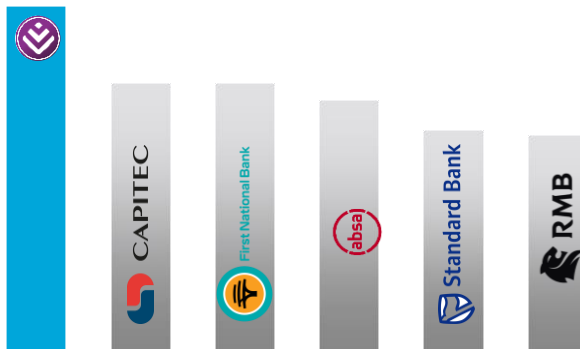
Best in retail banking



Best in private banking



Smart, simple and easy products



Best service and experience metrics



Top private banking provider



Excellent benefits and rewards



Best emotional experience



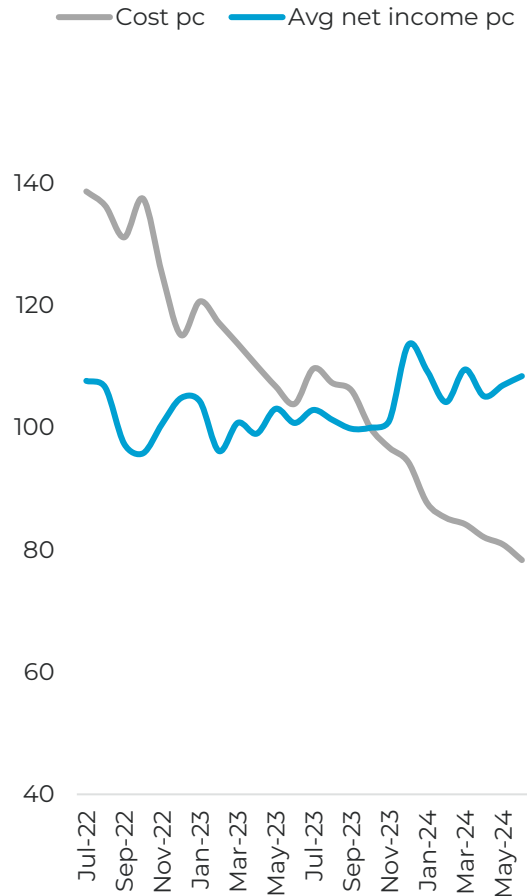
Best relationships with clients



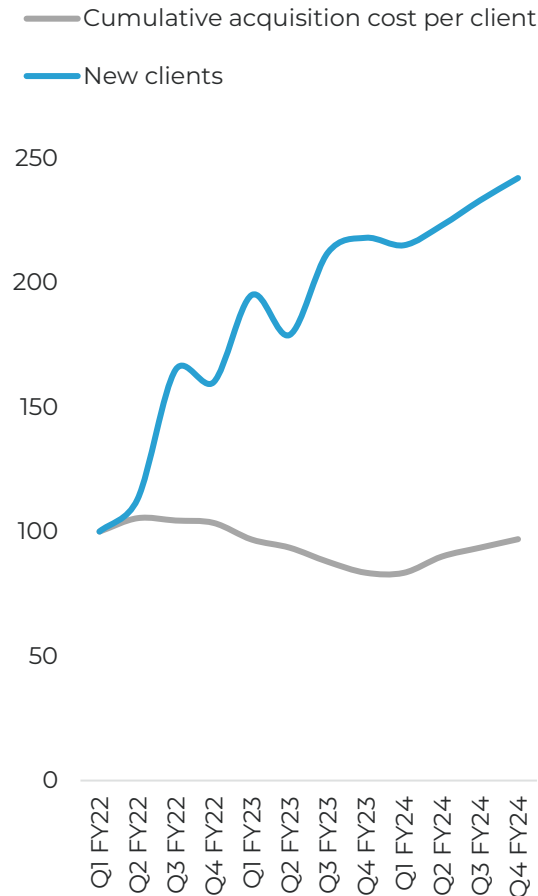
Declining costs-to-serve leading to operational breakeven



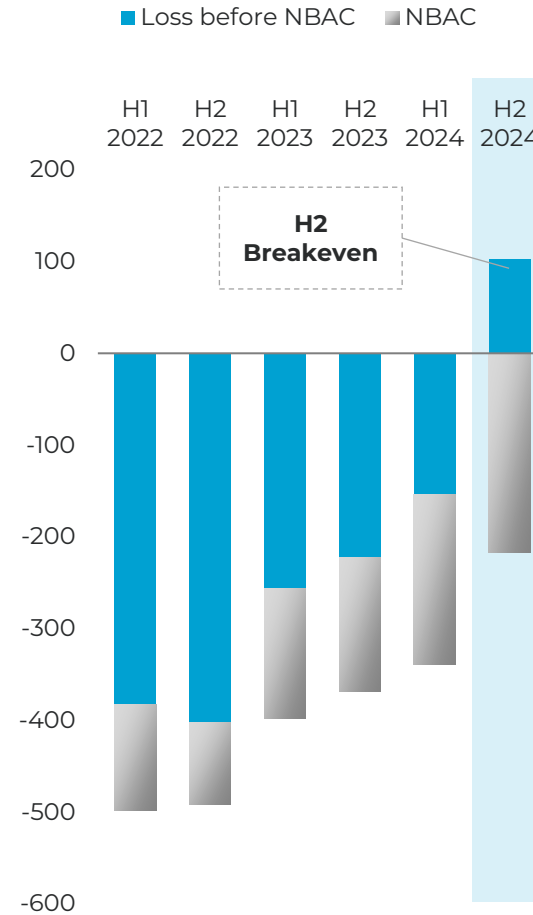
Positive jaws from cost vs income



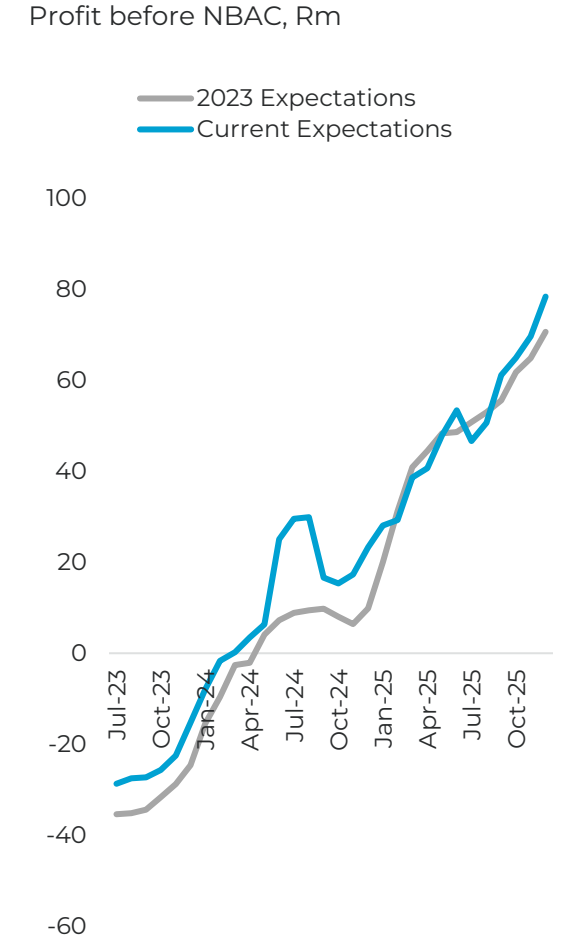
Stable NBAC per client as the bank grows



Strong operating profit with H2 breakeven



Reaching breakeven earlier than expected



Note: Jaws graph indexed to October 2023. New clients and NBAC per client graphs indexed to Q1 FY22
 Forward looking information on this slide is for illustration and has not been reviewed or reported on by the auditors

High quality bank with bold goals



Attributes driving growth

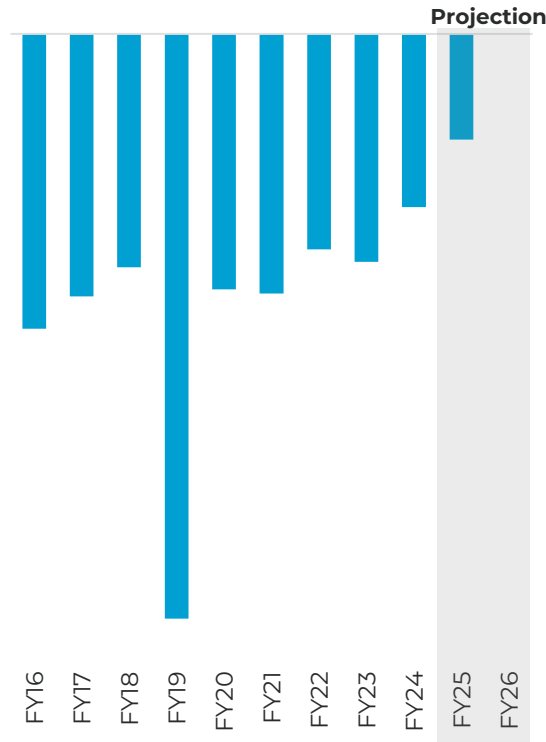
Reducing capital needs

Driven by bold ambition

- 1 High-quality clients**
 - **±50%** credit, suite and transaction bundled
- 2 Deposit-led growth**
 - **Advances to Deposits** ratio less than **40%**; deposit growth rate is 7% higher than the advances growth rate providing a strong funding position
 - **+15%** above FY24 target
- 3 NIR-driven income**
 - **±8%** growth in **average net income per client** from FY23 to FY24 resulting in **45% NIR growth**
- 4 Operational scalability**
 - **Cost-to-Income** ratio improvement by **±15%** from FY23 to FY24
- 5 Optimised profitability**
 - **89%** growth in profit/loss before NBAC between FY23 and FY24

Capital invested, Rm

R14.5bn
(nominal)



R400m

operating profit growth p.a.

Targeting

2m clients and R3bn in profits

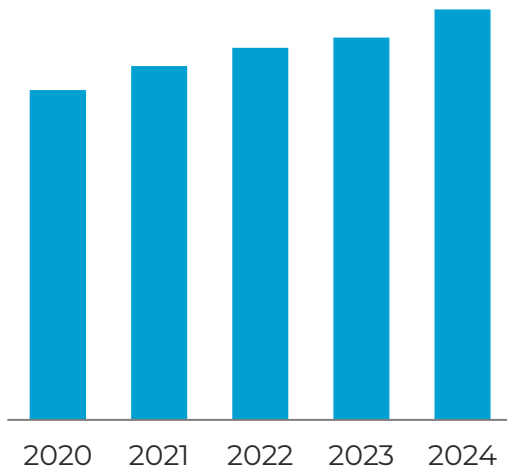
in FY29





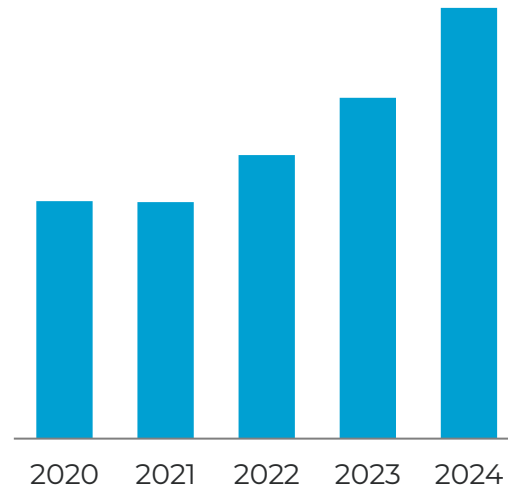
Operating profit

+7%
to R3 972m



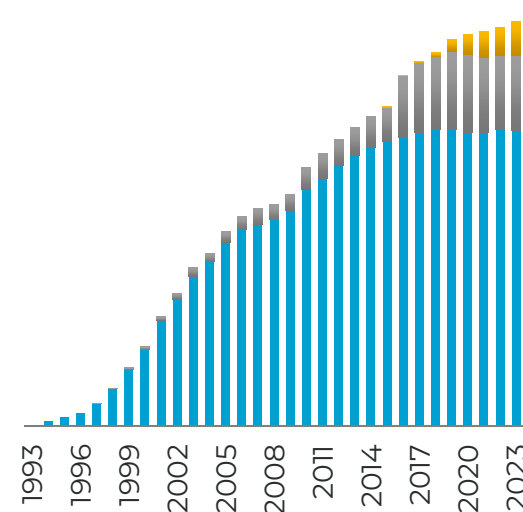
New business

+26%
to R11 069m*



Membership

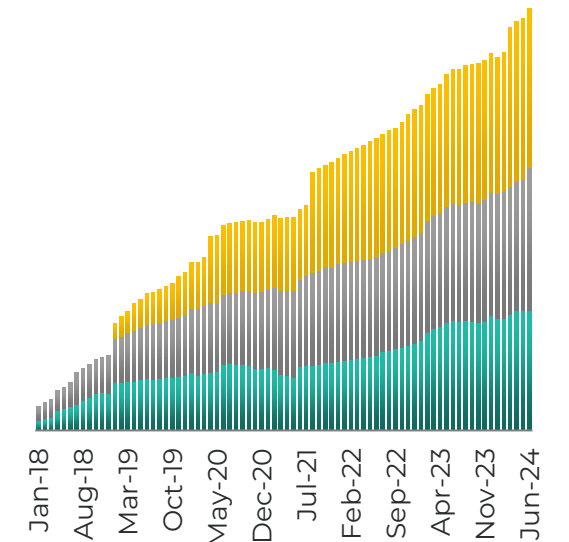
>3.9m
Lives under administration



- Non Scheme Products
- Restricted Schemes
- DHMS

Non-scheme growth

+16%
>370k lives



- Flexicare
- Gap Cover
- Healthy Company

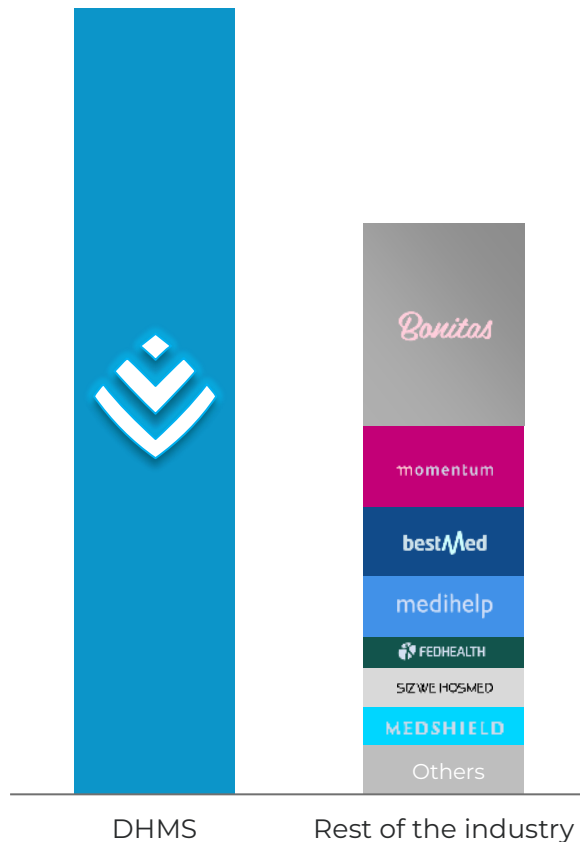
*Sasolmed contributed R2 510m to new business for FY2024

Discovery Health Medical Scheme: continued excellent performance in a complex environment



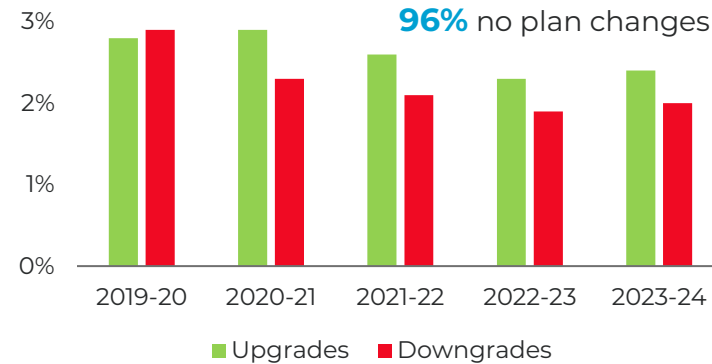
Membership

57.9% market share

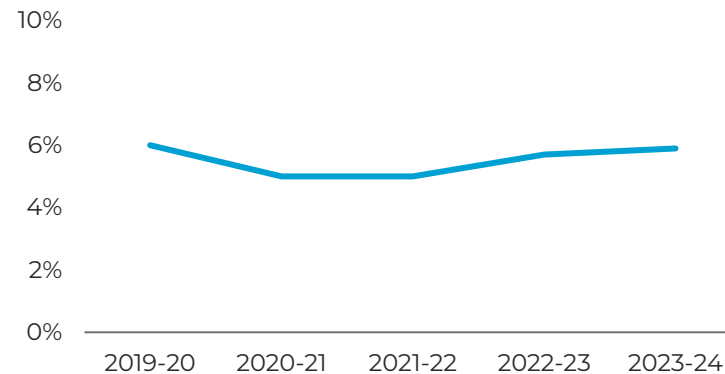


Customer satisfaction

Low proportions of members change plans, with more members upgrading than downgrading:



