# Discovery Group RMBMS Financials Conference

June 2025

# Presentation disclaimer

This presentation was constructed to facilitate conversation for a series of detailed investor discussions at a conference, thematically around **Life Insurance Distribution trends**. Information was sourced from an array of internal and external sources and should not be seen as containing or indicating direction of Discovery's future financial performance. Information has not been audited.

# RETAIL PROTECTION MARKET LANDSCAPE

## Overview of size of growth opportunities

**R5.5bn**

**Retail affluent**
Discovery Life is the #1 writer in this market

**R14.2bn**

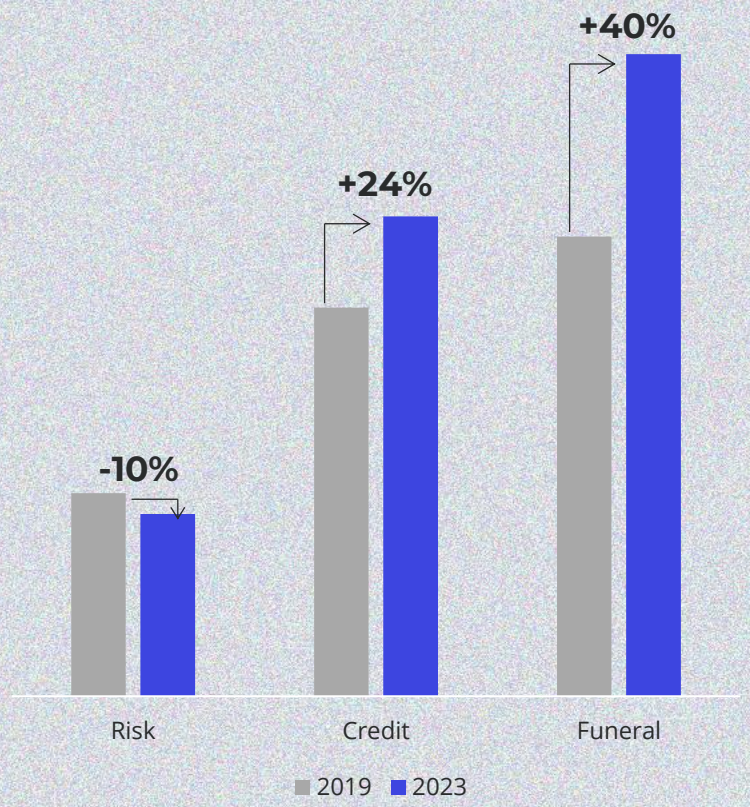
**Credit Risk**
Significant opportunity to gain traction in this market

