



Discovery Insure

UBS South African Short-term Insurance Indaba | May 2025 | Robert Attwell



AGENDA

- 01** Discovery Insure's core purpose
- 02** Key drivers of financial performance
- 03** Focus on growth
- 04** Vitality Drive International
- 05** A force for social good

Core purpose enabled by shared-value



Trends shaping insurance

Purpose driven

Enabled by shared-value



CREATING A NATION OF GREAT DRIVERS



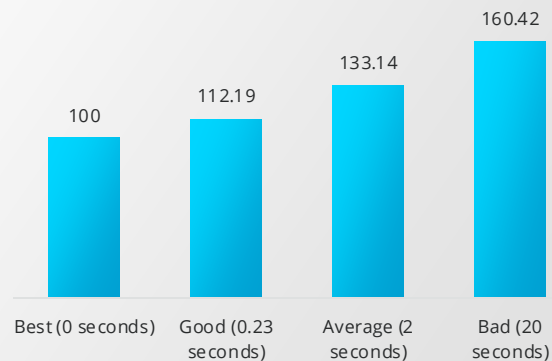
Join the movement against texting and driving



Cellphone use has become more dangerous than speeding

20 seconds of cellphone use per trip increases accident risk by over **60%**

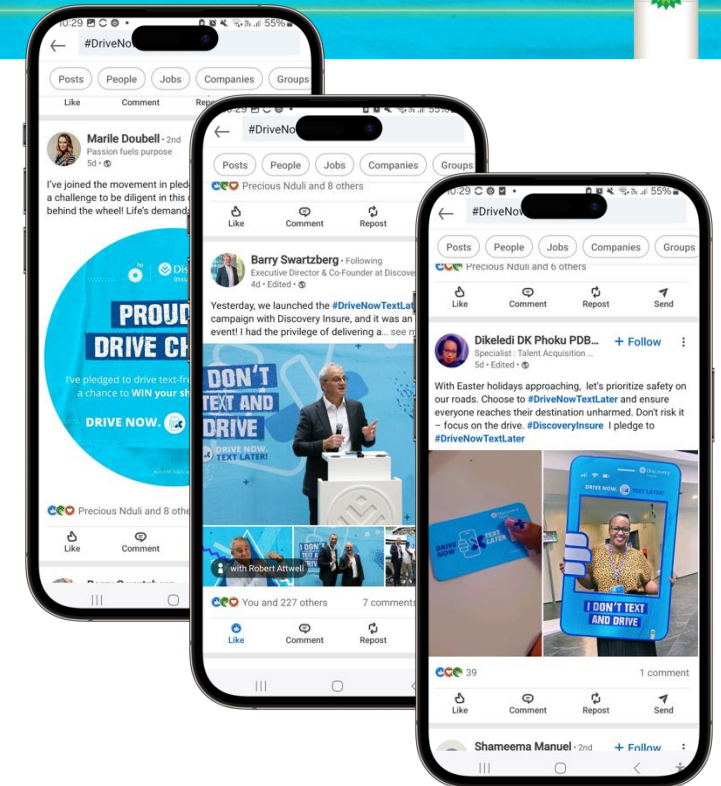
Loss ratio by cellphone use per trip



Make your **pledge**.

Fill up at **bp**.

Win your share of **R1 million!**





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01 Discovery Insure's core purpose