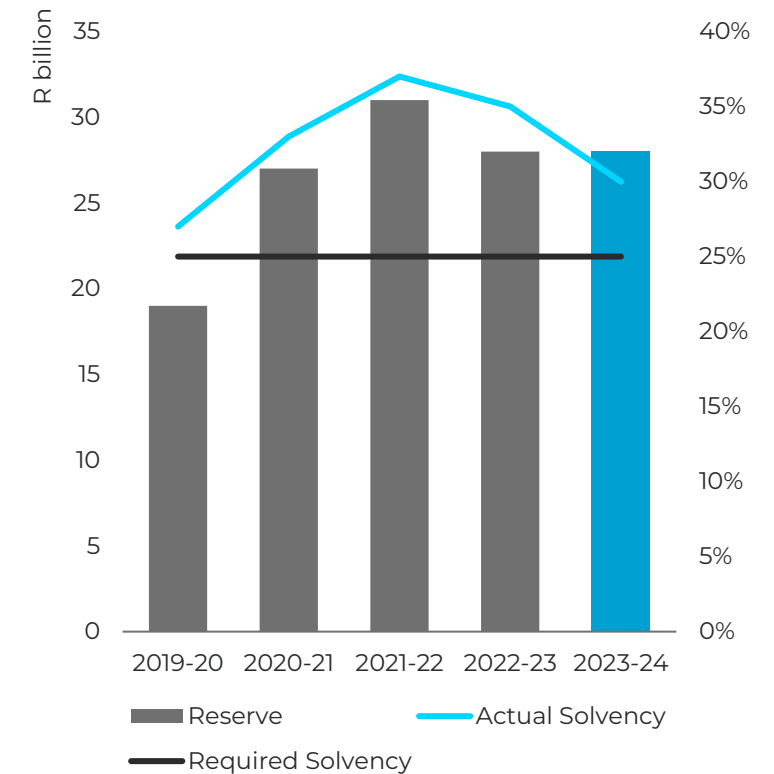
Lapses continue to remain stable



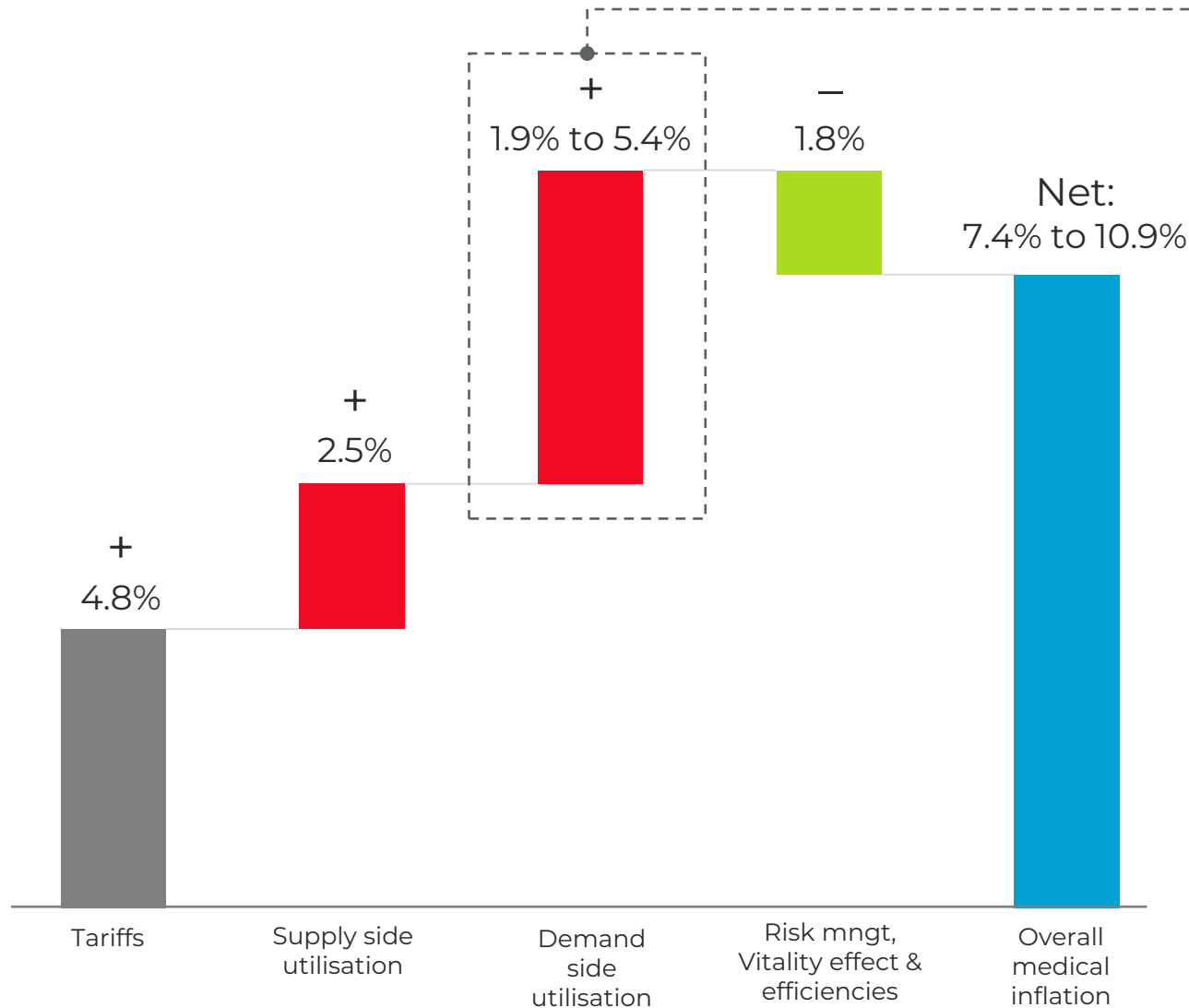
Solvency

R28.4bn
30%
AAA


projected unaudited reserves
projected unaudited solvency
credit rating



High utilisation driving medical inflation



Demand side utilisation ranges from 1.9% to 5.4% depending on the plan type, with an **average of 4.1%**

- 1 Increased ageing** of the scheme contributes **47%** to the demand side utilisation
- 2 Increasing chronicity** accounts for **15%** of the demand side utilisation*
 -  *Chronic beneficiaries have grown from 15.8% in 2008 to 33.1% in 2024*
- 3 The buy-down effect & plan mix** contributes **38%** to the demand side utilisation

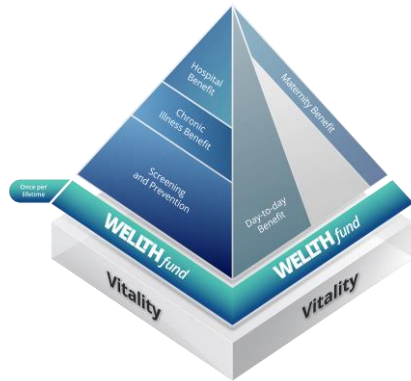
Over the last 10 years, c39% of demand side impact is due to adverse selection

*The increasing chronicity captures the increased chronic prevalence over and above what is expected due to the increased aging

Discovery Health actively addressing the issues of an ageing scheme and increasing chronicity

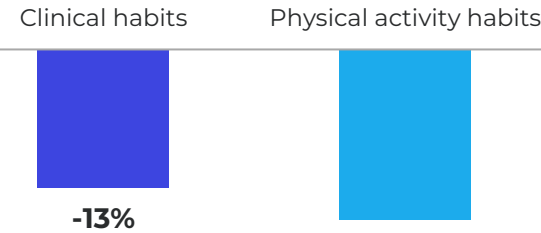


Attracting young professionals

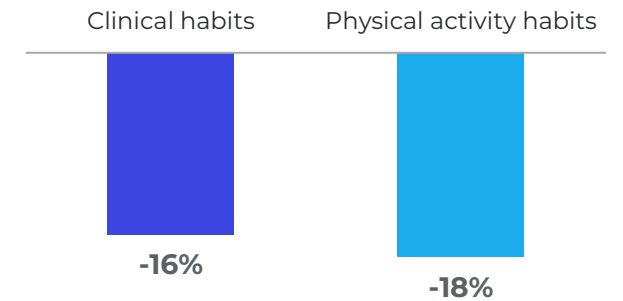


Addressing chronicity

Relative in-hospital cost reduction moving from poor to strong habit



Relative mortality reduction moving from poor to strong habit



Introducing **ACTIVE SMART**

Most affordable plan at **R1,350** per month

Rich rewards through **Vitality & Vitality Active**



75% OFF
Gym membership



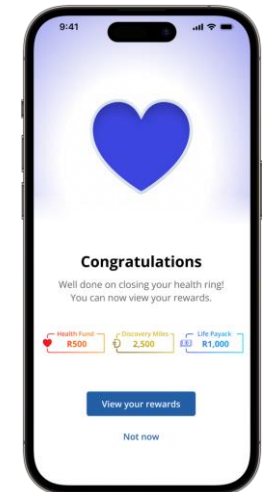
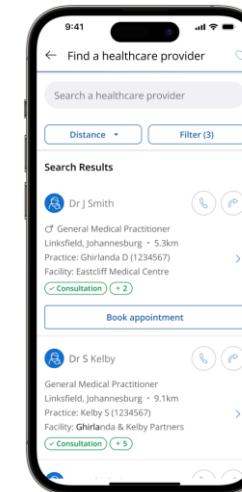
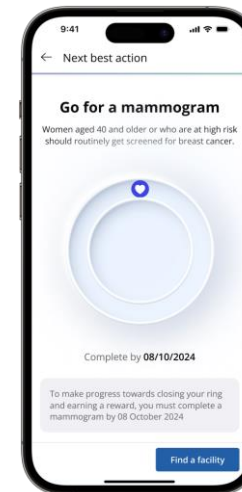
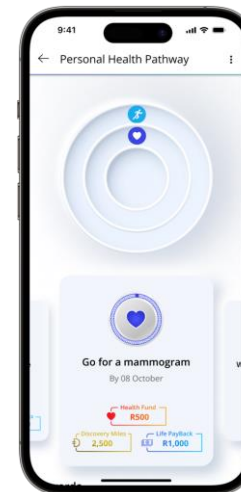
FULLY FUNDED
Fitness device



25% OFF
Healthy food



24 FREE VISITS
At other fitness facilities

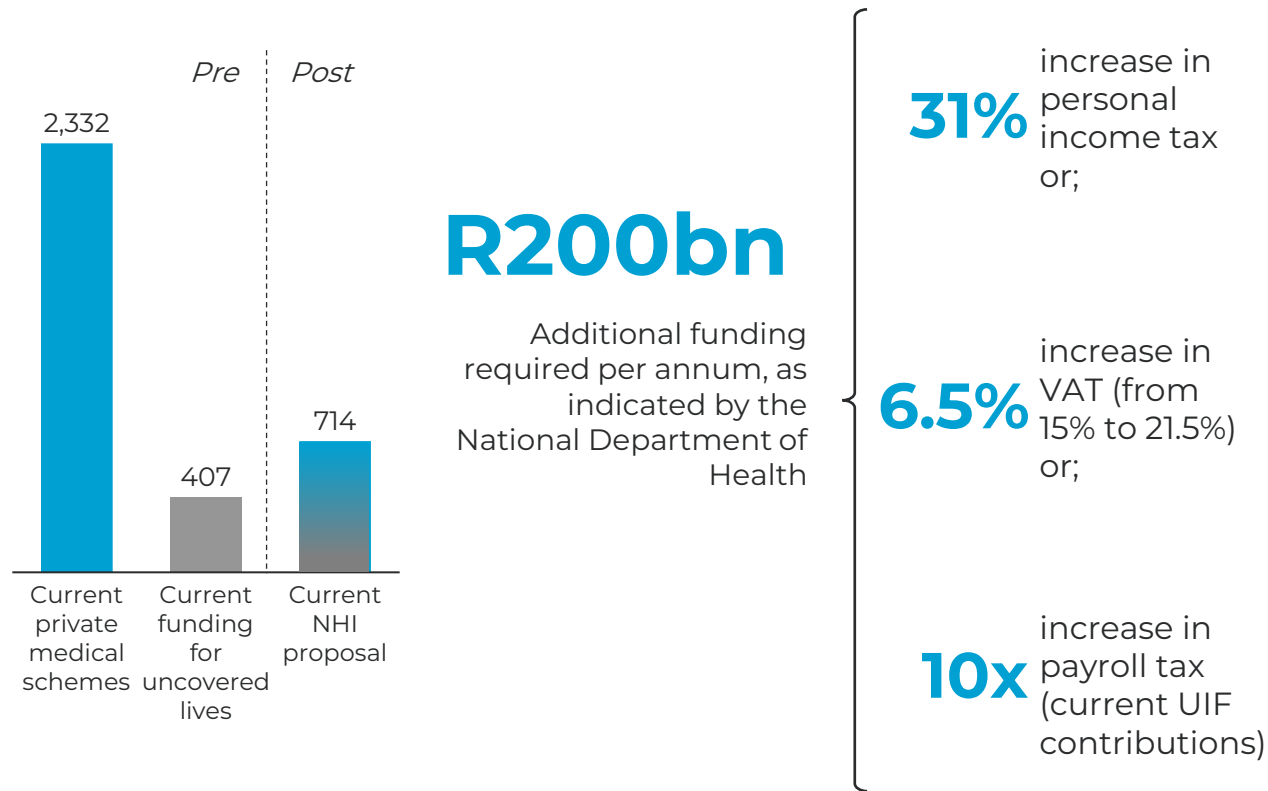


Additional tax revenue assumed by NDoH is not sustainable



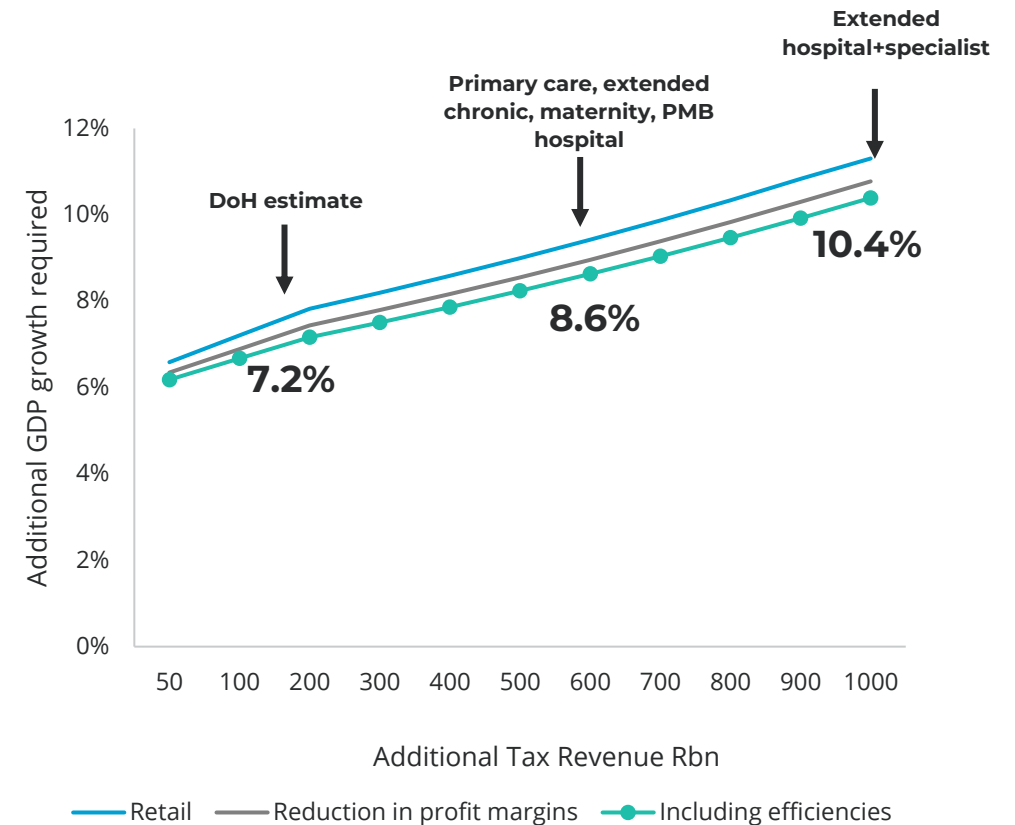
NHI scenario relies on R200bn additional tax revenue

Healthcare cost (ZAR)



Economic growth would enable greater social spending

Required additional annual GDP growth over a 20-year period



Section 33 is the pinch point to allowing private sector collaboration; there are a number of other complex and critical areas in the act



33. **Once** National Health Insurance has been fully implemented as determined by the Minister through regulations in the *Gazette*, medical schemes may only offer **complementary cover** to services not reimbursable by the Fund.