**R19.2bn**

**Funeral**
Significant opportunity to gain traction in this market

*Source: SwissRe Volume Survey 2024*

Growth of these market segments over the last 5 years



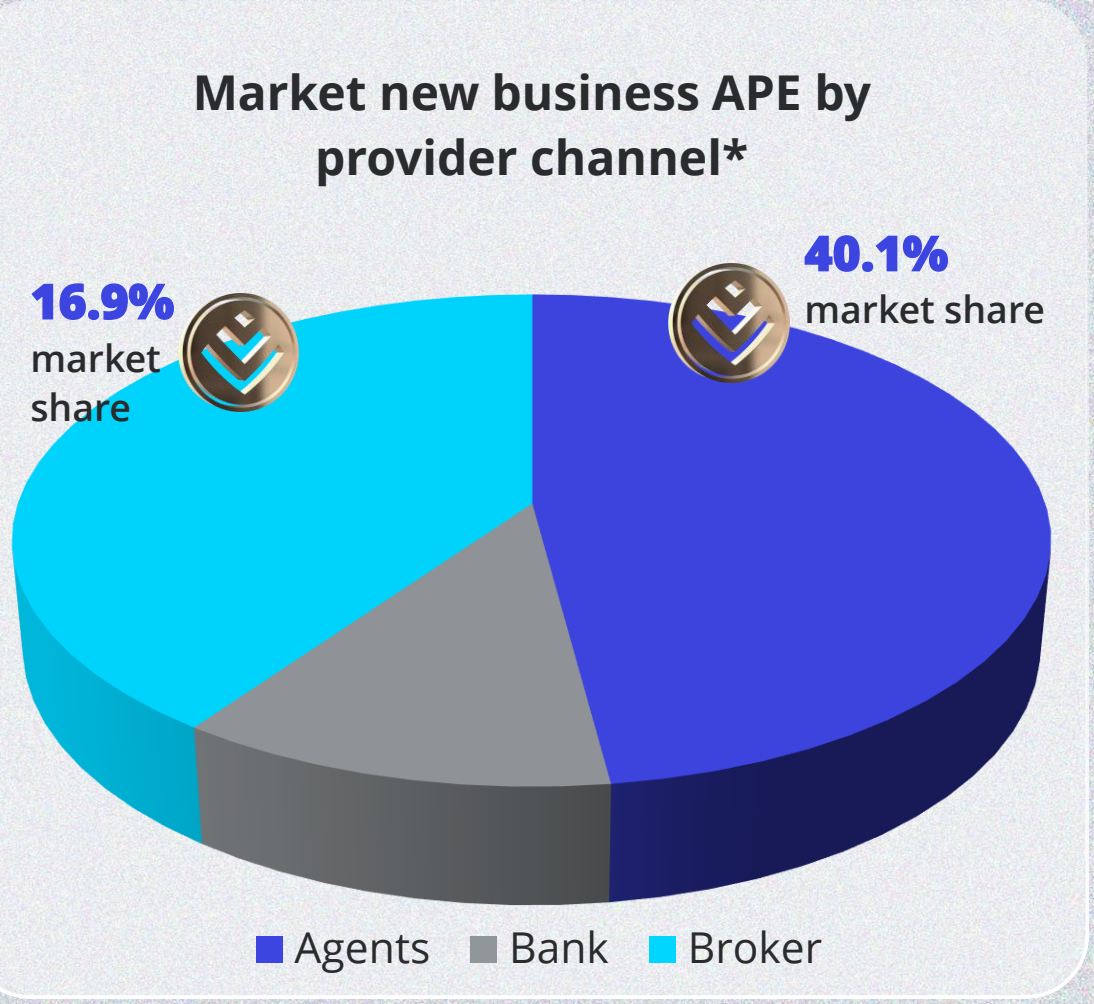

**Large portion of these products are through Bancassurance models**

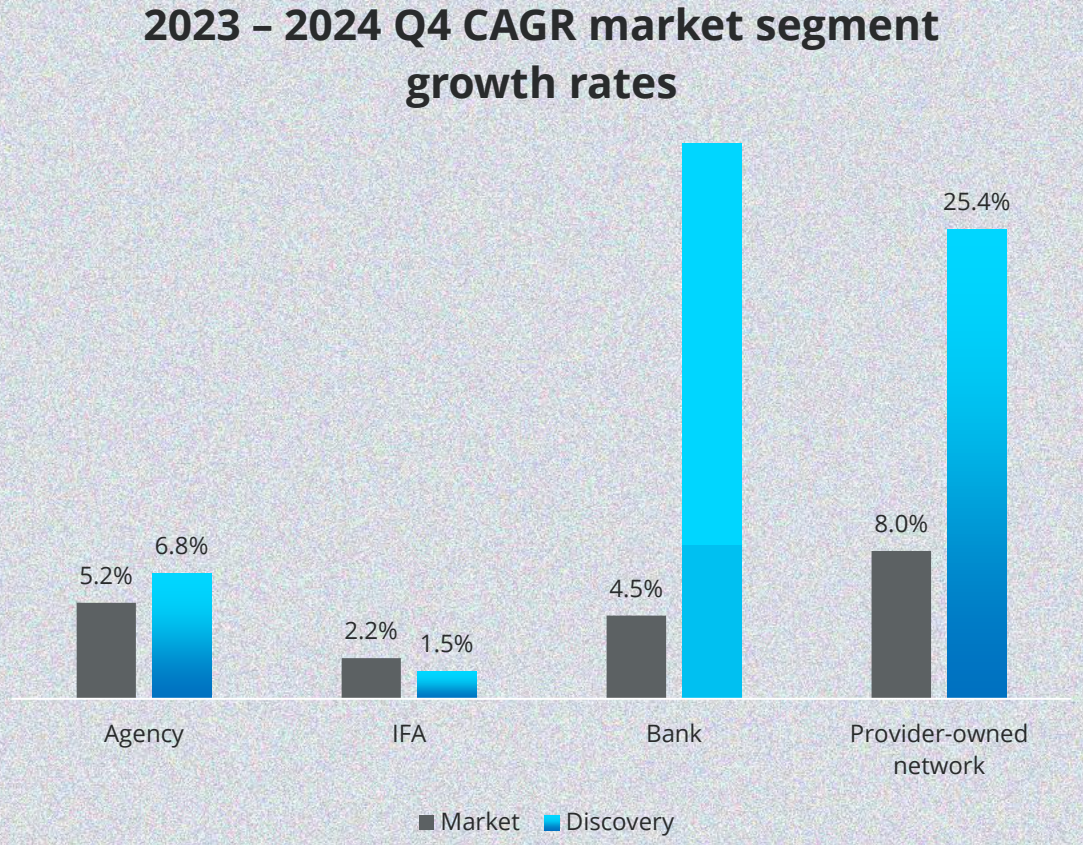
## Steady growth of presence in these adjacent markets