02 **Key drivers of financial performance**

03 Focus on growth

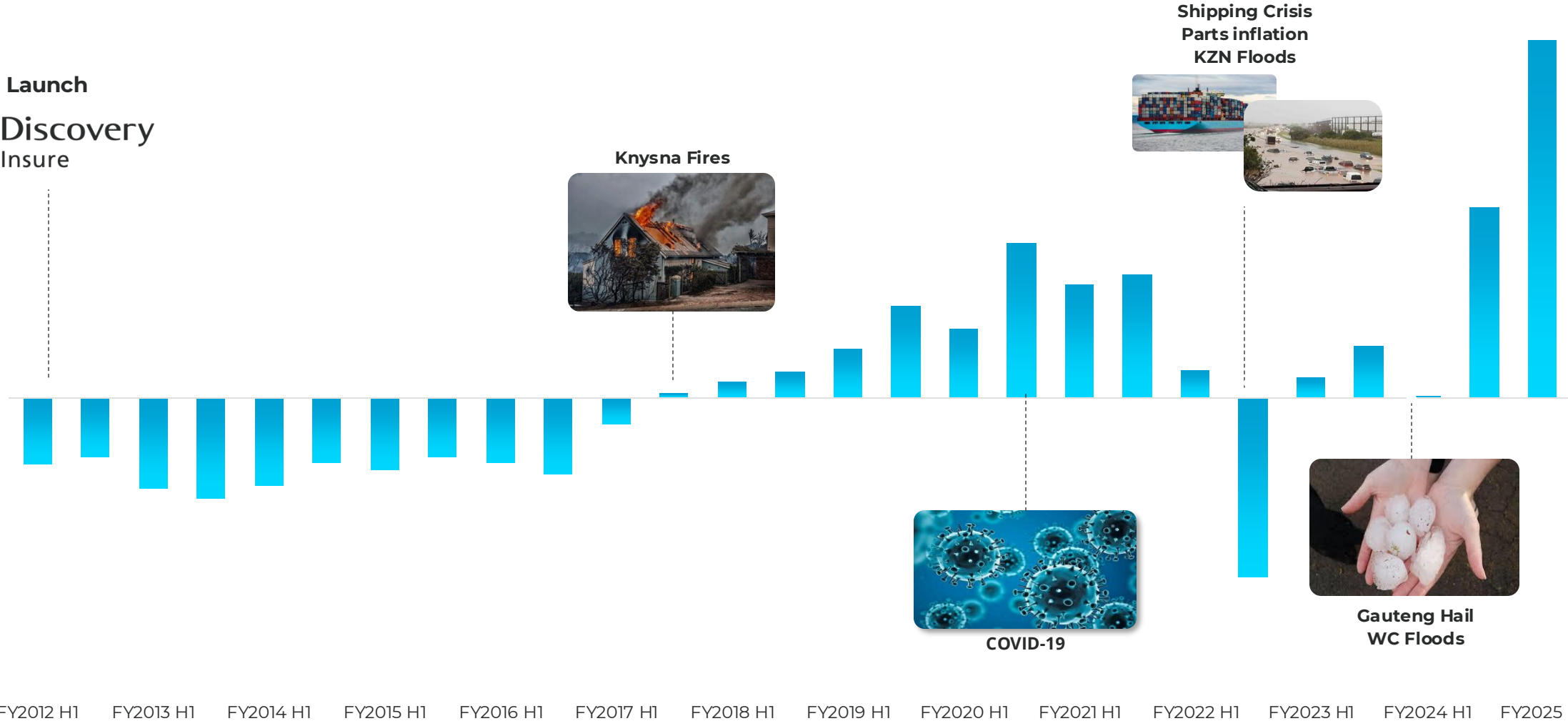
04 Vitality Drive International

05 A force for social good

Significant growth in personal lines operating profit



Launch
Discovery
Insure

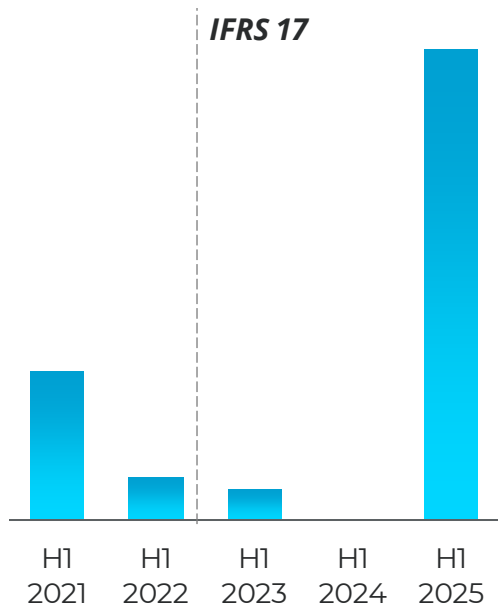


Discovery Insure Personal Lines FY2025 H1 financial results



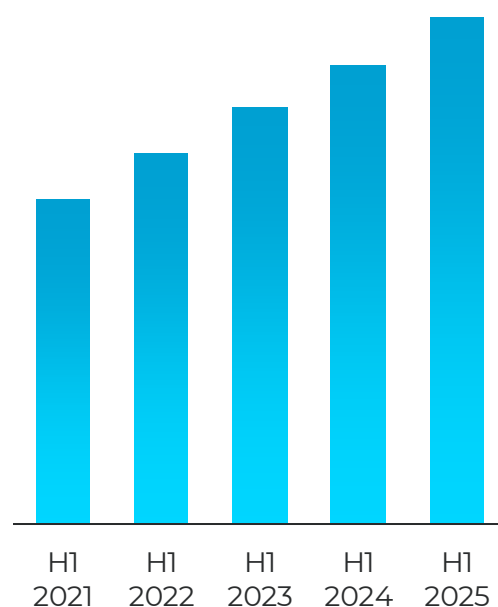
Normalised profit

>100%
to R372m