1. Until the NHI is fully implemented, **there are no restrictions on medical schemes**
2. When it is fully implemented, complementary cover may be added – **key question: how comprehensive will NHI be?**





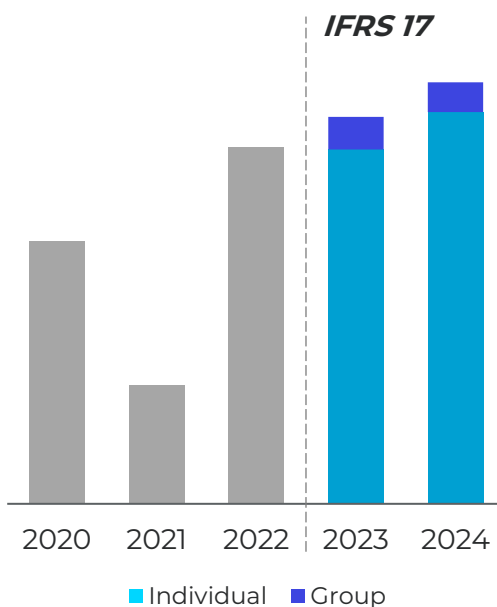
Normalised operating profit

+9%

to R4 765m

Individual life:

+11%



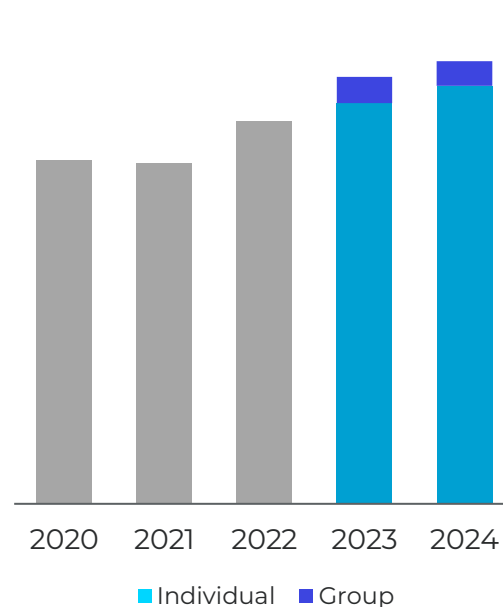
New business

+4%

to R2 942m

Individual life:

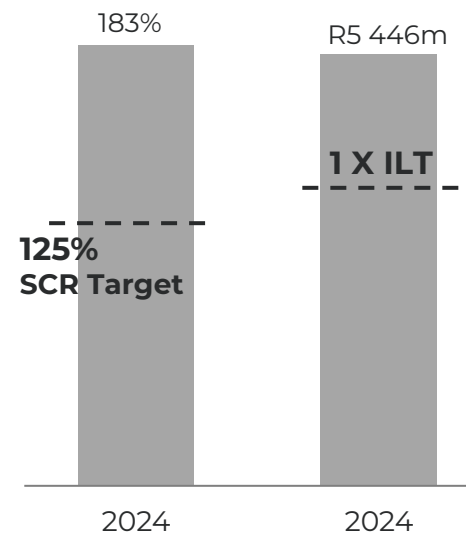
+4%



Strong capital and liquidity

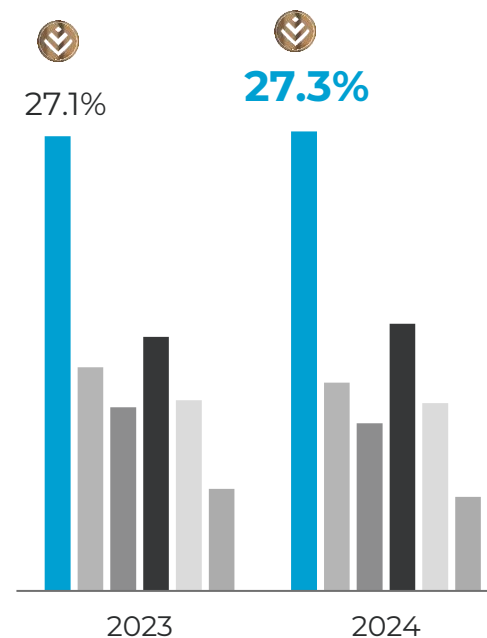
SCR coverage

Liquidity coverage



Maintained leading market share

12 months to June 2024



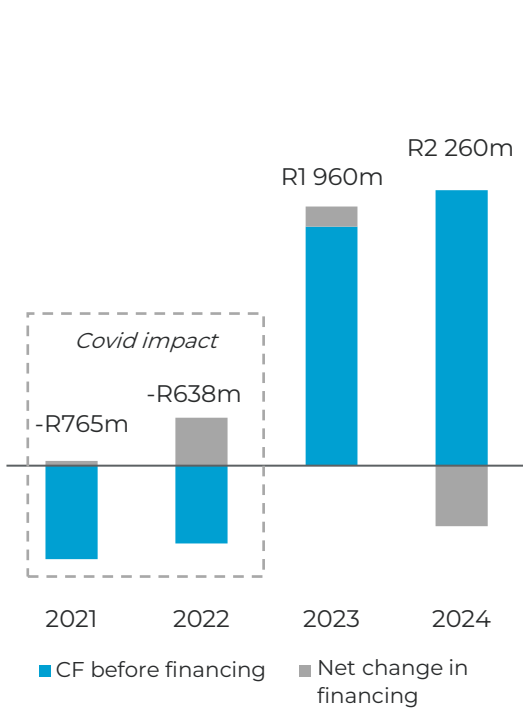
Strong EV growth and improvement in VNB margin



Strong cashflow generation

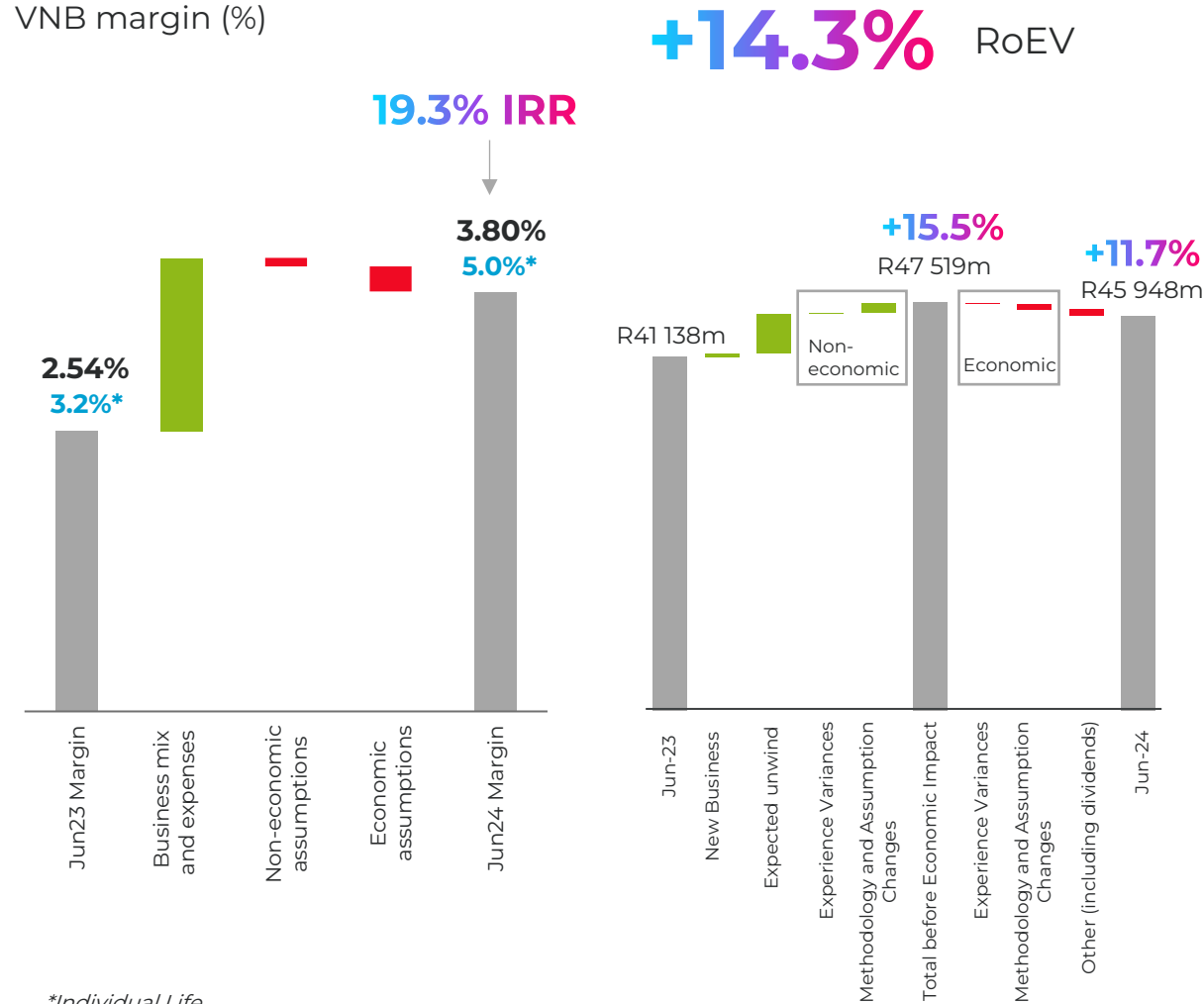
Life and Invest cashflow **in excess of 35%** of net of tax normalised earnings

Cashflows before financing



Improvement in VNB margin

VNB margin (%)

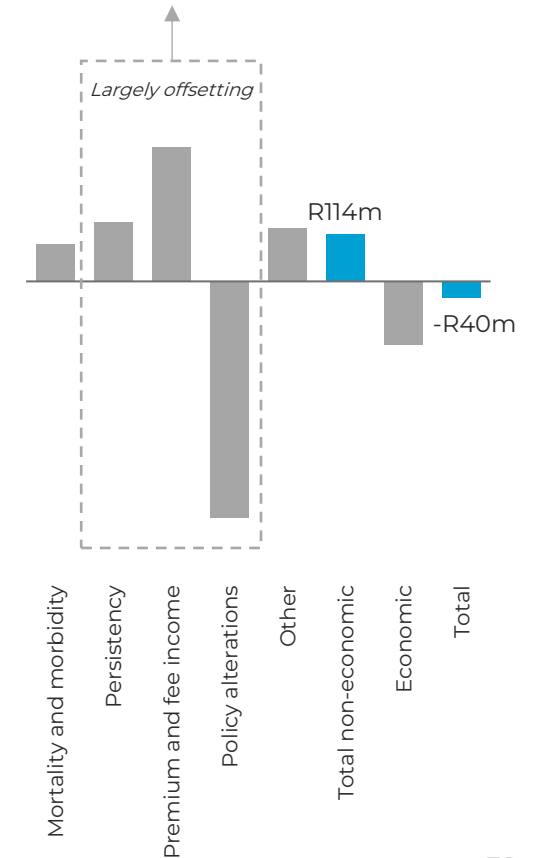


Strong EV growth

Operating variances

Discovery Life Ltd variances, Rm

Impact of basis change: R1.2bn on EV, R2.8bn on balance sheet



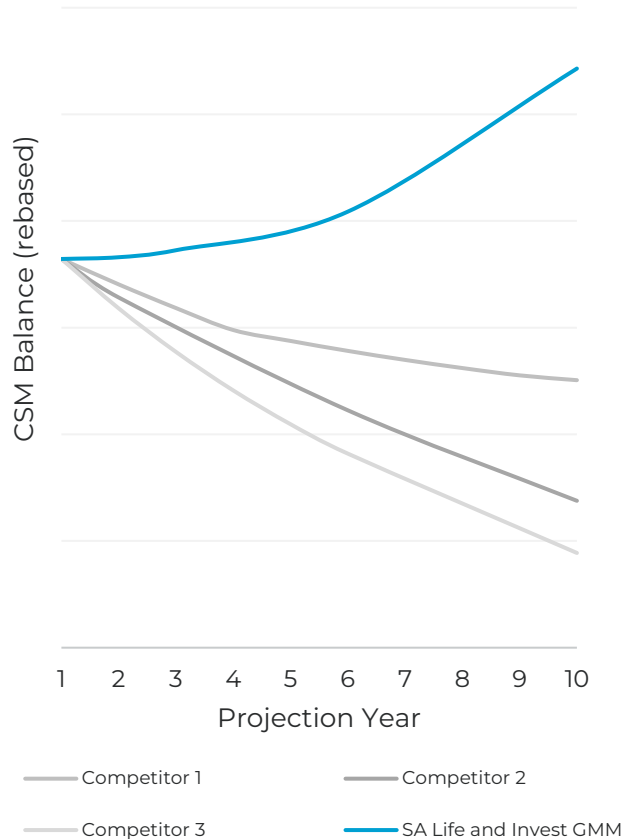
*Individual Life

Actual value generation of business under IFRS 17



Positive margin dynamics

Comparative non-economic margin¹ runoff excl new business

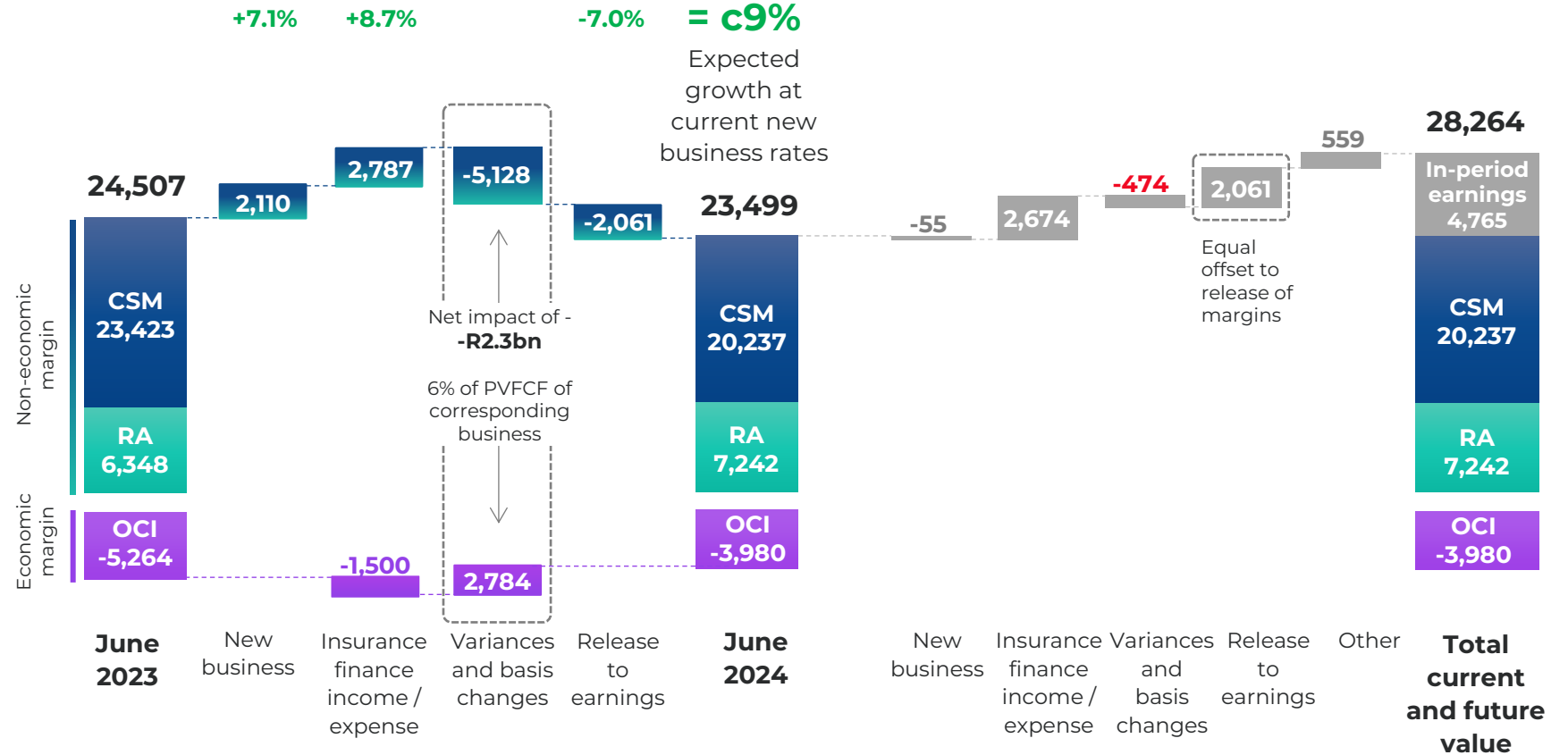


Store of value at start of period plays out as earnings during the period plus store of value at end of period (Rm)

IFRS 17 stored margin absorbs basis change²

Stable earnings growth³

% Growth



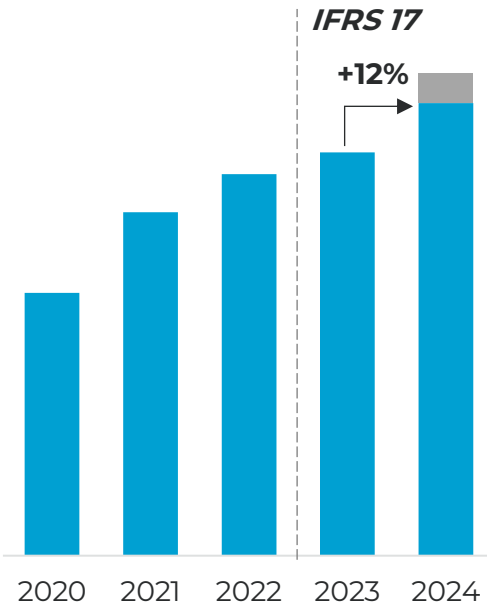
¹ Represented by DSY and competitor CSM balances rebased to the same starting level for comparative purposes; ² SA Life and Invest (risk) portfolio; ³ SA Life Segment