| | Market | |
|---|---|---|
| **Risk** | **-2.7%** Annualised growth rate* | **6.2%** Annualised growth rate* |
| **Credit** | **5.4%** Annualised growth rate* | *Partnered with Discovery Bank to offer Home Loan Protector in 2024 to enter market* |
| **Funeral** | **8.7%** Annualised growth rate* | **9.2%** Annualised growth rate* |

**Period used for annualised growth rates 2019-2023 (Market) and 2022-2024 (Discovery Life)*

# DISCOVERY LIFE IS GROWING MARKET SHARE IN A RELATIVELY STAGNANT MARKET




Discovery Life has an incredibly strong agency force with the latest market share at **40.1%**

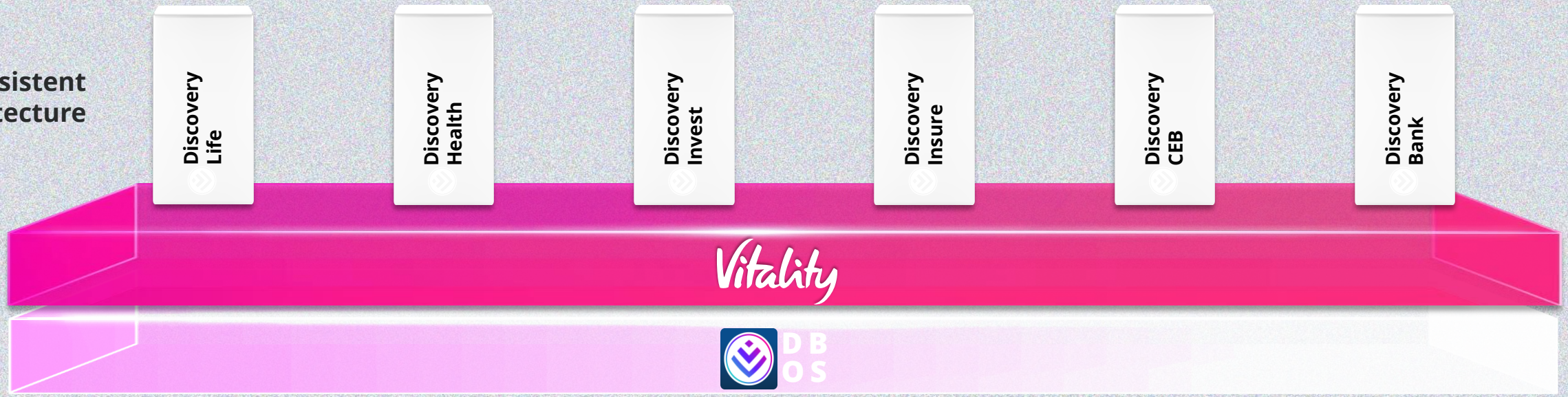
Network brokerages had a compound annual growth rate of **9%** from 2021 – 2024, with Discovery demonstrating significant growth from 2023 - 2024

*Source: NMG Risk distribution monitor, *APE for 12 Months ending December 2024 , Q4 2024 market share stats*