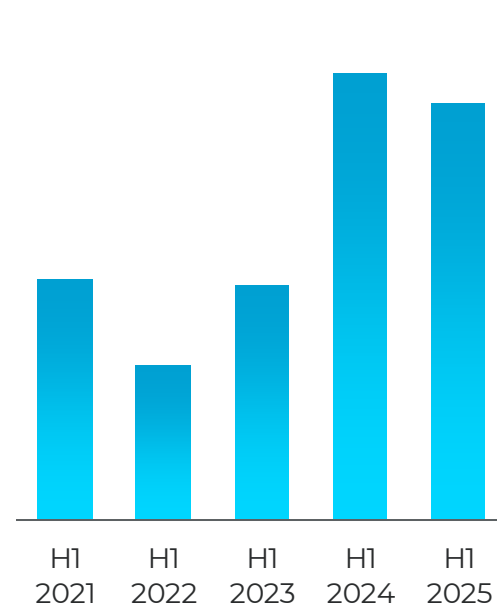
Insurance revenue

+10%
to R3 078m



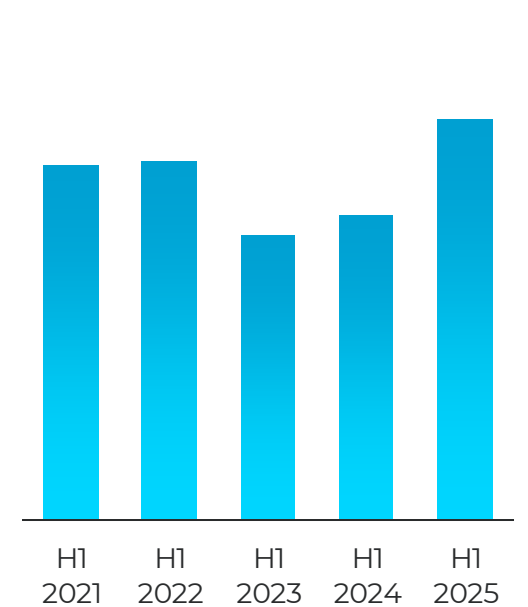
Gross new business

-1%
to R659m



Solvency

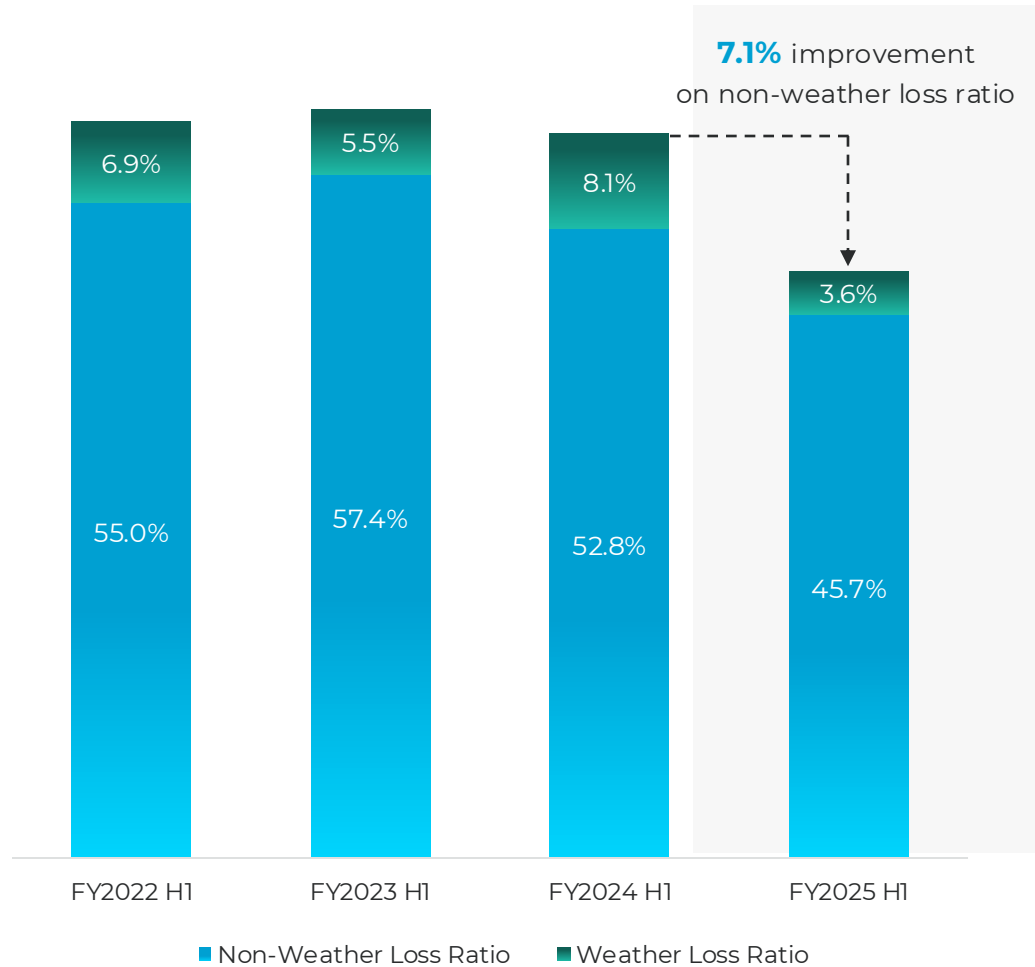
198%



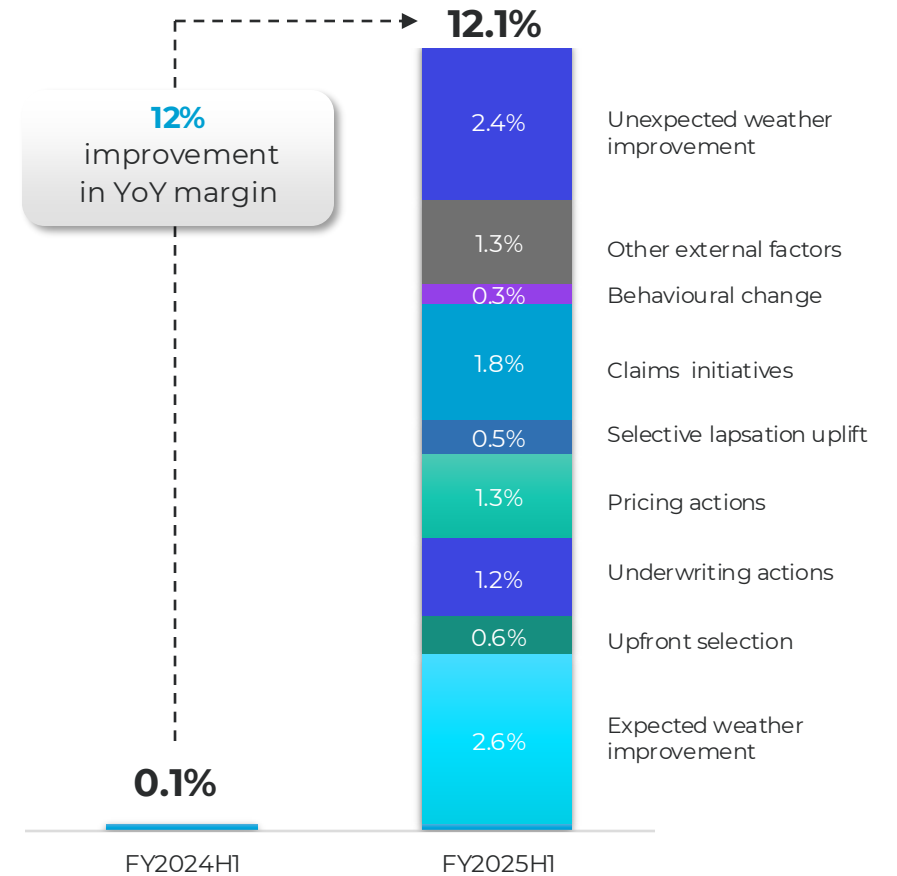
Loss ratio outperformance



75% of loss ratio outperformance due to non-weather claims



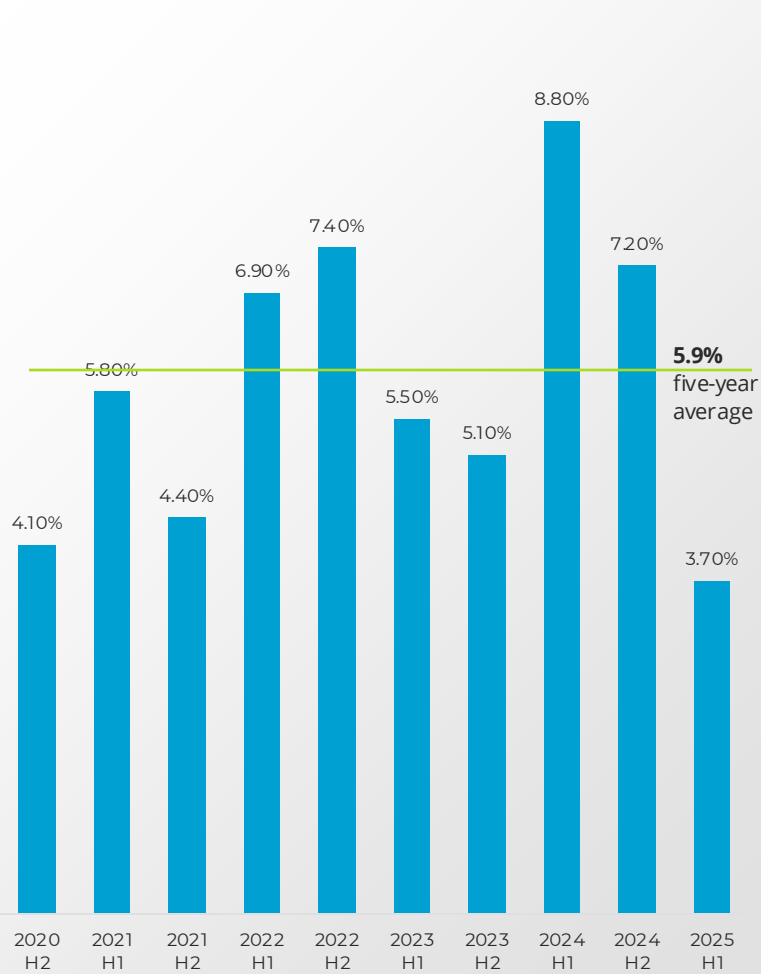
Significant impact of initiatives on profit margin