Normalised operating profit

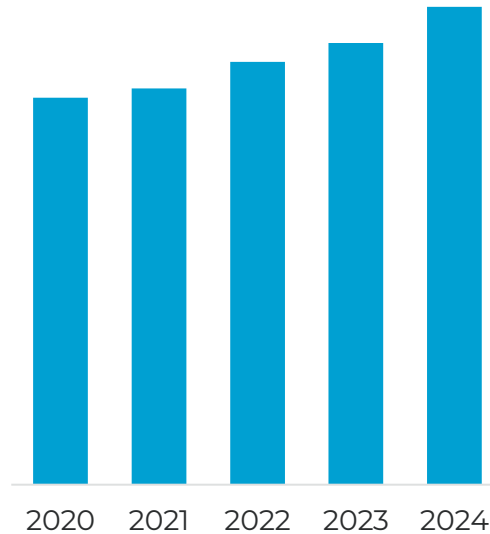
+20%
to R1 522m



■ Rebased profit release profile (guaranteed bonds)

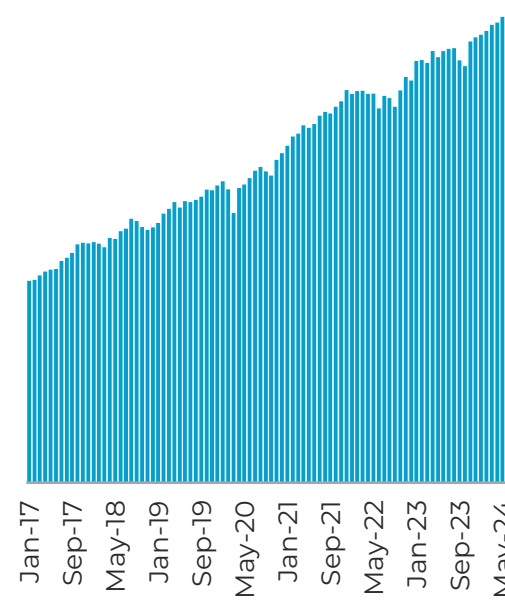
New business

+8%
to R3 300m



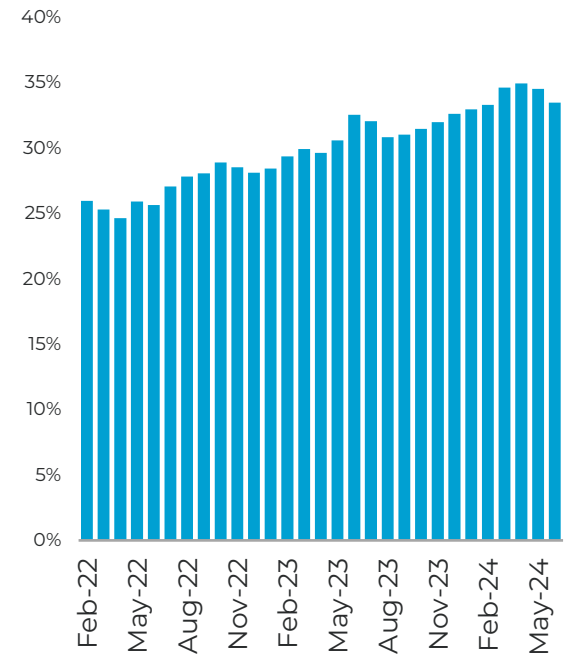
Assets under administration

+11%
to R155bn



Positive shift in product mix

% AuM in offshore funds

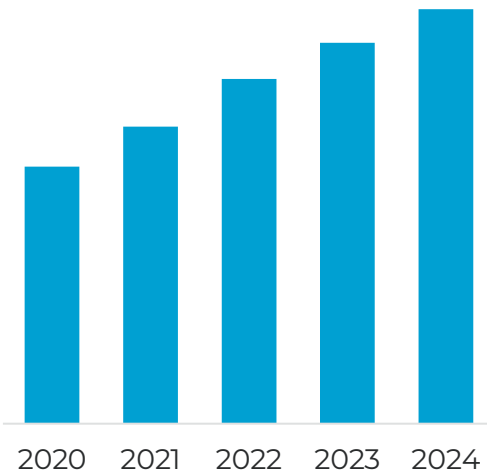






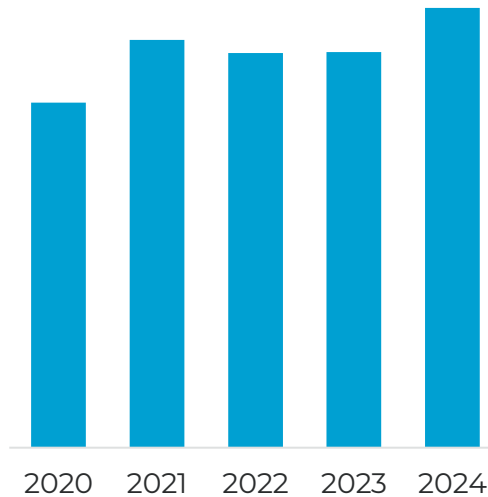
Gross written premium

+9%
to R5 726m



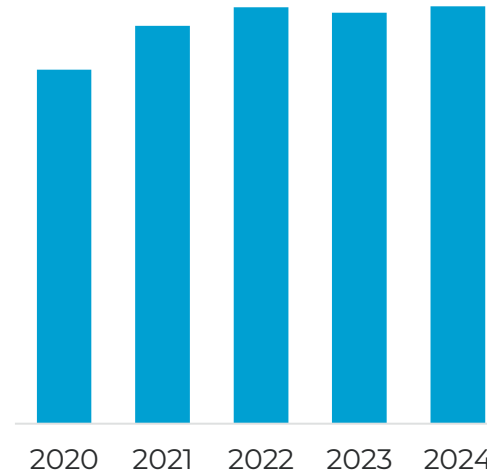
Gross new business

+11%
to R1 388m



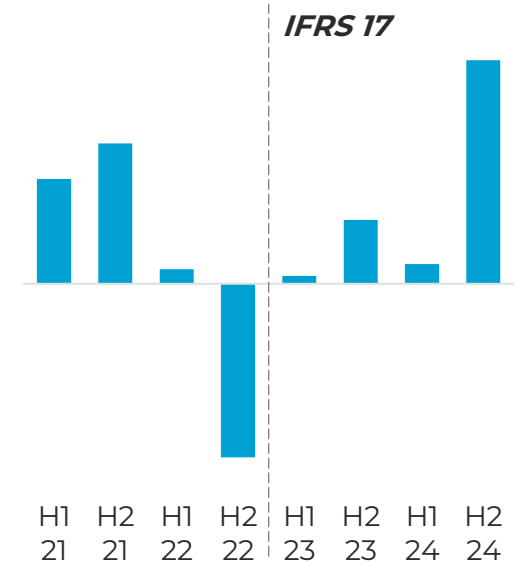
Vehicles insured¹

+2%
to 288 120



Normalised operating profit

+240%
to R248m



¹ Prior years have been restated to exclude vehicles that remain on Discovery Insure's books without cover during the Gap in Cover period

Vitality Car Rating underpinned by rich dataset, enabling an opportunity to disrupt the second-hand vehicle market



Driving and telematics data linked longitudinally

Insure's longitudinal view of a vehicle provides richer insights than traditional cross-sectional view

Leveraging complex actuarial modelling to measure value



20bn

Kilometres of driving data collected since inception



800k

Driving events detected each day



54k

Average number of cars going for panel beating p.a.



93k

Vehicle claims received in FY2024

	General dealerships	Discovery Insure
VEHICLE DETAILS	<ul style="list-style-type: none"> Vehicle make and model Service history Vehicle assessment 	<ul style="list-style-type: none"> Vehicle make and model Service history in DI Vehicle assessment What the vehicle is used for Speeding by power-to-weight Region Cold starts Time spent in sun
MILEAGE TYPE	<ul style="list-style-type: none"> Distance travelled 	<ul style="list-style-type: none"> Distance travelled % of city vs highway driving Average trip speed Number of trips Average trip distance Road surface quality
ACCIDENT INFO	<ul style="list-style-type: none"> Severity Number of accidents 	<ul style="list-style-type: none"> Accidents split by cosmetic, mechanical, structural Repairer, repair details, warranties on parts Detailed accident history: frequency, severity, geolocation, impact alert.
DRIVING STYLE	NO INFO	<ul style="list-style-type: none"> Driving profile - speeding, cornering, acceleration, braking Speed relative to power Vertical oscillation

Boost the vehicle resale value by up to 15%



8%

Discovery Insure vehicles have a 5-star rating



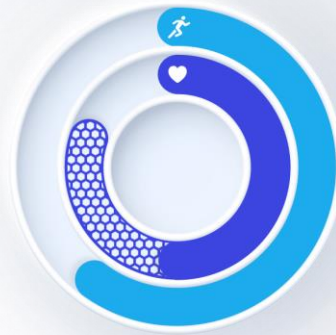
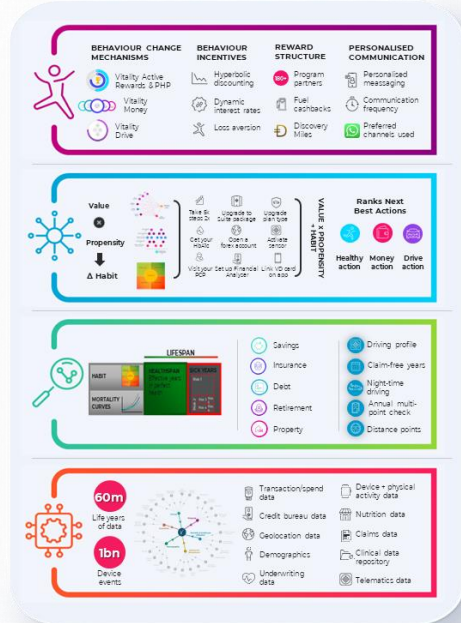
Over 300 dealerships, representing over 30 brands including:





Hyper-personalisation and shared value with the Bank as the composite maker

Personal Pathways manifesting on the face of the Bank



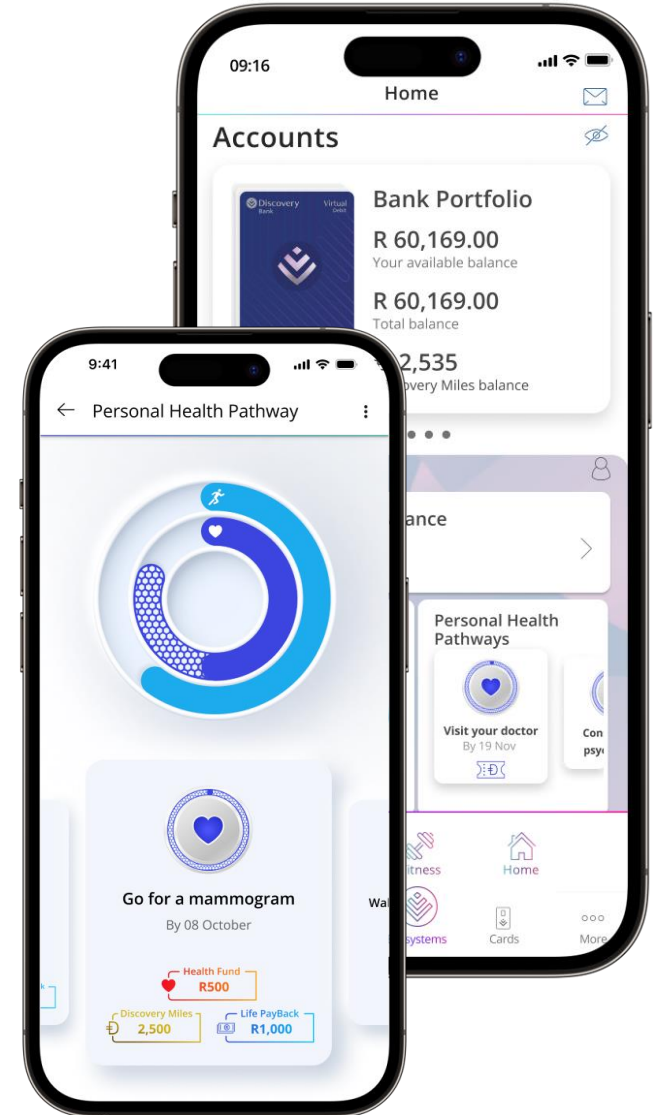
Go for a mammogram

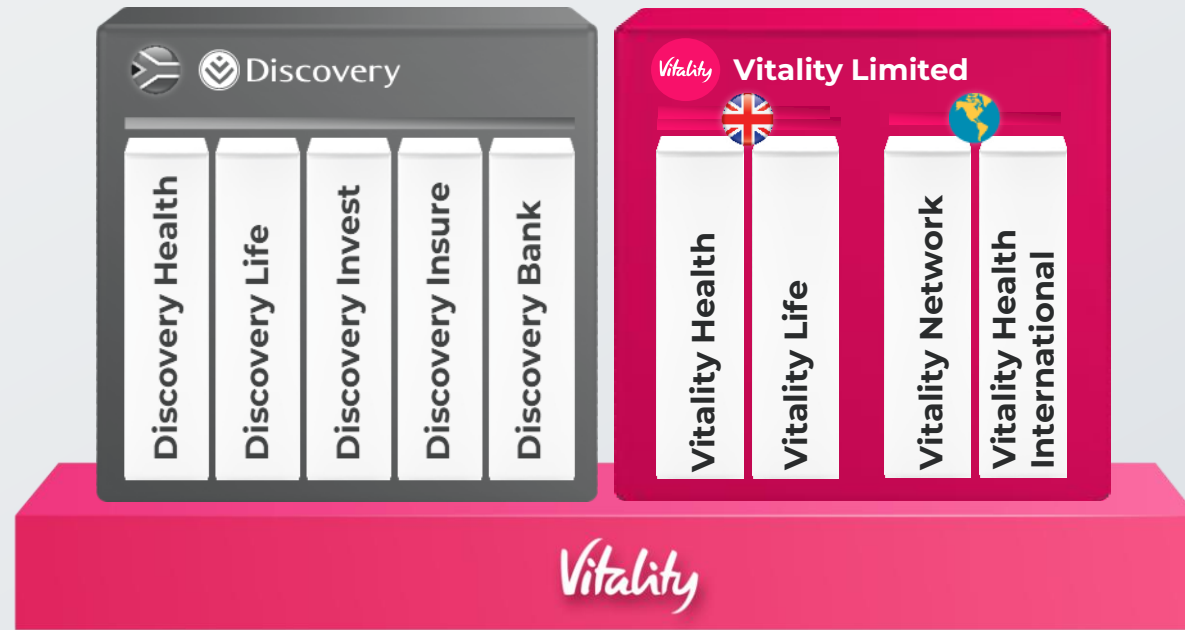
 By 08 October

Health Fund **R500**

Discovery Miles **2,500**

Life PayBack **R1,000**





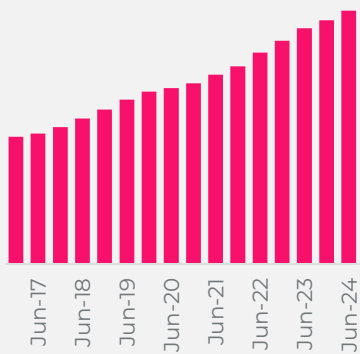
Vitality Limited



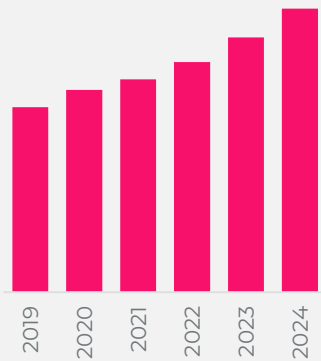


Vitality UK has strong assets and attributes that position it for growth going forward

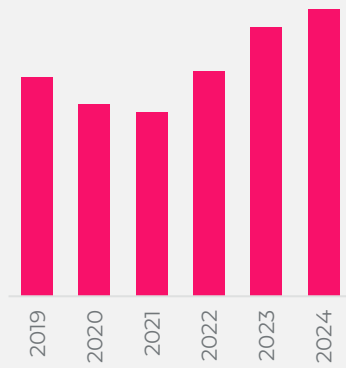
Over 1.8 million lives



Over £1.1 billion in premiums



Over £180m in new business API



3rd largest health insurer and life term and CI writer

Strong brand



307% growth in brand awareness, compared to 5% growth in market average



Unique brand collaborations with new partner, Itsu



Well-recognised mascot

Highly rated



Top employer

THE SUNDAY TIMES
Amongst the top ten 'Best Places to Work: Very Big Organisation's in The Sunday Times Awards 2024