# DISCOVERY GROUP IS A DISTRIBUTION LEADER

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

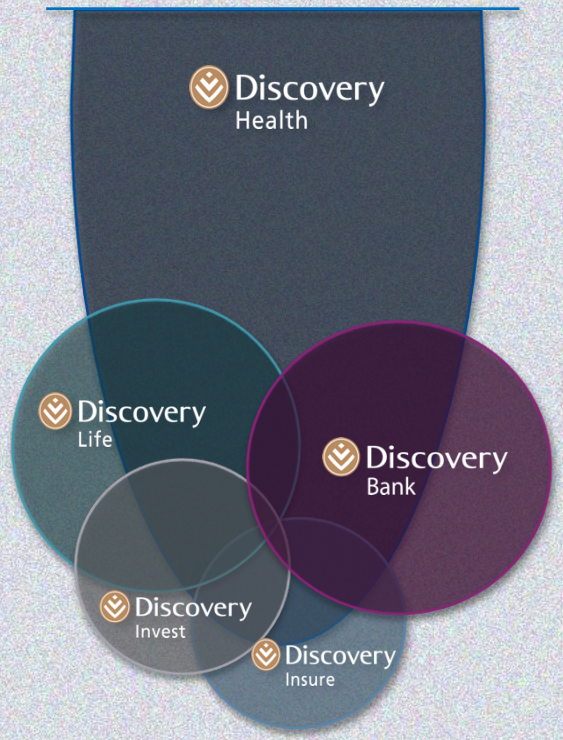
**Consistent architecture**




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

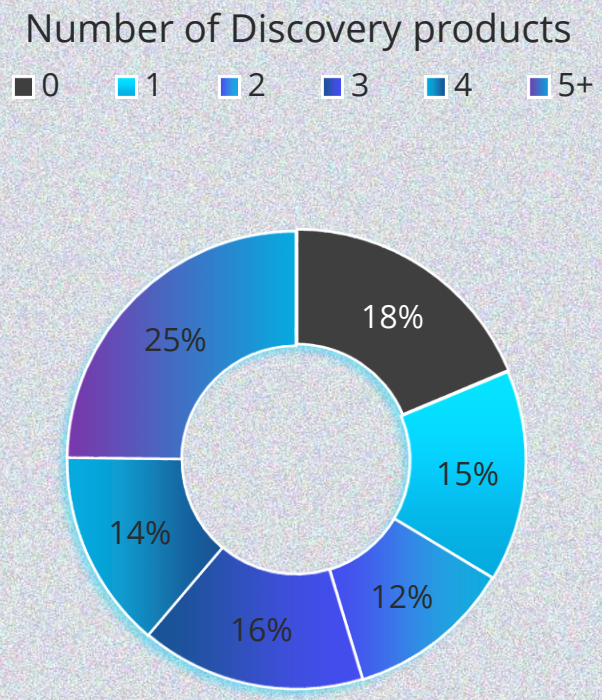
# ADVISER-DRIVEN CROSS-SELL OPPORTUNITIES