Better-than-expected weather experience

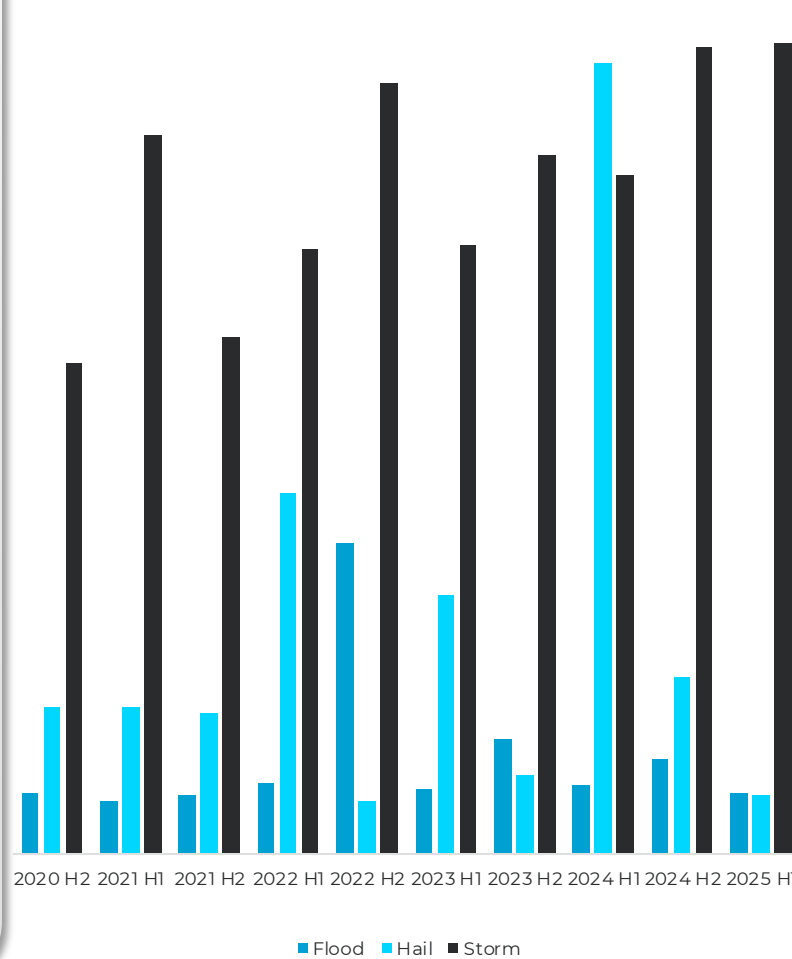


Weather Loss Ratio

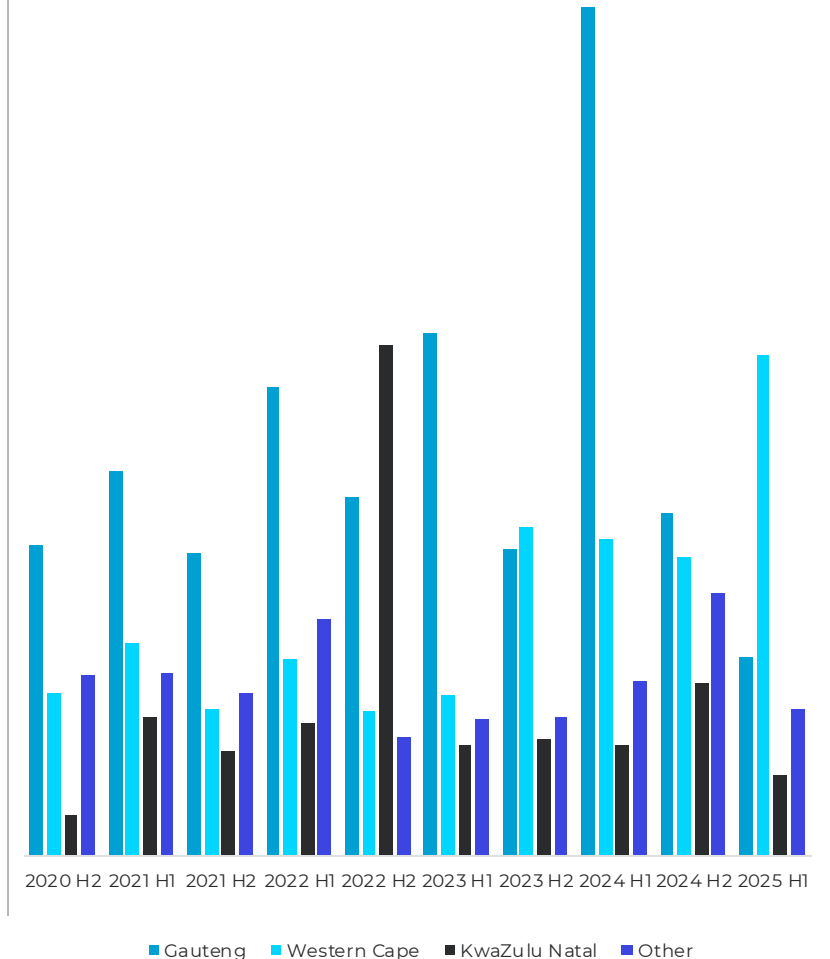


Lower claim frequencies for main natural perils and region

Claim frequency by peril



Claim frequency by region

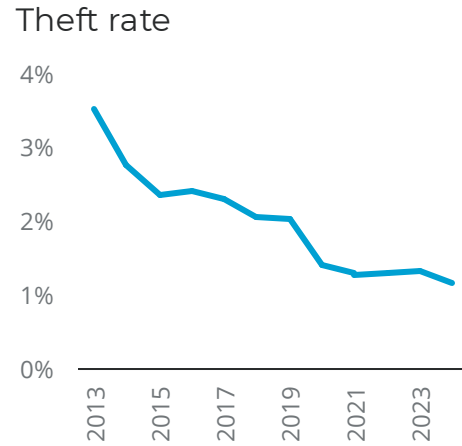


Material and consistent decrease in theft over time

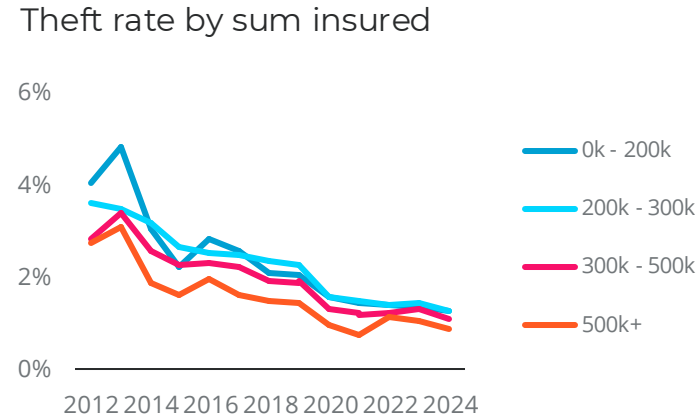


Motor theft

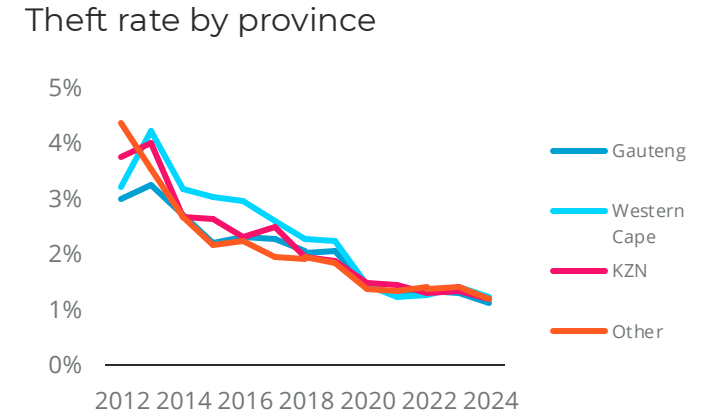
Decrease in theft rate over time



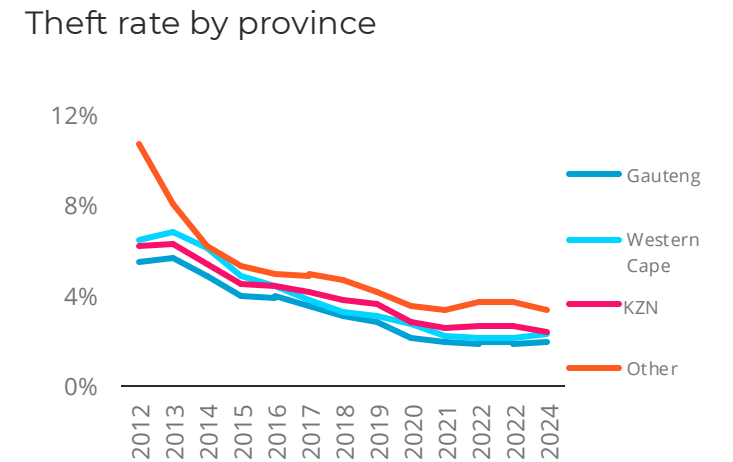
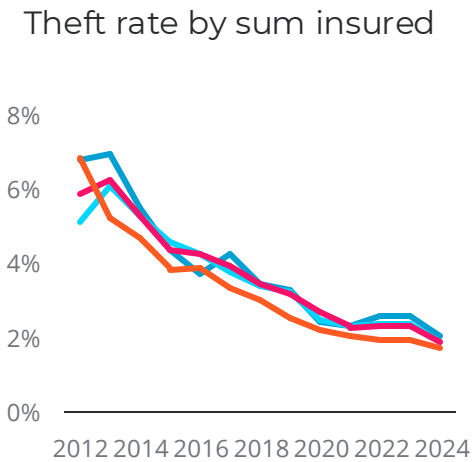
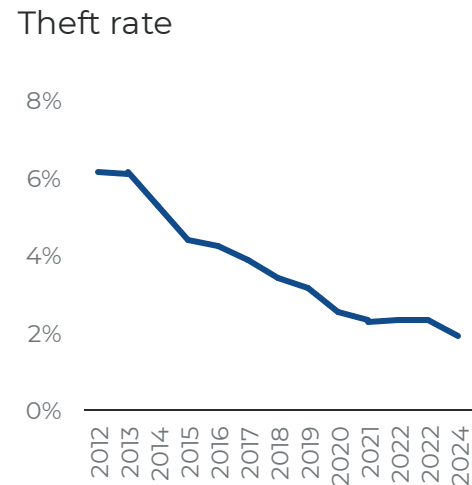
Consistent trend by sum insured