High engagement

250k Apple Watches; **100,000** 'active' gym members; **75%** have actively registered on our Member Zone

Excellent service

★ Trustpilot
Trustpilot (4.3/5) and app store ratings (4.9/5)



Normalised operating profit¹

-52% to £18.5m
-47% to R435m

Earned premiums

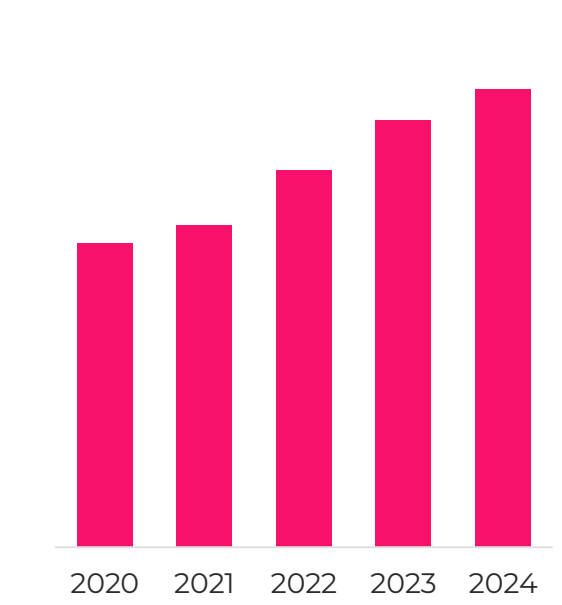
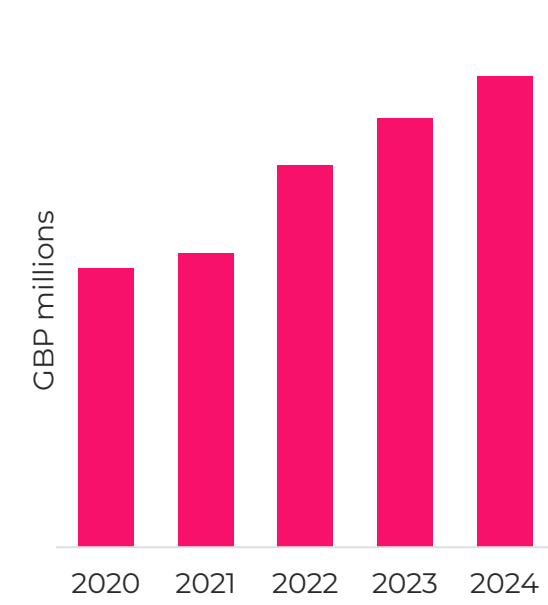
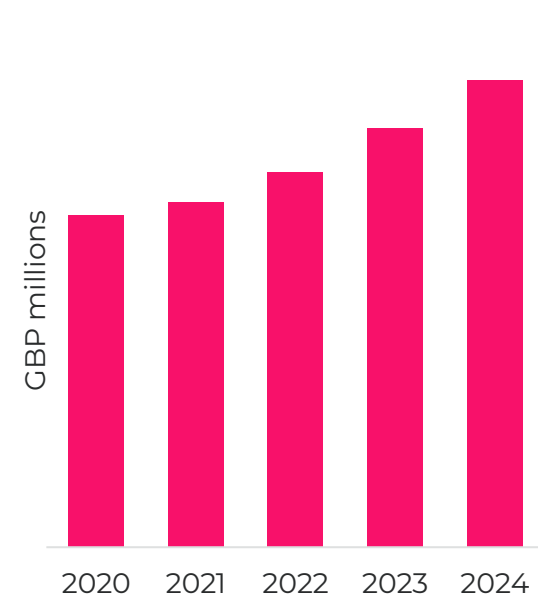
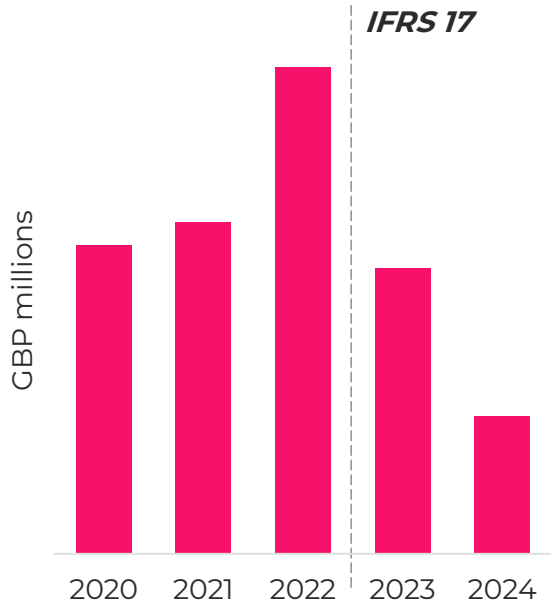
+12% to £699.3m
+23% to R16.5bn

New business

+10% to £105.7m
+21% to R2.5bn

Lives covered

+7% to 1m



¹ Excludes VitalityCar write-down in prior year

Pressure on the NHS is driving increased utilisation and costs of private healthcare

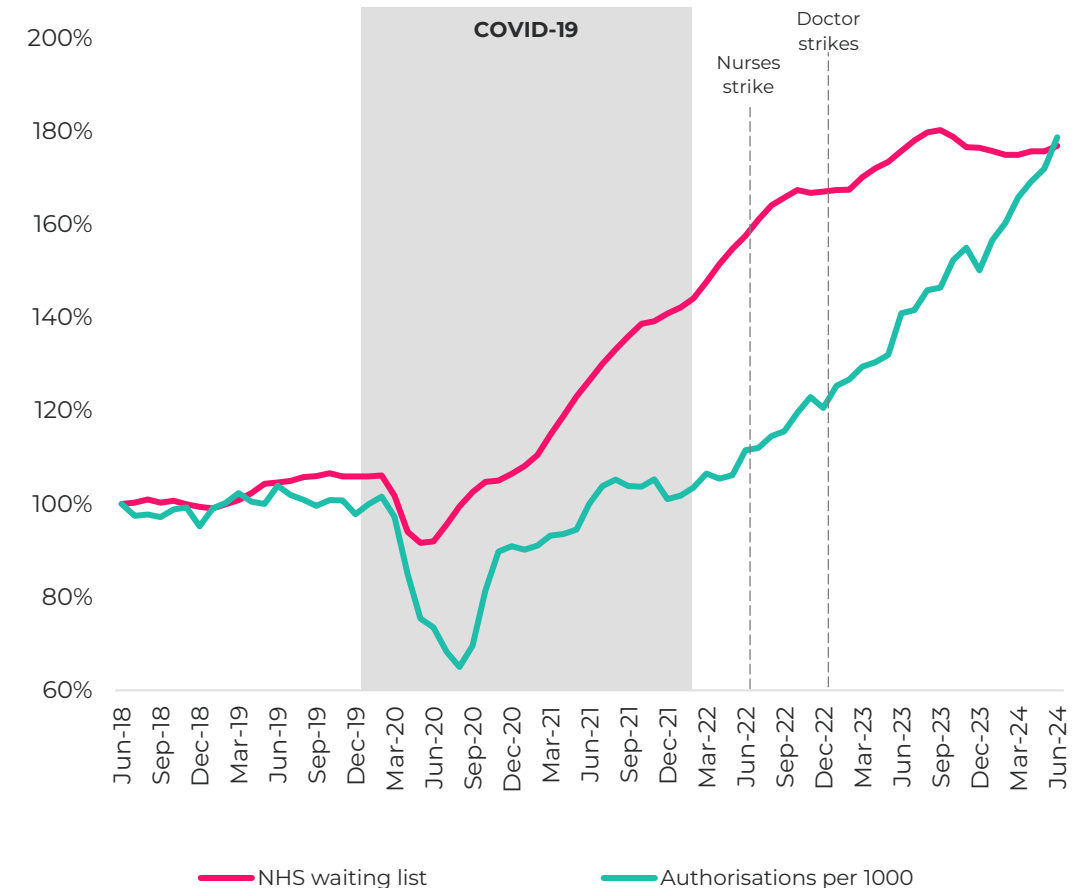


The Darzi Review¹

- 1 Poor NHS performance:**
Missing waiting time targets since 2015, waiting lists and times have surged
- 2 Concerns in quality of care:**
Areas of concern i.e maternity care. Cancer survival and cardiovascular disease mortality rates for people under 75 improvements have slowed substantially
- 3 NHS budget not being spent where it should be:**
Too great a share in hospitals, too little in the community, and productivity is too low
- 4 Low capital investment:**
The NHS has been starved of capital and the capital budget was repeatedly raided to plug holes in day-to-day spending. This has resulted in crumbling buildings that hit productivity. On top of this, there is a shortfall of £37m of capital investment
- 5 Disengaged staff:**
High levels of sickness absence following pandemic. Marked reduction in discretionary effort across all staff groups
- 6 Rise in bureaucratic processes:**
Regulatory type organisations now employ c7000 staff/ 35 per provider trust, having doubled in size over the past 20yrs
- 7 Improving the NHS will take time:**
Improving health service back to peak performance will take years. Unlikely waiting lists can be cleared and other performance standards restored in one parliamentary term

Demand driven by NHS backlogs

NHS waiting list² and authorisations YoY change³



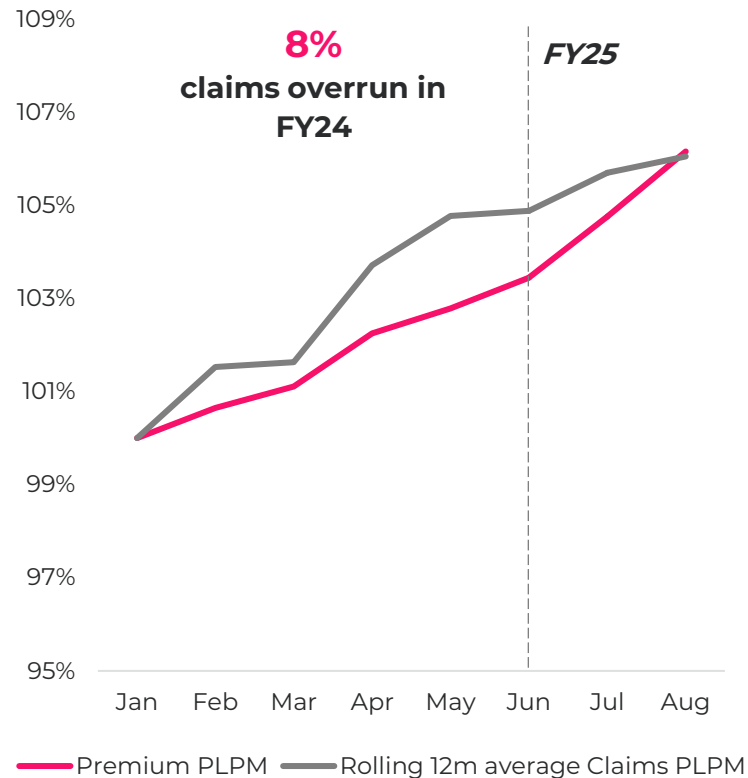
¹ Source: UK government, ² Source: NHS Digital: Referral to Treatment Waiting Times, ³ Source: Office of National Statistics

Pricing actions taken in line with market to restore margin, with retention remaining resilient



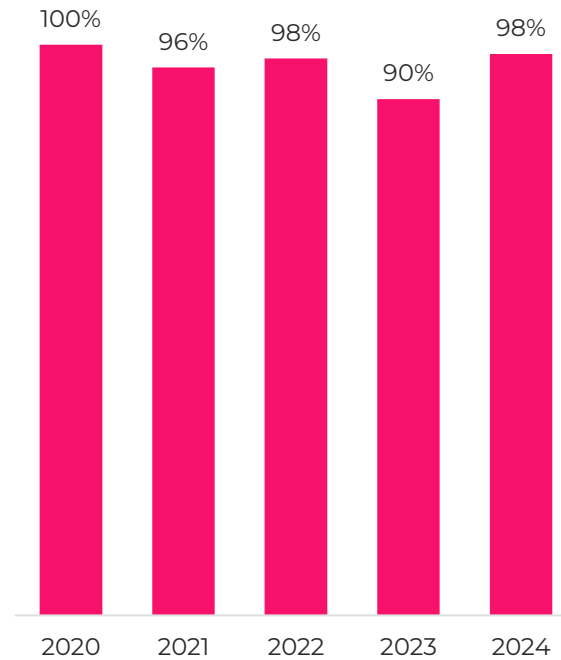
Earned premiums expected to offset claims

Premiums and claims PLPM



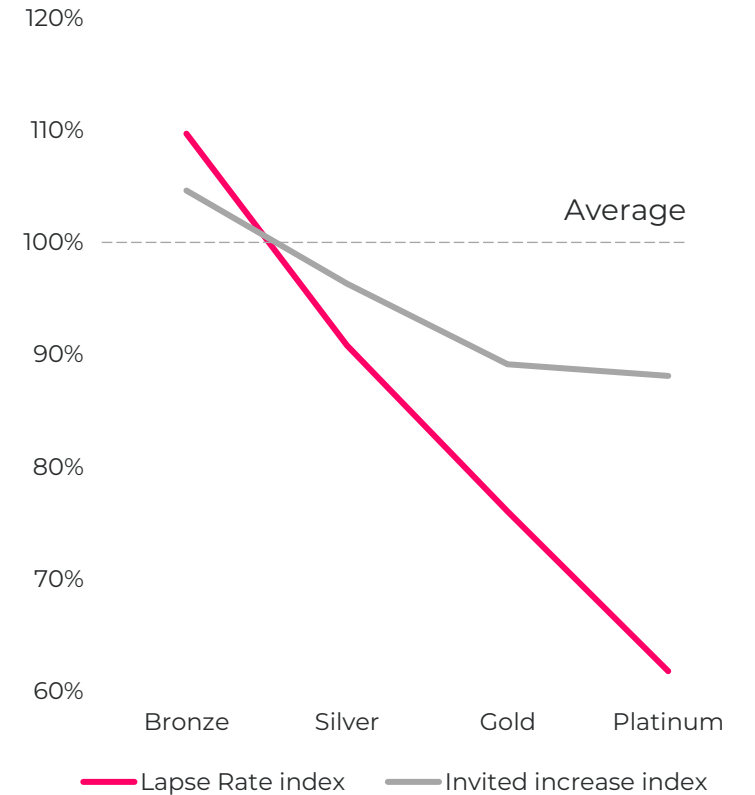
Stable lapse rates despite premium increases

Individual and SME lapse rate (rebased)