## CLIENT OPPORTUNITY SET CONTINUES TO GROW



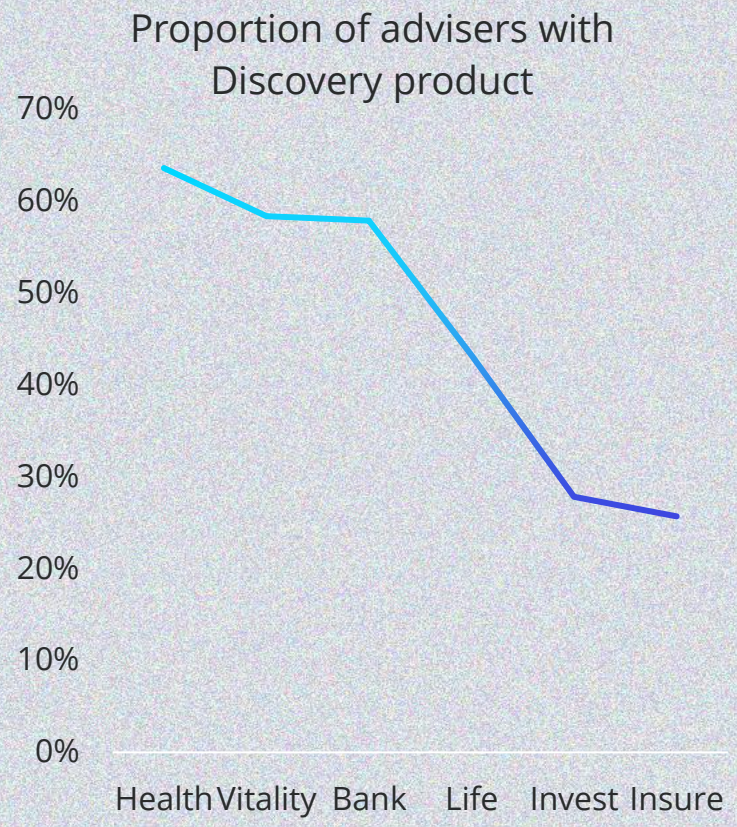

**3.2m** Discovery lives with only one product

## FINANCIAL ADVISER DISTRIBUTION BY NUMBER OF DISCOVERY PRODUCTS




**>80%** Of Discovery-linked advisers have at least one Discovery product

## DISCOVERY PRODUCT TAKE UP BY FINANCIAL ADVISERS




*Analysis as at January 2025, limited to active Discovery brokers (brokers with at least 10 policies in their portfolio)*

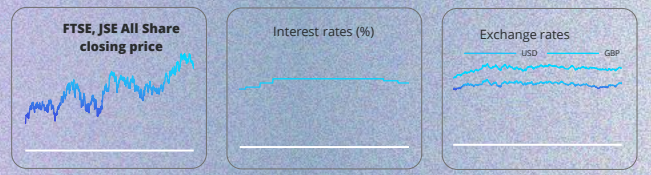
# FUTURE OF FINANCIAL ADVICE

## KEY TRENDS SHAPING THE FINANCIAL ADVICE INDUSTRY

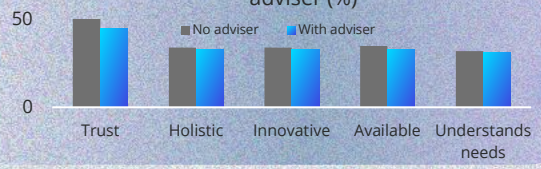
### Hyper-personalised

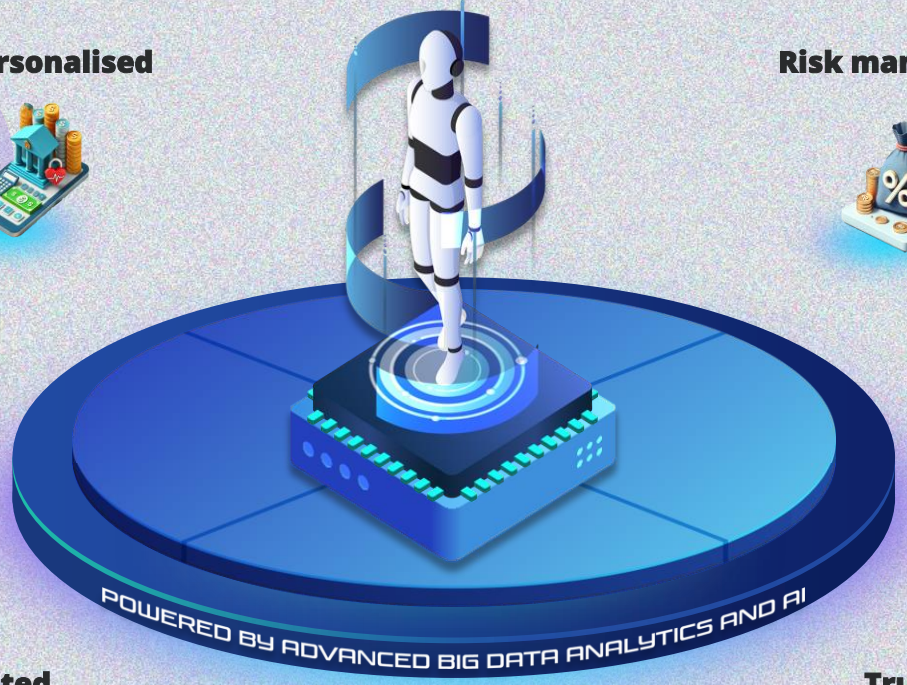
Needs-based, dynamic advice based on tailored preferences, including hybrid options and product bundling

### Risk management




### Holistic






### "Finfluence"

Growing use of social media for interaction and promoting financial products, services, education and advice