Consistent by geography



House and contents theft



Vitality continues to drive improvement in quality



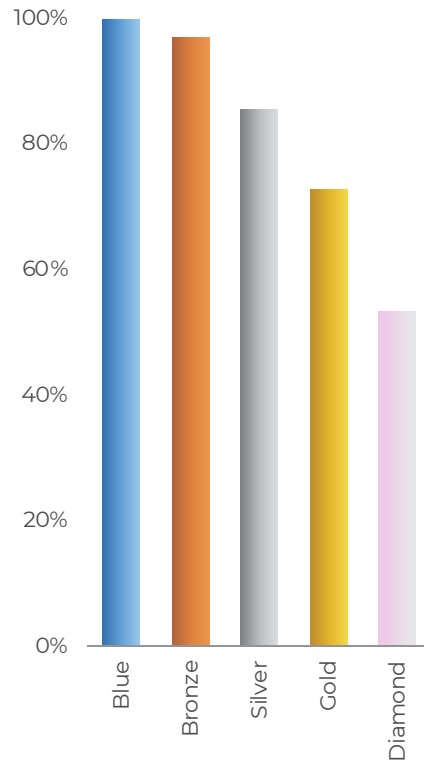
Disciplined approach to underwriting

New business based on insurance risk exposure



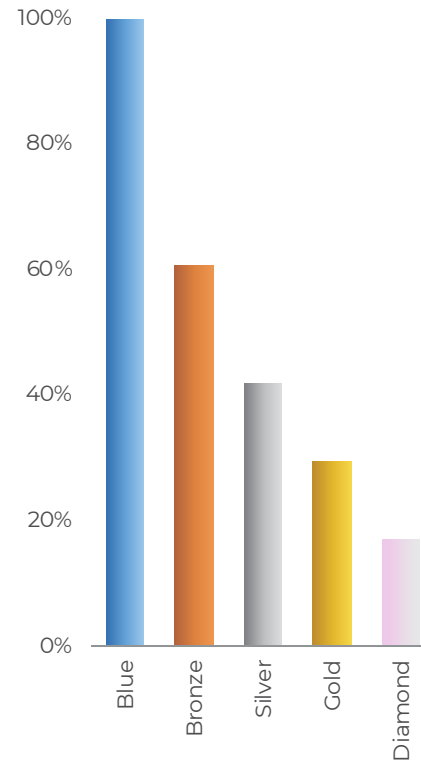
Targeted premium increases

Relative average anniversary increase by status



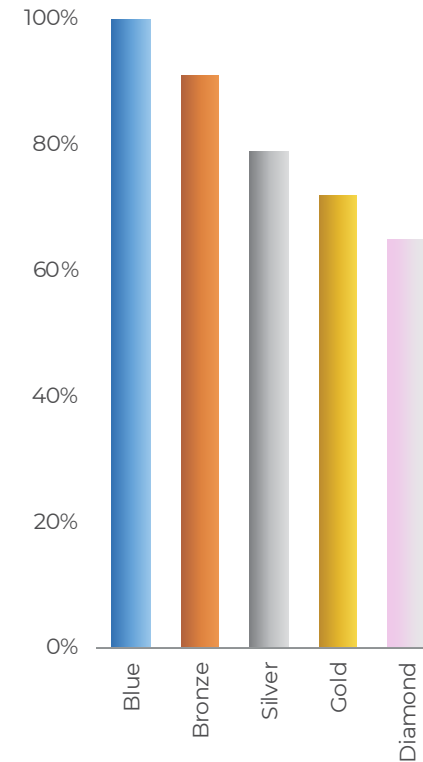
Retaining the right clients

Relative lapse rate by status



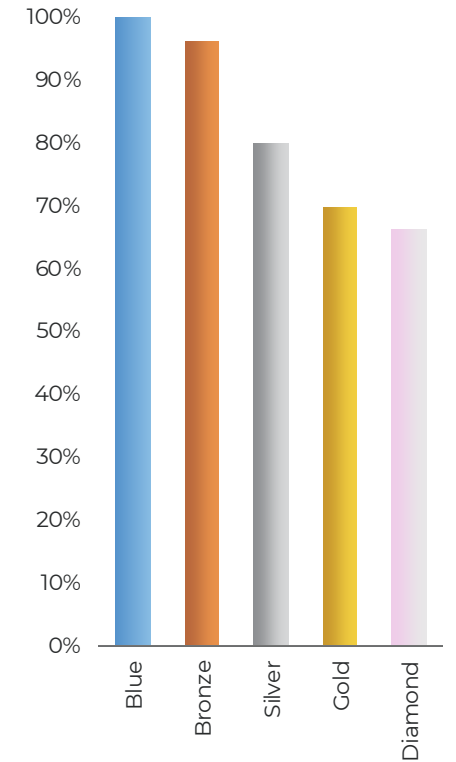
Lower severity by status

Relative accident severity by Vitality status



Lower loss ratio by status

Relative loss ratio by Vitality status

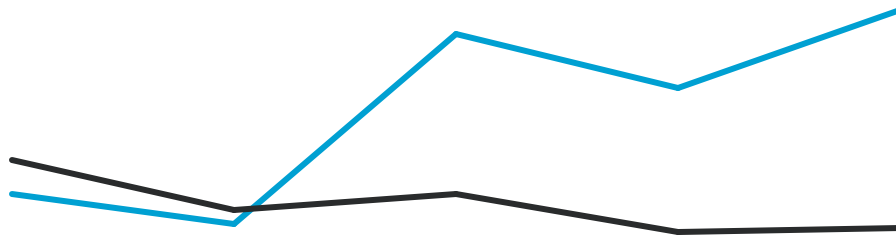


Superior underwriting of evolving risks



Flood risk index identified flood vulnerabilities

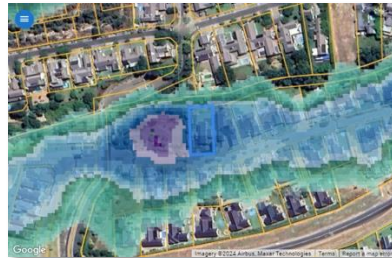
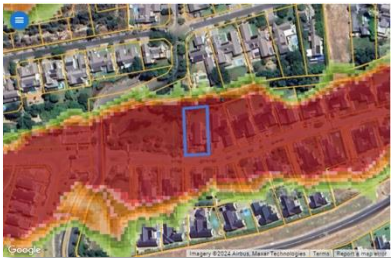
Weather Risk Cost across Flood Vulnerability



None Low Low to Moderate Significant Extreme

— Actual Weather Risk Premium — Expected Weather Risk Premium

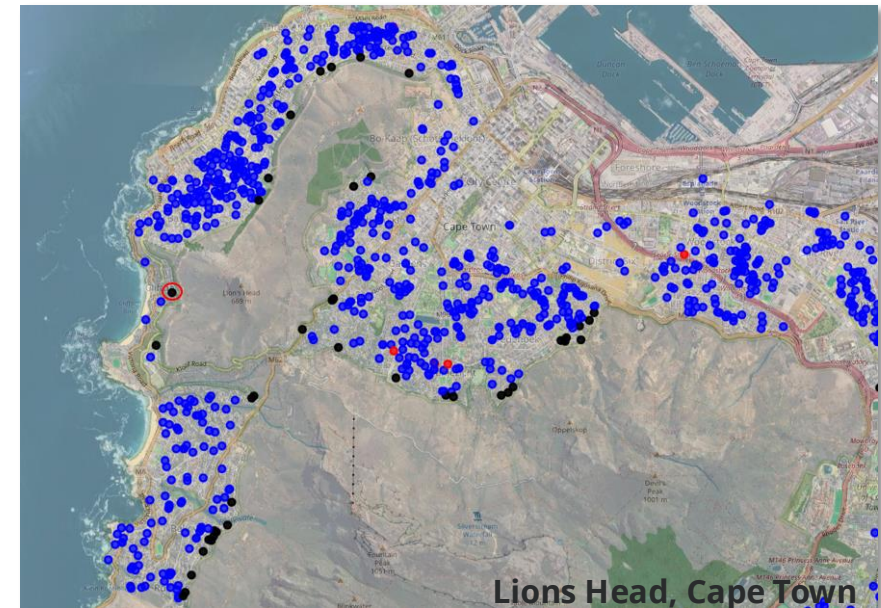
- Flood water depth
- Potential for debris
- Flood water velocity
- Stand height vs flood water
- Ponding risk
- Intersection of stand and water