Positive retention of healthier lives

Lapse rate and invited rate increase by status

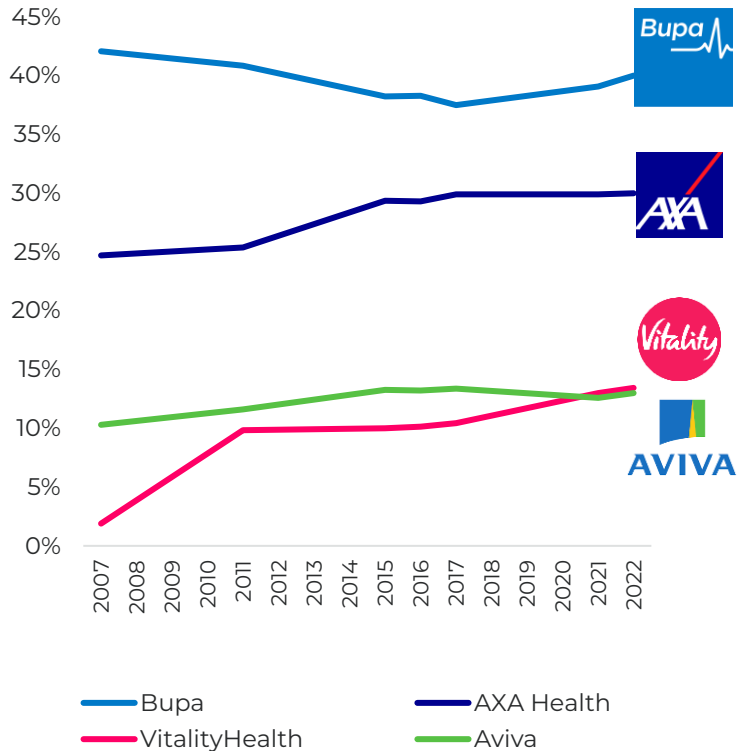


Superior operating model positions VitalityHealth for growth



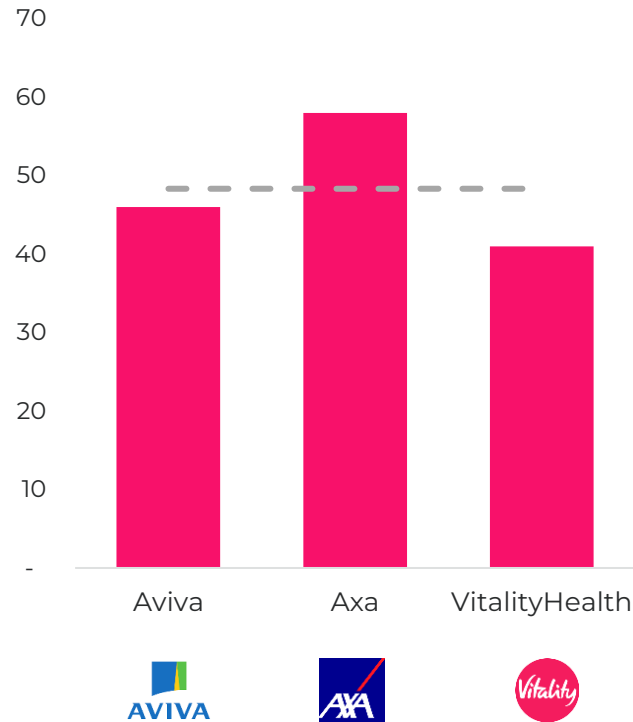
3rd largest health insurer

Market share by player¹



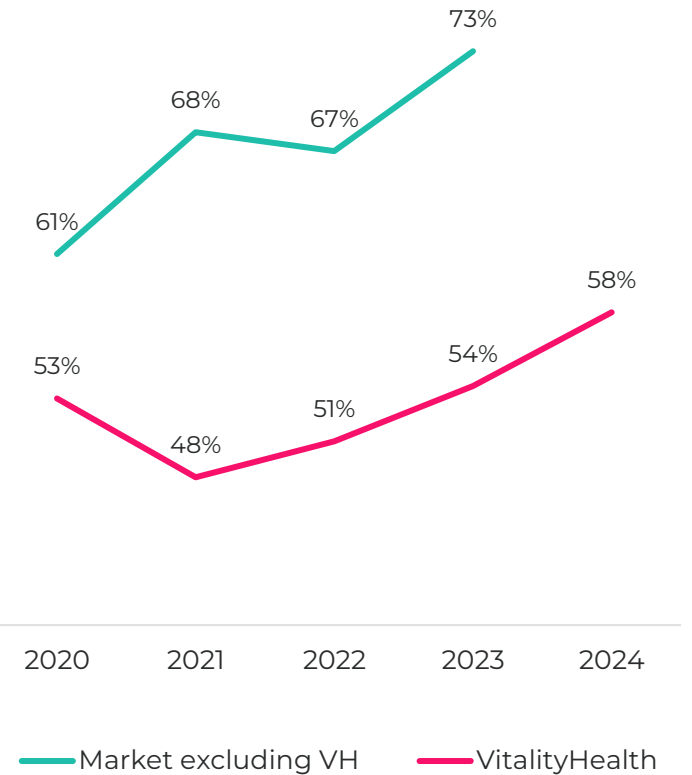
Attracting healthier lives

Average age of individual PMI policyholders²



Increased claims ratios expected to stabilise

Market vs VitalityHealth claims ratios³





Normalised operating profit

-27% to £15.9m
-20% to R375m

Earned premiums

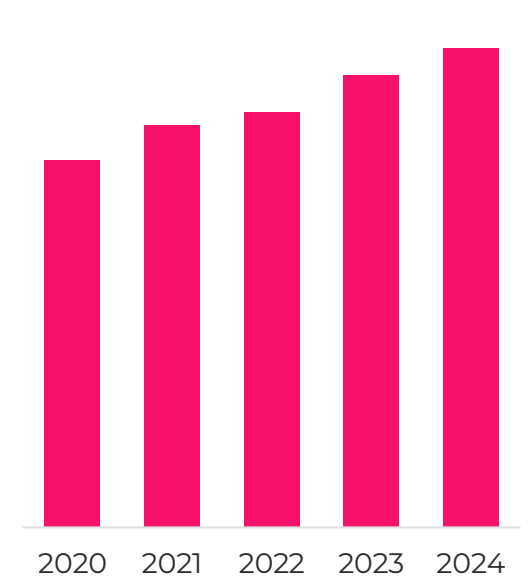
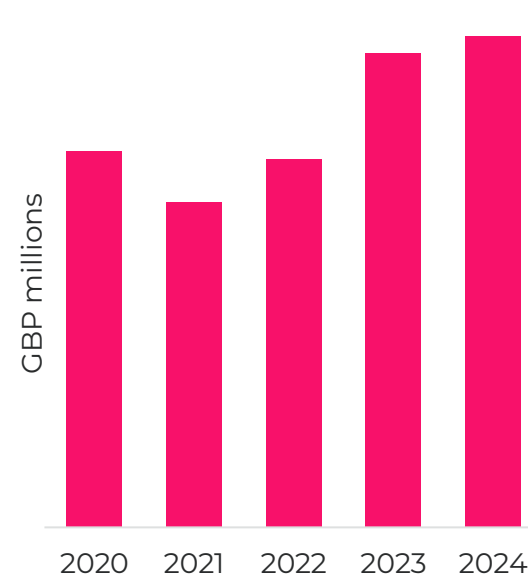
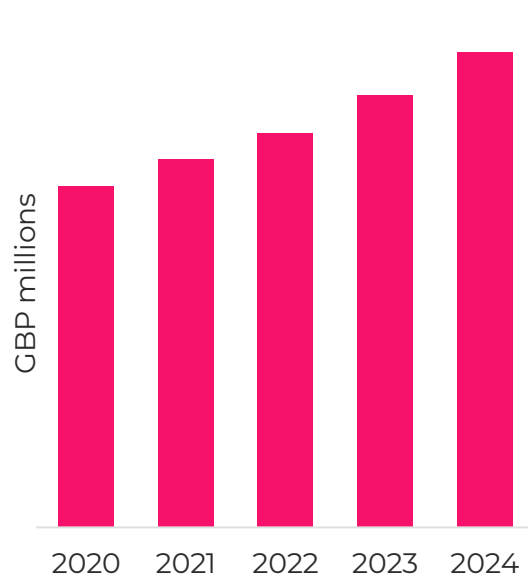
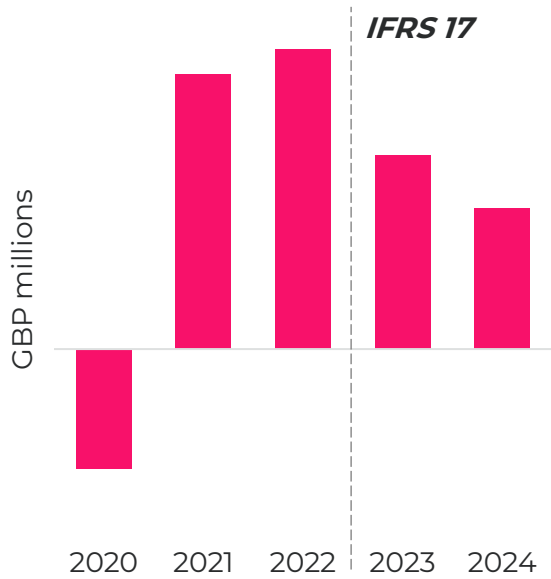
+10% to £401.9m
+21% to R9.5bn

New business

+4% to £83.1m
+14% to R2.0bn

Lives covered

+6% to 810k

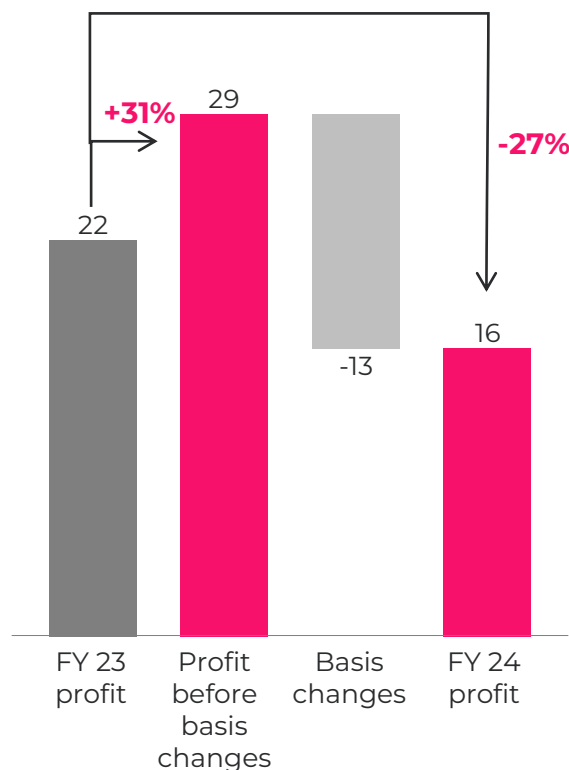


Robust underlying performance, with further action taken to manage PAC book



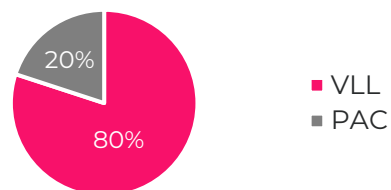
Strong operating results before basis change

Operating profit, £m

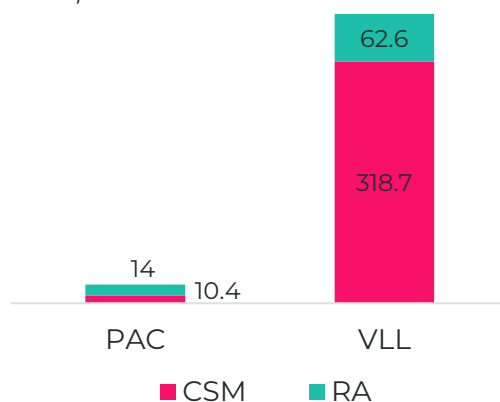


Low margins on the PAC book

Policy count split between VLL and PAC (%)

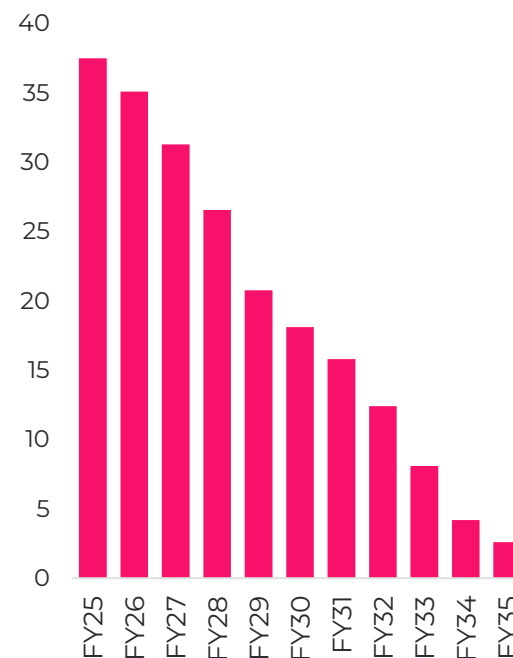


Margin balances in VLL and PAC, £m



PAC book generates substantial cash

PAC book net cashflow before reserving requirements, £m



Actions to position PAC book for stability

2022 Deferred Part VII transfer

2023 Reconfigured hedging strategy to align with IFRS 17

Significant strengthening of basis for level-premium WOL business

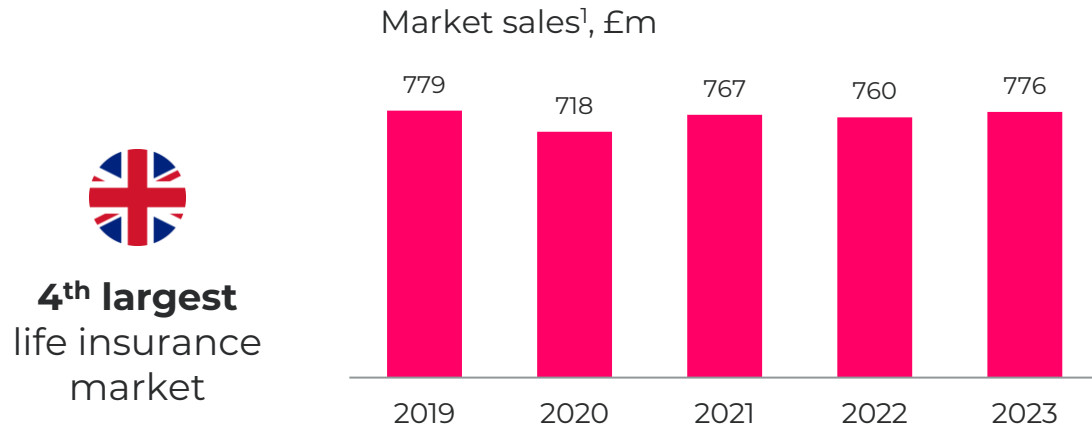
2024 Changes to accounting policy to correctly reflect nature of PAC book, which will result in lower period on period volatility

Taken action to address key issues with the PAC and VLL books, and expect a smoother and stronger emergence of profits each year going forward

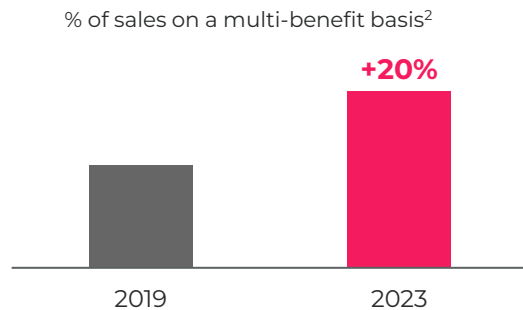
Operating environment has been challenging, but changing dynamics provide opportunities



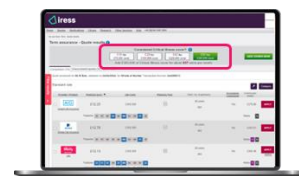
Large, stagnant market; fundamentals improving



Rich multi-benefit business is increasingly common in the market



98% of advisers recommend products through portals, leading to commoditisation

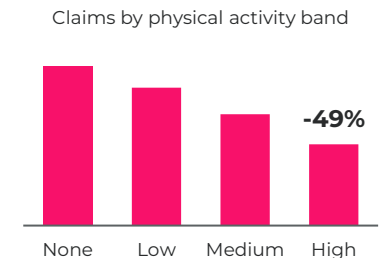
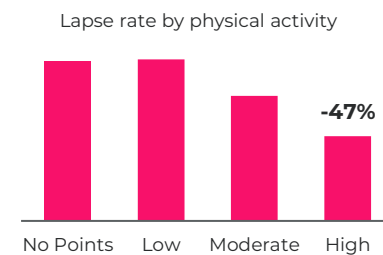


The optimiser product has 3 unique product features

- 1 Optimiser provides dynamic discounts

Up to 30% lower premiums than standard rate
- 2 Significantly higher engagement on optimiser

3x more engaged than non-optimised members
- 3 Optimiser drives better actuarial dynamics - retaining better risks and reducing claims



Generating new business value through price optimisation



Improved pricing sophistication & speed

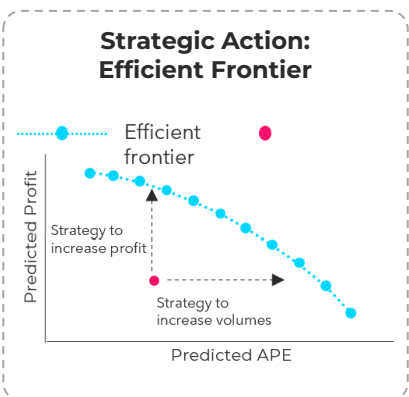
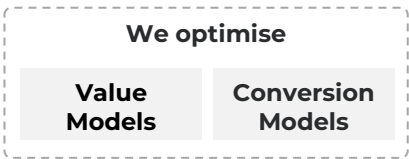
Creates unique portal competitive advantage

Enables higher rider benefit take-up

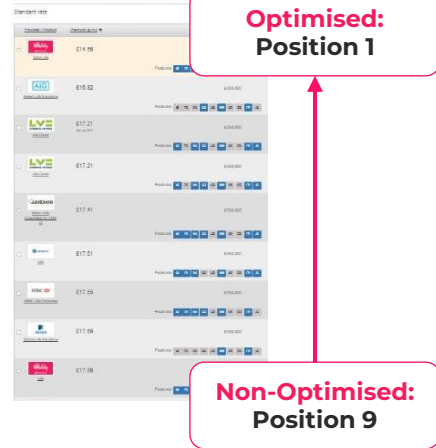
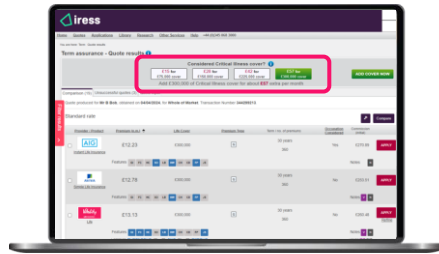
Driving operational efficiencies

A 'tale of two halves'

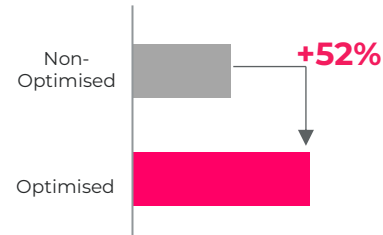
Utilising an optimisation loop that is underpinned by a rich & comprehensive dataset, with features unique to Vitality



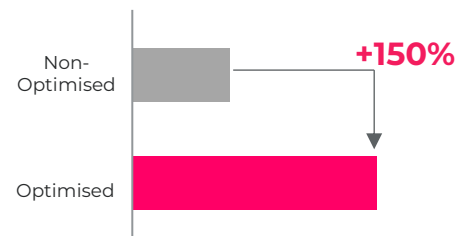
Portal design encourages advisers to quote on other life insurance benefits