### Robo-assisted

On-demand, digitally accessible advice that is tailored

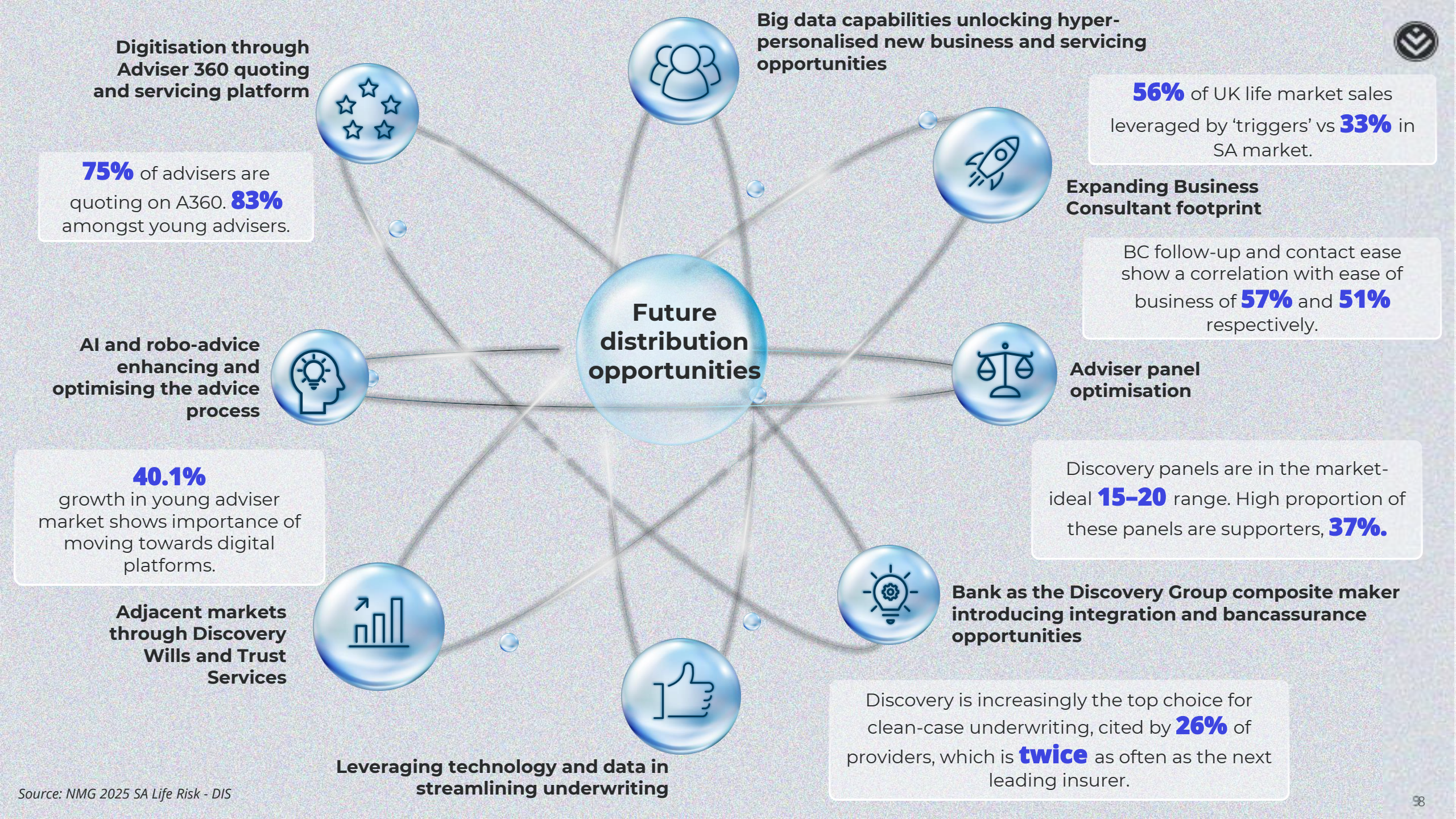
### Trust

Misinformation
AI deepfakes promoting financial scams

Fraud and Ponzi schemes
Promises of low risk and high returns

Crypto and other asset classes
Increasing number of new highly volatile and complex assets

*Sources: Wall Street Journal markets; SARB; WEF future of financial advice; Thought lab, December 2023*




*Source: NMG 2025 SA Life Risk - DIS*