Pro-active management of fire risks

Risk assessments and action taken on the following groups:

- Thatch Properties above R10m insured value
- Thatch Properties within 50 metres of another thatch property
- Non-Thatch Properties above R10m insured value identified as high risk on map





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Discovery Insure's rich ecosystem



Rewards

 UP TO 50% FUEL CASH BACK	 UP TO 50% GAUTRAIN
 UP TO 20% VEHICLE SERVICING	 UP TO 100% VEHICLE MAINTENANCE COSTS WITH IFA
 UP TO 50% SELECTED CAR SEATS	 UP TO 50% UBER
 UP TO 25% TYRES	 UP TO 25% SCRATCH AND DENT COVER

Vitality Drive

Diamond Vitality Drive status

Advanced telematics technology to help Vitality Drive clients improve driving behaviour

Vitality Car Rating 🏆🏆🏆🏆🏆

Up to 15% boost in vehicle resale value based on its rating

Rewards

- 50% Fuel cash back
- 50% Gautrain
- 20% Vehicle servicing
- 100% Vehicle maintenance costs with your Insure Funder Account
- 50% Selected car seats
- 50% Uber from 6pm to 6am
- 25% Tyres

Unique features

- Impact Alert
- Vehicle panic button
- Retail value booster
- Weather warnings
- Car hire extender and upgrade
- Find my vehicles
- Write-off accelerator
- Scratch and Dent
- Stolen Vehicle Recovery
- Vehicle warranty

Vitalitydrive



Advanced telematics technology to help Vitality Drive clients improve driving behaviour



Unique features

Unique features

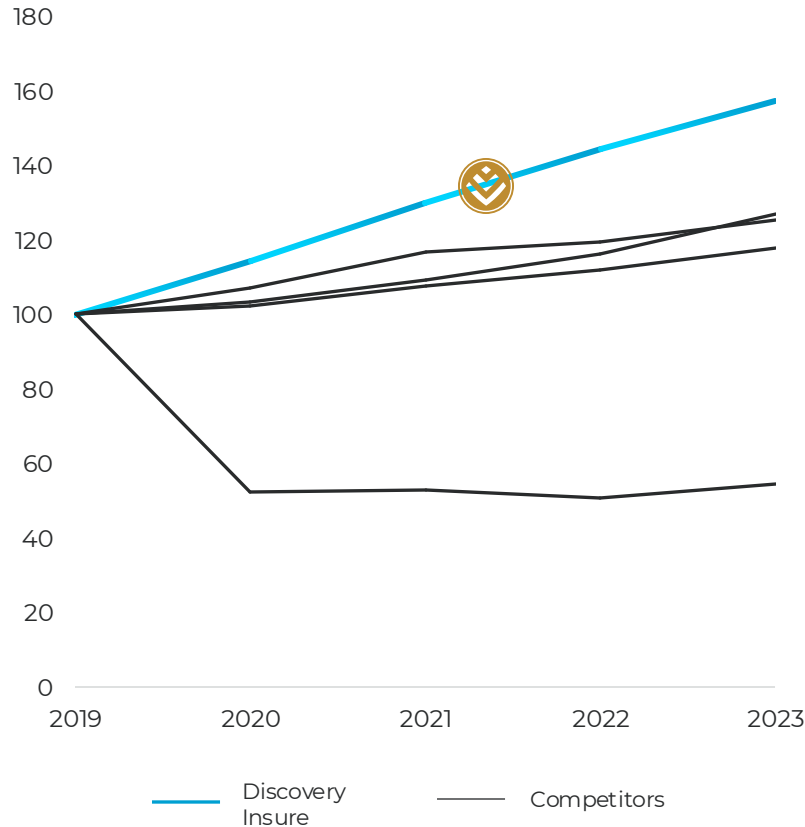
- Impact Alert
- Vehicle panic button
- Retail value booster
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- Vehicle warranty

Superior growth enabled by omnichannel distribution



2.5X GWP

growth over past 6 years



Dynamic Sales Force

400+ Tied Agents **900+** Independent financial advisors **23** Broker Call Centers **1** In-house Inbound call center

Exceptional Client Value

R2bn fuel cash back
Uber **650 000** Uber trips discounted
R28m tyres funded through IFA

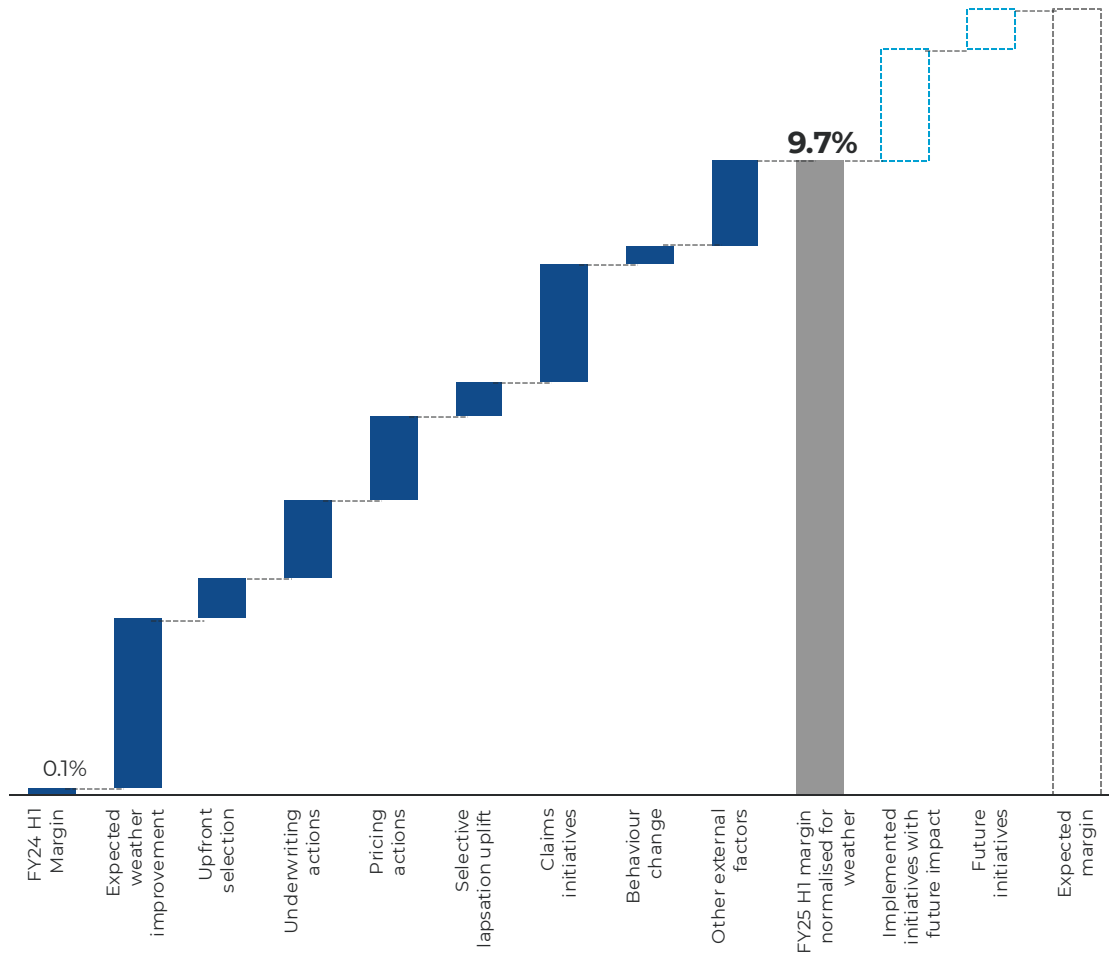
Innovative Client Features

58% higher SVR rate than traditional tracker **14,400** Impact Alerts annually **< 5 min** Impact Alert response time **R233m** IFA benefit paid to clients