Average benefit size



Relative rider adoption

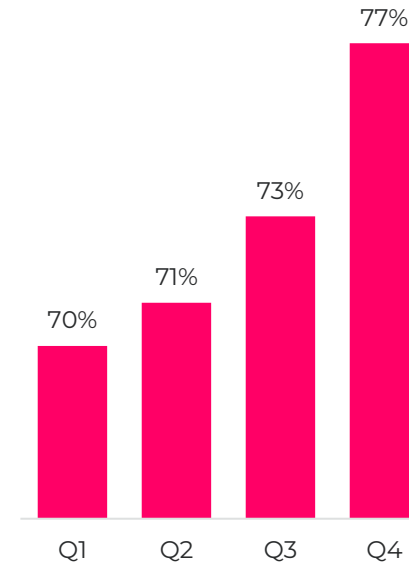


Optimiser customers have significantly higher benefit size and rider adoption

77%

of applications are now automatically decided

STP Rate during FY24



18% volume growth H2 on H1



Improved profitability mix



Emillion	H1	H2	FY24
New business APE	29.1	34.3	63.4
New business net value	-0.5	16.6	16.1
VNB (£m)	-5.7	0.3	-5.5

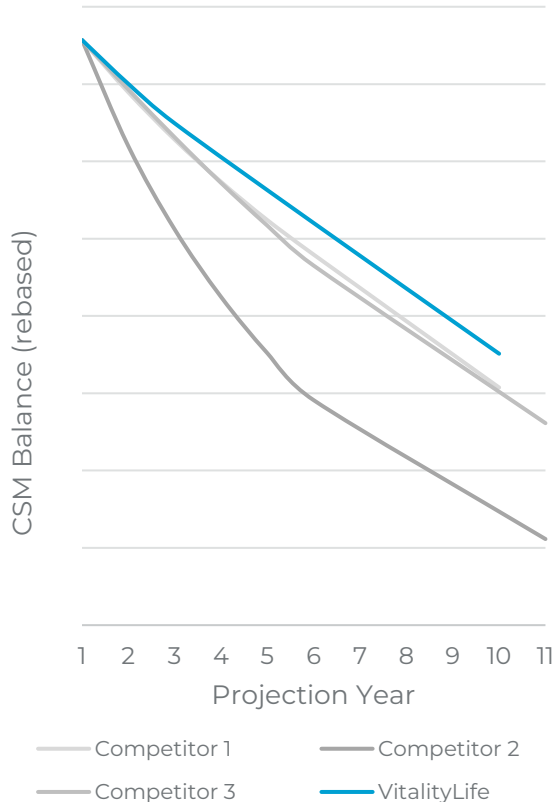
VL was up 11% H2 FY24 on H2 FY23
Wider UK protection market (excl VL) was down 4.5% during the period

Actual value generation of business under IFRS 17



Positive margin dynamics

Comparative non-economic margin¹ runoff excl new business

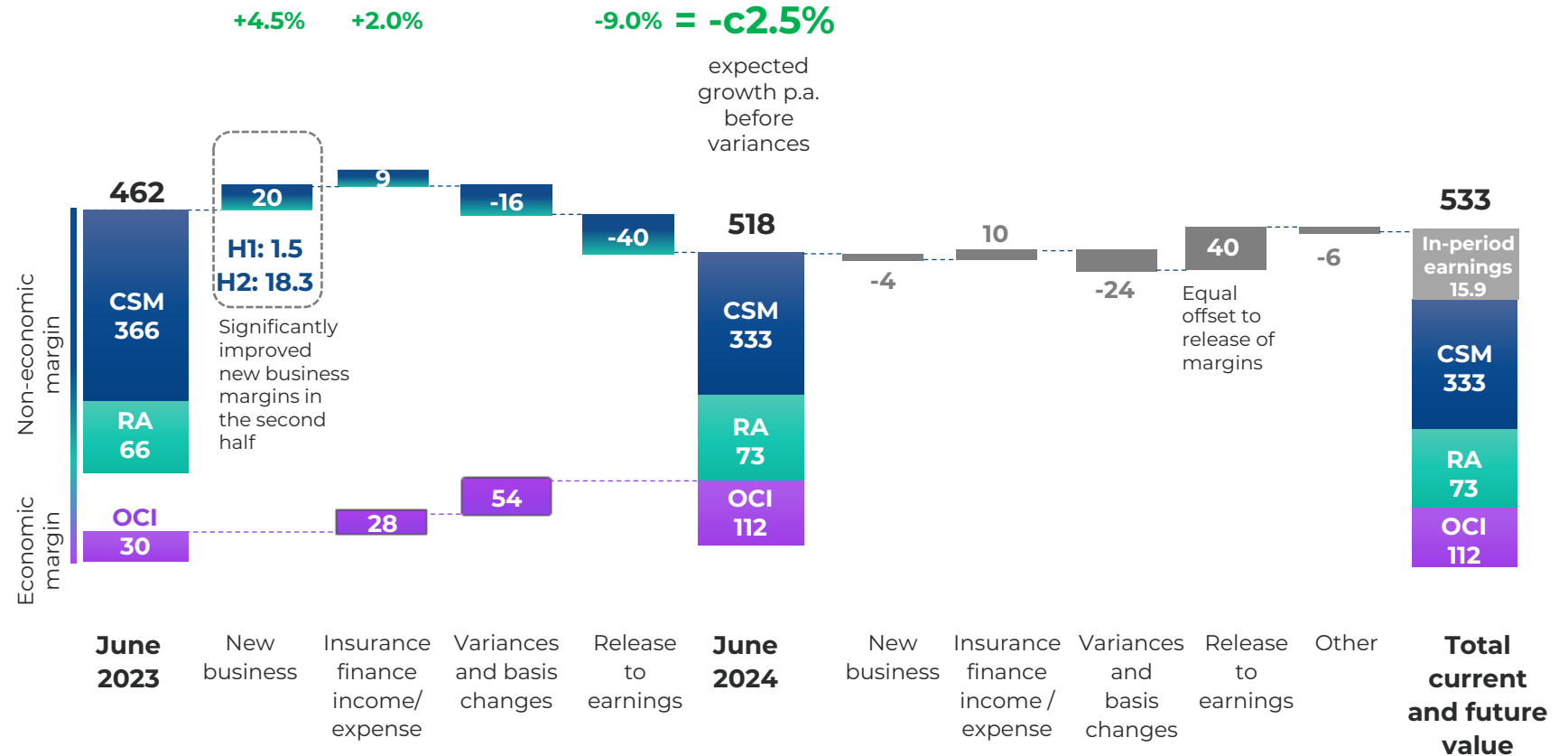


Store of value at start of period plays out as earnings during the period plus store of value at end of period (GBPm)

IFRS 17 stored margin absorbs basis change

Stable earnings growth

% Growth



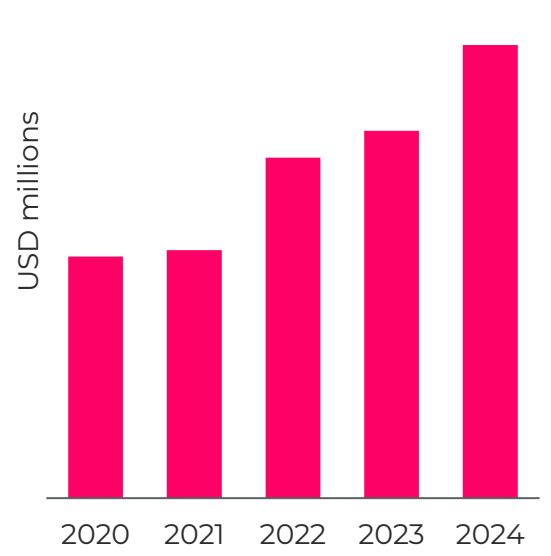
¹ Represented by Vitality and competitor CSM balances rebased to the same starting level for comparative purposes





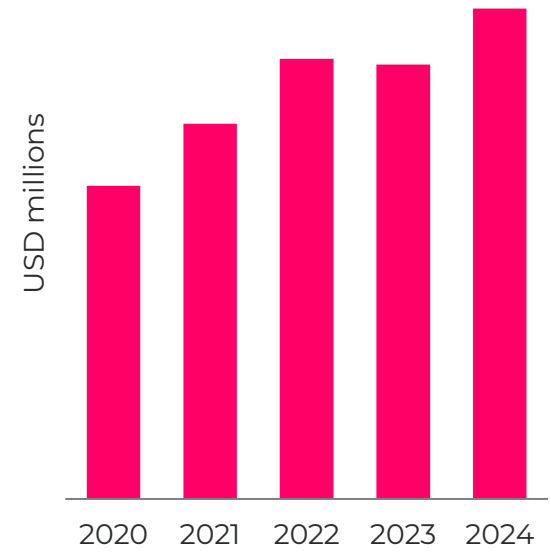
Operating profit

+23% to \$28.5m
+30% to R533m



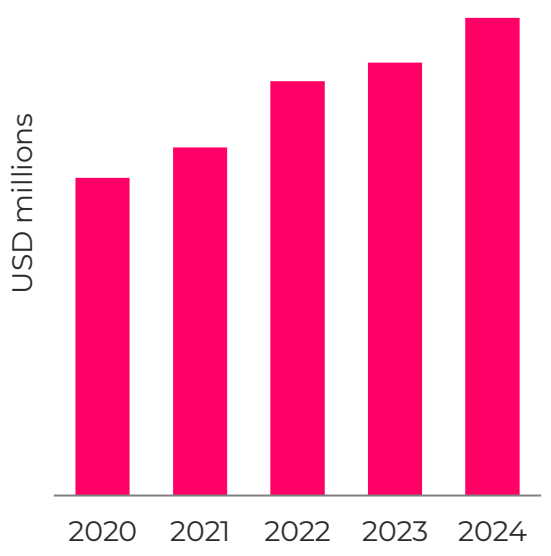
Integrated API by insurance partners

+11% to \$1 575.1m
+18% to R29.7bn



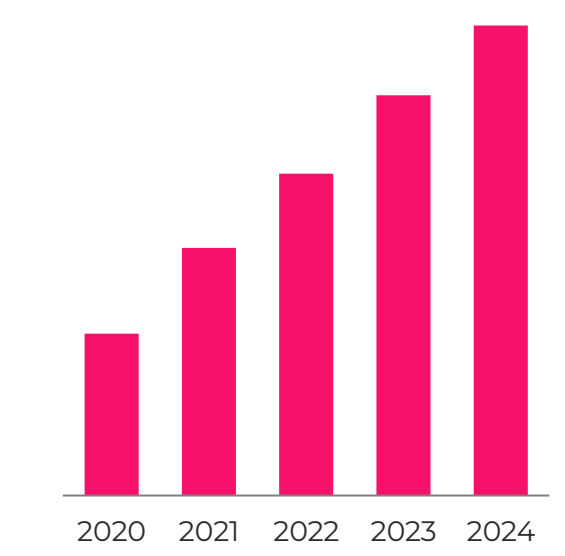
Revenue

+10% to \$101.3m
+16% to R1.9bn



Insurance partners membership

+17% to 5.3m



Vitality Network's globally expanding footprint



Manulife

John Hancock
Vitality

BBVA

Saludsa
SEGUROS EQUINOCCIAL

Prudential

MULTICARE α.s.r.
FIDELIDADE

GENERALI

IGI
Life

التعاونية
tawuniya

TATA AIA
LIFE INSURANCE

SUMITOMO LIFE



HEALTHIER, LONGER,
BETTER LIVES

Key strategic focus areas



1

Grow revenue through deepening of existing insurance partnerships and targeted pursuit of new insurance partnerships



Hosted partner-wide GVC, rolling out personalisation enhancements



Revolutionised the mobile experience



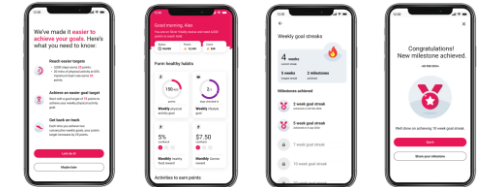
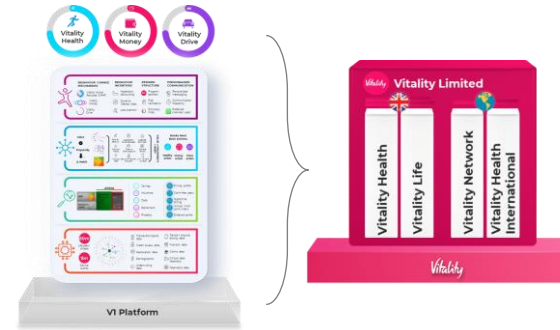
Expansion of strategic role of Vitality Stand Alone – focus on 2030 targets



Driving VONB growth - focus on agent engagement

2

Evolve Vitality products to drive greater value through utilisation of the science of hyper-personalisation

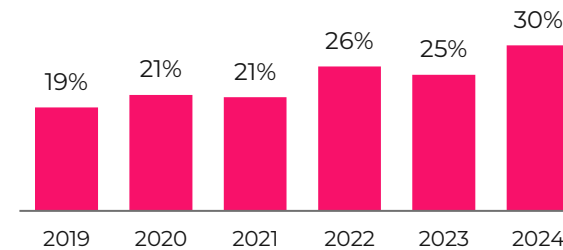


Redeveloped the mobile architecture to support the incorporation of the habit index and hyper-personalisation, through physical activity and healthy actions

3

Unlock geared profits by significant revenue growth (through scaling) and maintaining a flat expense base

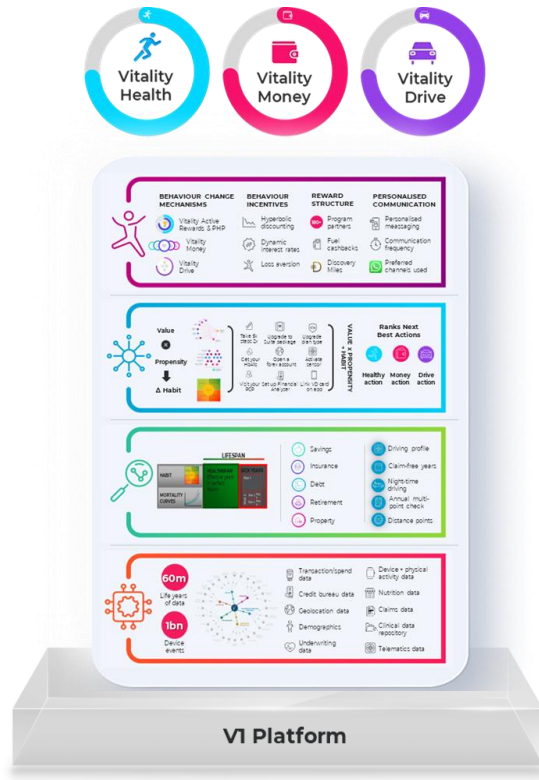
Profit margin (excl. FX)



+10% Revenue growth for FY2024 (USD)

+23% Profit growth for FY2024 (USD)

The V1 Platform enhances Vitality Limited's ability to expand globally



QUICK
to implement

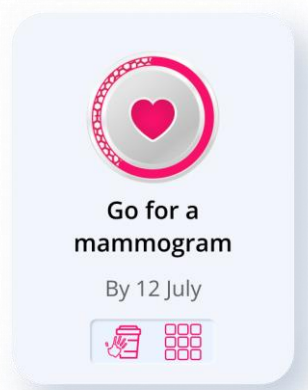
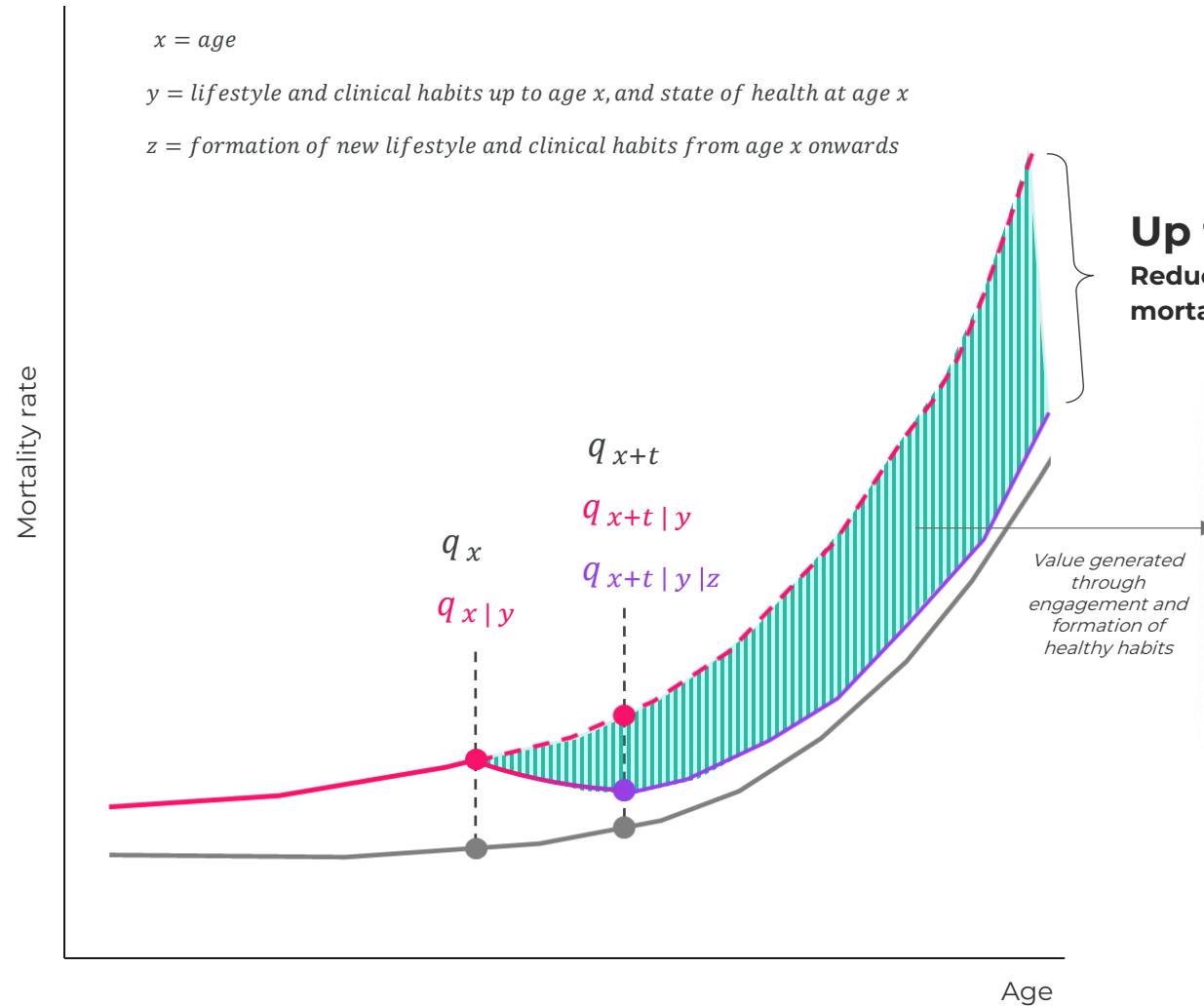
3-month deployment into new markets
Redeployable modules

EASY
to configure

Cloud based
Multi-language
Scalable

EFFICIENT
to operate

Standardised process & once-off builds to link partners, upgrade products, enhance features across the board



*Clinical and physical activity habits must be sustained for rest of life to achieve this reduction in mortality

Swiss Re is Discovery's collaboration partner

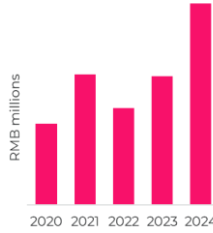




1

平安健康保险 PING AN HEALTH INSURANCE

Strong operating result with reduction in combined ratio, strong cash generation & maiden shareholder dividend



Excellent pre-tax operating profit growth

Improved operating ratio

Reduced investment income volatility

Increased diversification

Taken action to ensure strong business fundamentals

30% of CY 2023 distributable profits

R255 million DSY's share after withholding tax

Maiden dividend to shareholders

2

amplifyhealth

5 healthcare cost-saving products deployed in 6 Asia-Pacific markets



Expanded reach into 6 countries



- Systems**: Claims Benefit mgmt.
- Data & Analytics**: Risk profile Clinical encoder
- Risk management**: Provider mgmt. FWA etc.
- Digital engagement**: Vitality CDM
- Other**: PMI product Network etc.

Products span across the entire value chain of health insurance

3

Vitality USA

Leveraged the Group's data and assets to enhance its product offerings and expand its market share in the US



Major product upgrade nearing completion



Regional Blue Cross Blue Shield plan, and largest provider-sponsored health plan in state

Progress in sales to US health plans, a key strategic segment



Vitality USA has built an integrated digital health & care experience

平安健康保險

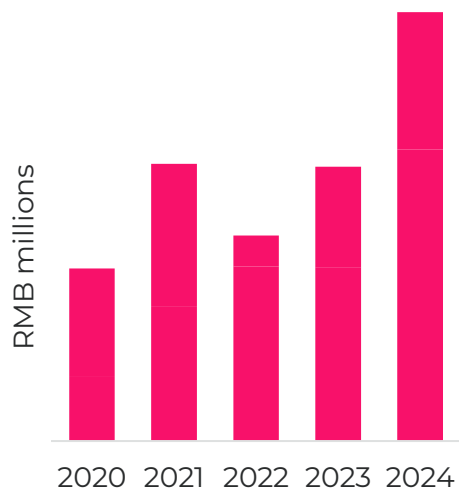
PING AN HEALTH INSURANCE

Ping An Health Insurance



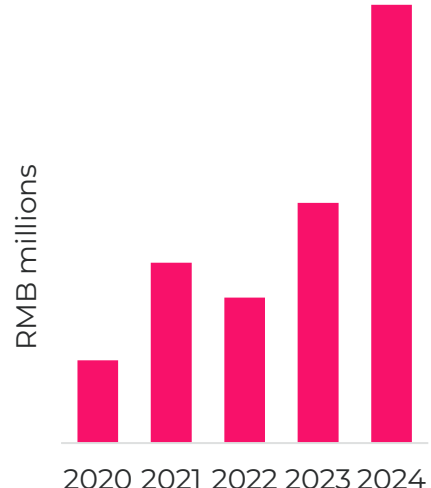
PAHI's operating results pre-tax

+56% to RMB2.1bn (RMB 0.5bn DSY's share)
+59% to R5.4bn (R1.4bn DSY's share)



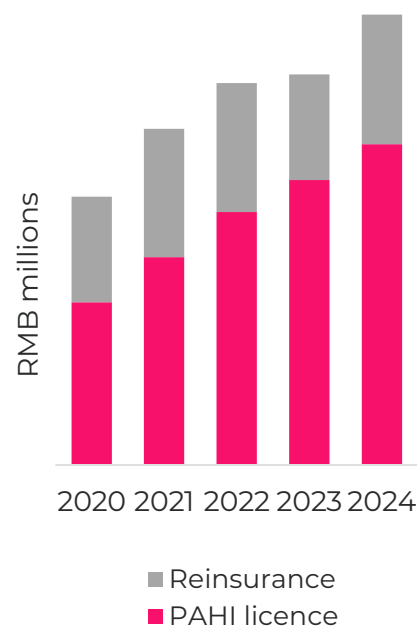
Discovery's operating result after tax

+82% to RMB434m
+85% to R1124m



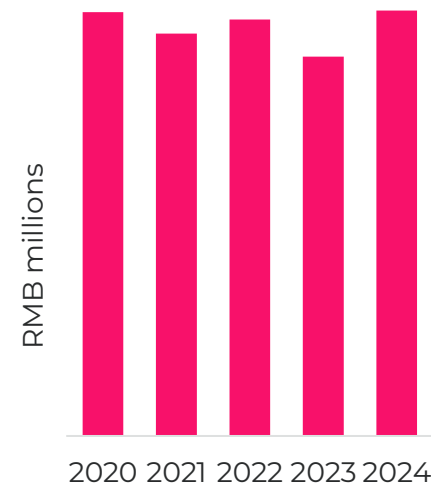
Written premium¹

+15% to RMB22.6bn
+17% to R58.6bn



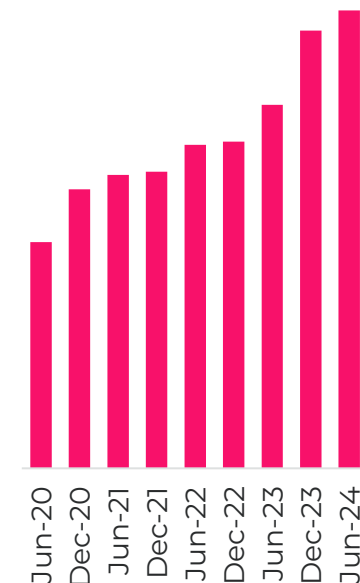
PAHI licence new business¹

+12% to RMB3.8bn
+14% to R9.9bn



Lives

+26% to 27.4m PAHI licence lives



Strong business fundamentals after years of focus on building a quality specialist health insurer



Improved operating ratio

- Restructured agent commissions, reducing costs and improving tax efficiency
- Improved risk management, lowering loss ratio;
 - Strengthened claims risk management
 - Enhanced underwriting
 - Upgraded non-disclosure systems

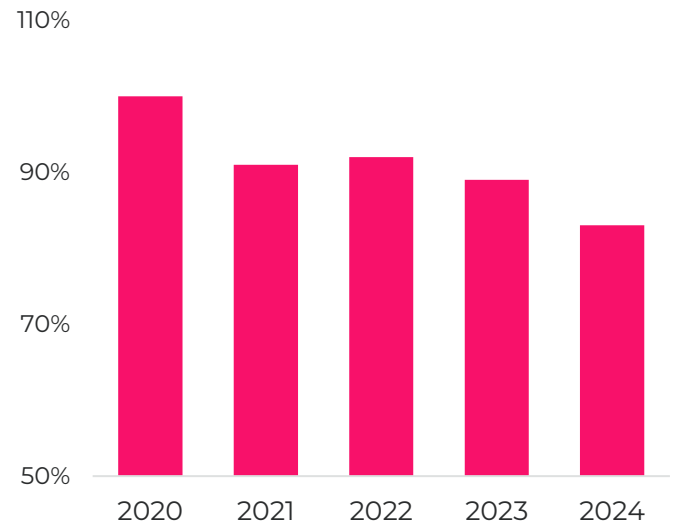
Reduced investment income volatility

- Revised investment return target for a more conservative asset allocation
- Reduced equity exposure
- Focused on assets yielding non-taxable returns

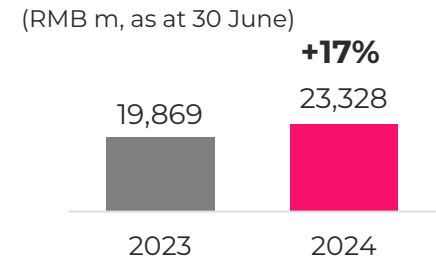
Increased diversification

- Revamped SuiShenYi
- Partnered with flagship third-party brokerages
- Launched tailored products across affordability and healthcare needs
- Targeted products for channels like Douyin, Mingya and Ant

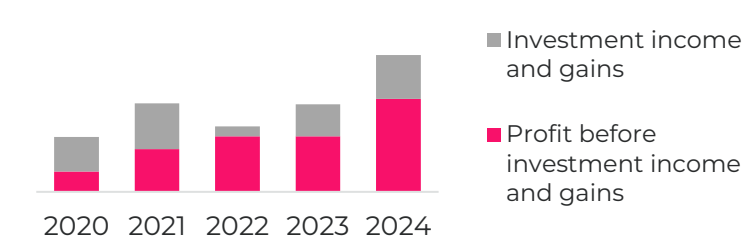
Combined ratio



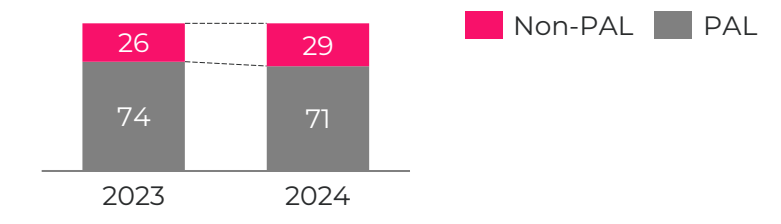
Investable assets



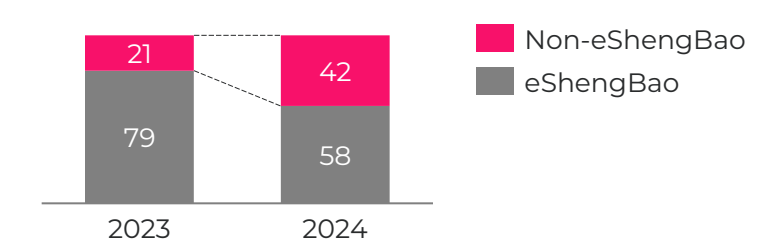
PAHI's operating result pre-tax



Channels



Products



Maintained robust balance sheet

Cashflows from operating activities¹

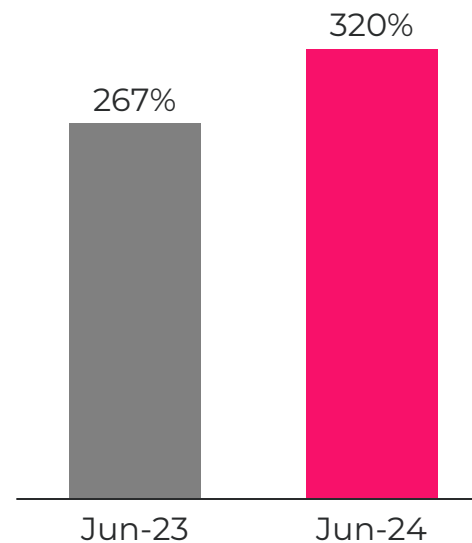
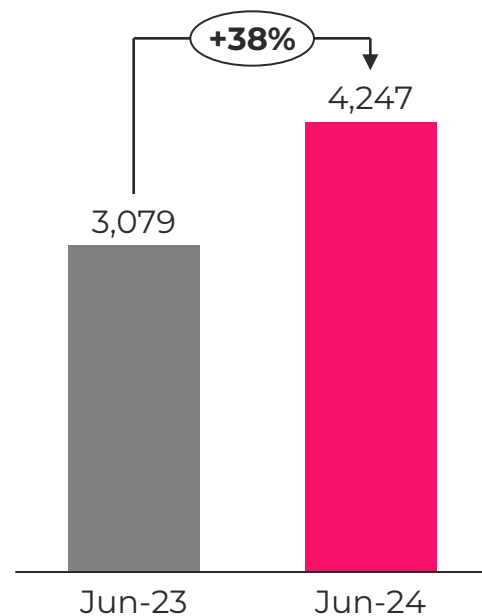
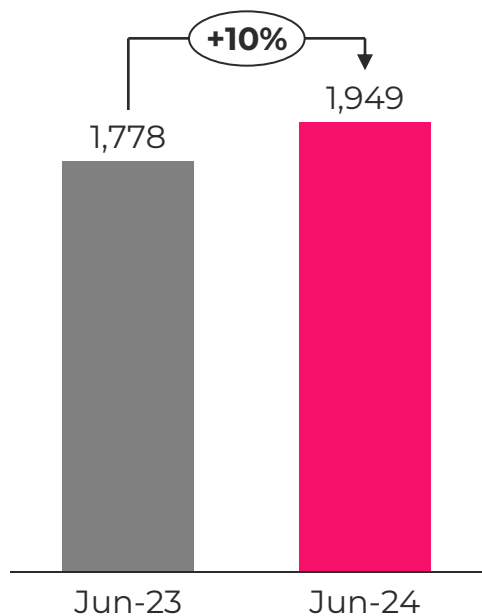
Retained earnings²

Comprehensive SCR²

First dividend paid to shareholders

RMB million

RMB million



30% of CY 2023
distributable profits

R255 million
Discovery's share
after withholding tax

RMB3.27bn

for 12 months Jun 23 – Jul 24

¹ For the period 1 January – 30 June for the corresponding year

² As at 30 June for the corresponding year



	R11 604m	R26 667m	R6 191m			
	Operating profit	New business	Non-impairment			
Health	3,992	+17%	1,900	+20%	1,200	+19%
Life	4,765	+9%	2,942	+4%		
Invest	1,522	+20%	3,300	+6%		
Insurance	240	+260%	3,500	+8%		
Bank	-554	-17%				
Other SA	330	+19%	1,077	+38%	2,102	+29%
SA	9,717	+16%	19,720	+19%	3,282	+24%
Vitality Health	450	+17%	2,400	+7%		
Vitality Life	375	+20%	1,950	+4%		
UK subsidiaries	162	+20%				
UK	647	+5%	4,444	+17%		
Vitality Network	553	+20%			1,854	+8%
Vitality Group Health	1,114	+80%	2,400	+5%	503	+6%
Vitality - Other	-388	+95%				
VC investments	31	-7%				
VC	1,240	+97%	2,400	+5%	2,829	+8%

1 Strong FY24 performance

Normalised operating profit

+17%

New business

+18%

FLR

20%

Cash conversion

66%



2 Entering a new phase in the lifecycle of the Group

Earnings growth

15-20%

% spend on New

c5%

Cash conversion

60-70%

RoE

15-20%

FLR

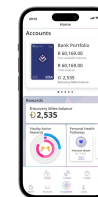
10-20%

Dividend

<5x



3 Creating two distinct businesses with significant ambition and a common business model



Enabling Discovery Bank as composite maker for SA



Scaling of the Vitality Shared-value Insurance model



This presentation has been prepared based on the Discovery Group's reviewed condensed consolidated financial information for the year ended 30 June 2024 and the notes to the condensed consolidated financial statements have been reviewed by our independent joint auditors, Deloitte & Touche and KPMG Inc. who expressed an unmodified review conclusion. The review report does not necessarily report on all information contained in these financial results.

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



Annual Results Presentation

for the year ended 30 June 2024