Margin recovery savings to fund investment in conversion improvement

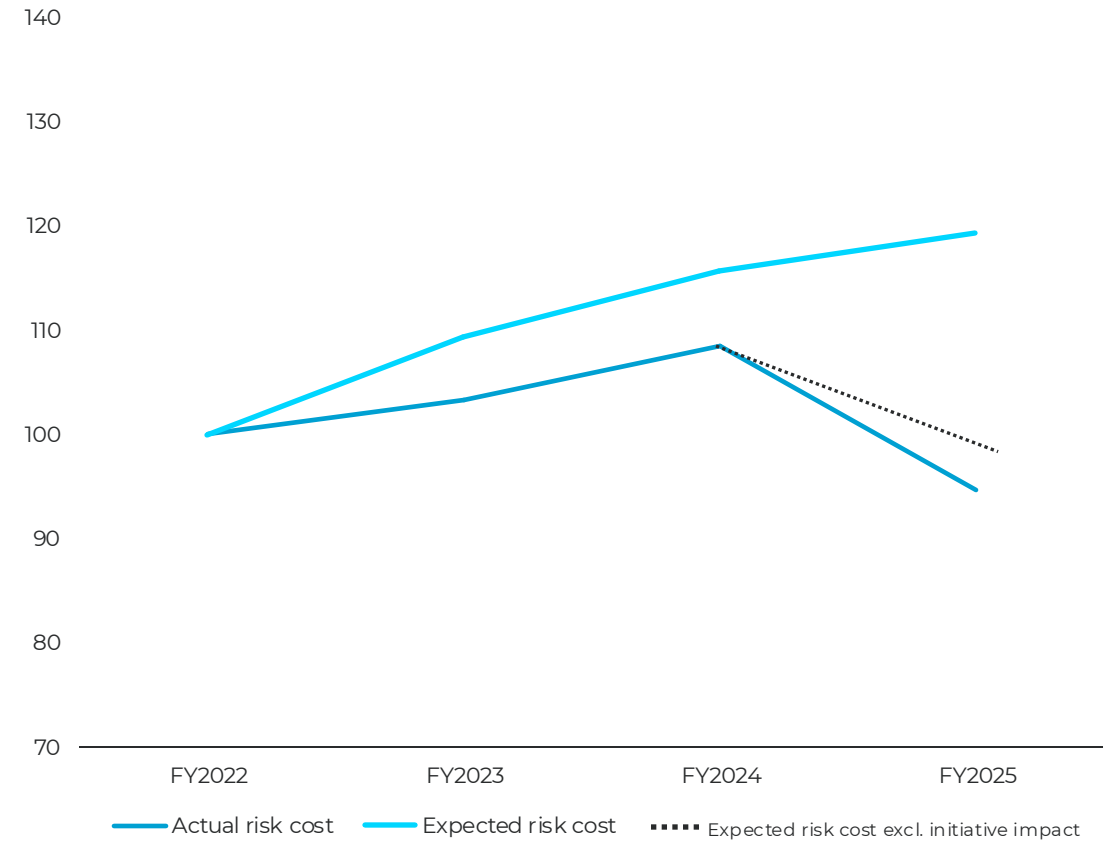


Sustainable margin improvement due to focused management action with further impacts expected



Actual claims experience below pricing

Actual vs Expected Risk Cost since start of margin recovery plan



Leveraging Discovery Group Assets



Group Integration



3.2 m

Discovery lives with only **one** product

907k

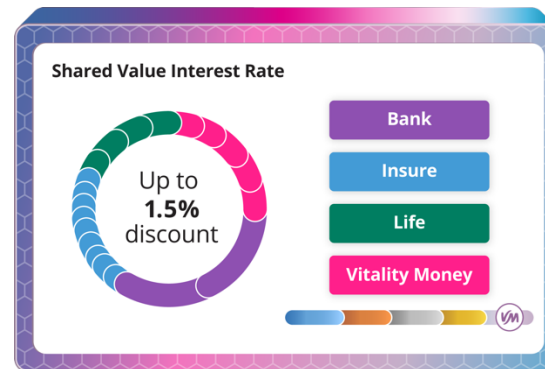
Bank clients without an Insure product

Integrated Insurance for Home Loans



Comprehensive **building and contents cover**

Accidental **damage and power surge cover**



Bank-telematics Integration



Lapse score

Client's credit history with Discovery Bank can be used as **proxy for their credit score** in deriving their propensity to lapse



Distance score

Use of client's Discovery Bank transaction data as a **proxy for mileage** driven rating factor



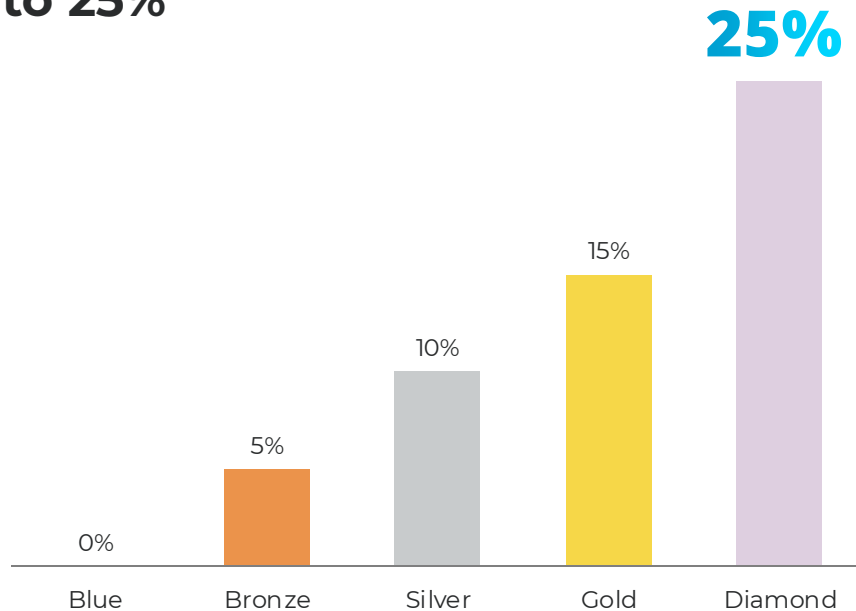
Dynamic innovation addressing customer needs



Scratch and Dent

R5,000 cover limit | Risk Rated | Vitality Cover Boost

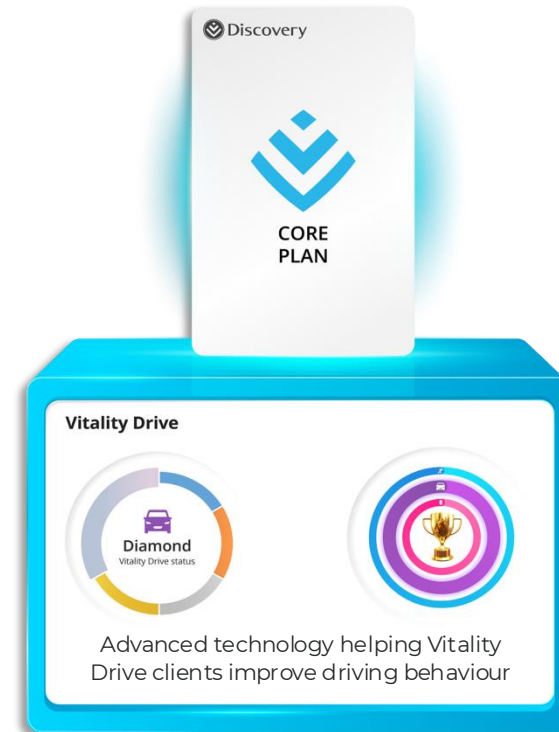
**Vitality Drive clients
can boost their cover
up to 25%**



Core Plan Insurance for core insurance needs

15% - 25% cheaper than Essential Plan
Mobile telematics | Dynamic excess structure

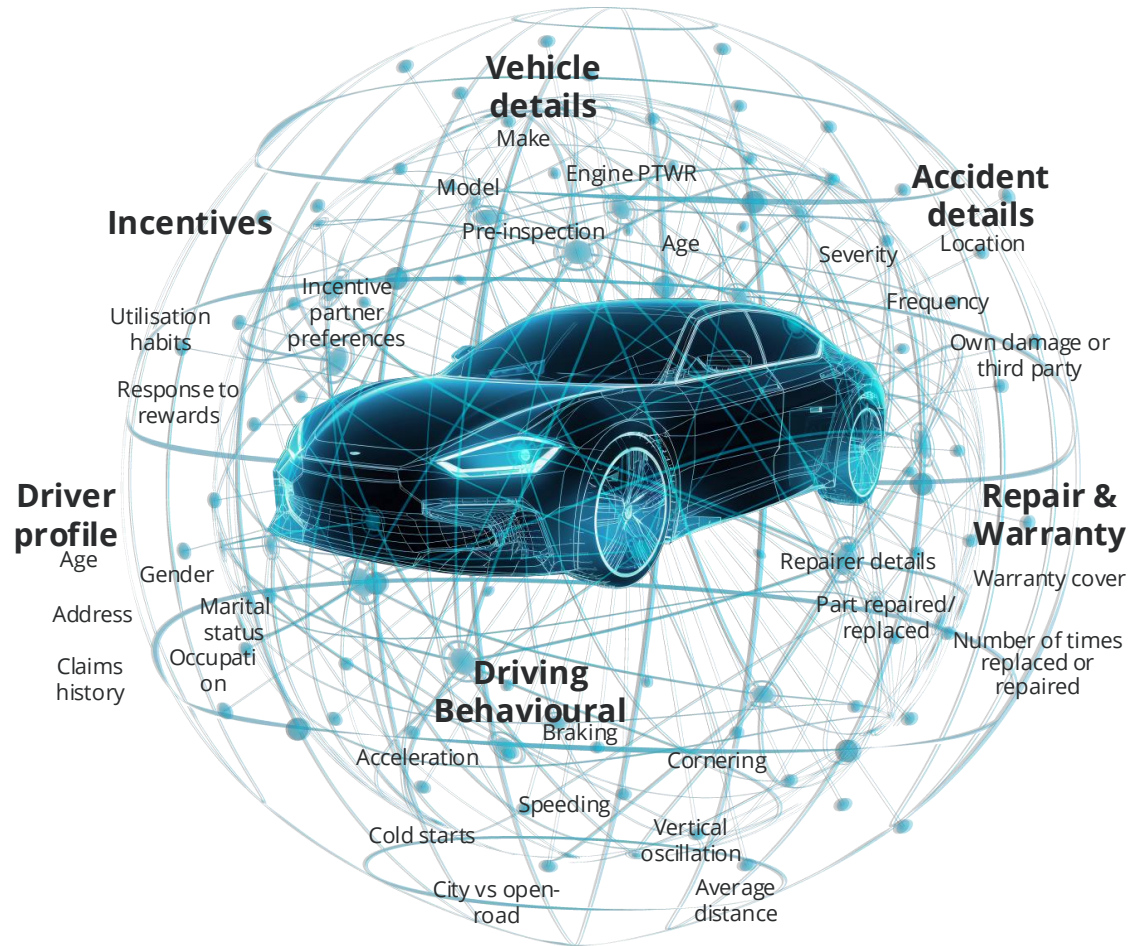
Suitable for the most price sensitive clients



Extracting further client value from our data



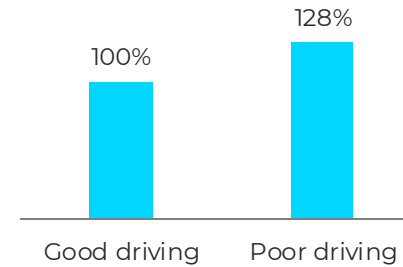
Our driving data provides unique insights into vehicle condition



Good driving reduces likelihood of breakdown claims

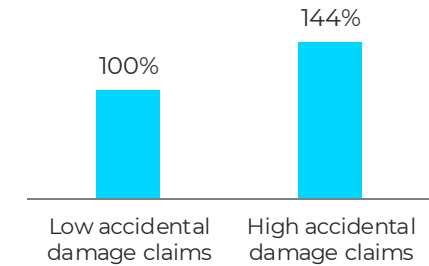
Breakdown claims frequency by driving behaviour

Relative to good driving



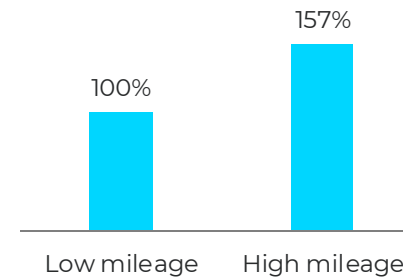
Breakdown claims frequency by claims history

Relative to low accidental damage claims



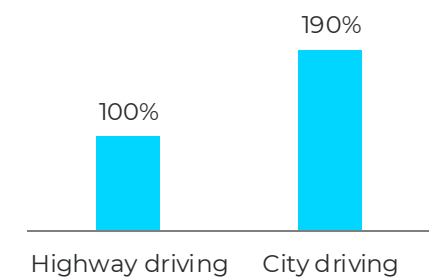
Breakdown claims frequency by mileage

Relative to low mileage



Breakdown claims frequency by mileage type

Relative to highway driving



Introducing Vitality Car Rating



Up to 15% boost in vehicle retail value

					% Boost
					15%
					10%
					7.5%
					5%
					2.5%
					2%



2025 Insurance Innovation of the Year winner





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New partners, expanding global reach



 **GEOTAB** 

 A powerful partnership

 With a shared-value approach

 Toward a world of better drivers

Launched: February 2025

- Largest commercial telematics vendor worldwide with >55,000 customers and >4.7 million subscriptions in 160 countries.
- Built on Geotab's Predictive Collision Risk (PCR) scoring algorithm providing a standardized measure of fleet risk.
- Ability to work with any telematics provider.
- Behaviour change programme
- Separate and focused operational team
- Fee for Service model



  **SOLIDARITY**

Launched: January 2025



 **IGI**



Launched: December 2024



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Social initiatives



POTHOLE PATROL

> 260,000

Potholes repaired

26%

Reduction in pothole claim frequency

Inseta-accredited Pothole **Patrol Academy**
Launch –February 2024



FIRE FORCE

> 3,000

Incidents

< 10 min

Ave response time

2x

Fire responses a day

> 200,000 km

travelled



CAP MZANSISAFE

R159m

Assets seized

333

Vehicles recovered

148

Firearms collected

740

Suspects arrested



SAFE JOURNEYS TO SCHOOL

24,510

Children transported

796

Drivers

Zero

Road fatalities since inception

Operating in
Gauteng and Western Cape