

This pack has been prepared to aid discussion and provide further supplementary information only and has not been subject to an external review or audit

CUSTOMERS PER ENTITY



Life Policyholders

	June 2023	December 2022	June 2022	December 2021	June 2021	December 2020	June 2020	Dec 2019	June 2019	December 2018	June 2018	December 2017	June 2017	December 2016
Individual	447,690	449,130	449,020	449,378	448,313	445,813	446,713	452,561	446,475	440,747	429,817	423,707	413,346	407,402
Invest														
Invest - DRO	137,189	135,819	134,721	133,741	132,817	131,244	129,606	127,831	124,135	120,253	115,670	111,258	105,722	101,168
Invest - Other	221,273	216,479	216,721	206,778	201,210	195,231	189,210	185,215	185,025	179,975	179,975	179,975	164,878	147,960
Group (lives)	711,161	680,754	584,081	562,769	576,450	562,440	578,035	551,219	544,443	539,552	512,715	506,141	502,258	466,172
Group schemes	2,663	2,666	2,793	2,844	2,827	2,825	2,797	2,740	2,771	2,635	2,585	2,552	2,503	2,453

Life NB APE

	12 months to June 2023	6 months to December 2022	12 months to June 2022	6 months to December 2021	12 months to June 2021	6 months to December 2020	12 months to June 2020	6 months to December 2019	12 months to June 2019	6 months to December 2018	12 months to June 2018	6 months to December 2017	Year ended June 2017	6 months to December 2016
Individual	2,663	1,355	2,362	1,204	2,072	1,068	2,126	1,165	2,215	1,157	2,042	1,038	1,970	1,001
Group	175	130	181	64	193	94	160	75	97	55	146	79	205	52
Invest - Recurring	1,551	796	1,428	737	1,167	573	1,164	686	1,221	661	1,205	632	1,219	658
Invest - Single APE**	1,500	708	1,493	782	1,570	744	1,508	671	1,382	726	1,248	588	1,277	620
Total Life APE**	5,889	2,990	5,464	2,786	5,001	2,478	4,958	2,597	4,915	2,599	4,642	2,337	4,671	2,331

** APE shown at 10% of Single premium

Health Members

	June 2023	December 2022	June 2022	December 2021	June 2021	December 2020	June 2020	December 2019	June 2019	December 2018	June 2018	December 2017	June 2017	December 2016
DHMS - Keycare	225,517	232,988	232,055	234,421	235,841	230,960	232,714	243,046	240,140	251,951	247,357	254,165	248,430	256,591
DHMS - Non-Keycare	1,149,861	1,142,556	1,135,853	1,118,591	1,111,545	1,099,553	1,111,079	1,108,674	1,110,401	1,098,903	1,093,745	1,069,492	1,062,964	1,041,166
In-House Schemes	319,813	321,838	318,246	316,973	321,613	321,767	319,974	317,408	316,410	315,875	310,773	311,879	299,353	275,293
Total	1,695,191	1,697,382	1,686,154	1,669,985	1,668,999	1,652,280	1,663,767	1,669,128	1,666,951	1,666,729	1,651,875	1,635,536	1,610,747	1,573,050

Health Lives

	June 2023	December 2022	June 2022	December 2021	June 2021	December 2020	June 2020	December 2019	June 2019	December 2018	June 2018	December 2017	June 2017	December 2016
DHMS - Keycare	384,759	398,397	397,595	401,307	404,984	400,108	403,392	420,869	415,436	436,543	428,103	440,722	430,363	443,485
DHMS - Non-Keycare	2,413,851	2,412,595	2,406,528	2,383,486	2,375,082	2,358,232	2,381,735	2,387,237	2,394,336	2,382,596	2,374,976	2,337,485	2,327,651	2,292,201
In-House Schemes	707,406	710,427	704,472	699,342	707,293	704,749	698,534	689,688	686,114	677,530	667,116	663,807	635,178	581,821
Total	3,506,016	3,521,419	3,508,595	3,484,135	3,487,359	3,463,089	3,483,661	3,497,794	3,495,886	3,496,669	3,470,195	3,442,014	3,393,192	3,317,507

Vitality SA

	June 2023	December 2022*	June 2022	December 2021	June 2021	December 2020	June 2020	December 2019	June 2019	December 2018	June 2018	December 2017	June 2017	December 2016
Total Vitality Health, Vitality Drive and Vitality Money programme lives	2,652,877	2,498,048	2,348,834	2,242,401	2,163,411	2,122,453	2,065,868	2,060,011	1,987,237	2,001,919	2,001,710	2,010,302	1,991,948	2,001,773

*restated to include for LA wellness figures

VitalityHealth Members

	June 2023	December 2022	June 2022	December 2021	June 2021	December 2020	June 2020	December 2019	June 2019	December 2018	June 2018	December 2017	June 2017	December 2016
Individual	135,117	129,568	124,395	117,007	113,189	108,955	105,915	104,997	101,702	96,277	90,375	85,942	84,070	82,171
SME	310,624	285,865	263,216	238,540	222,961	211,949	212,305	209,509	201,960	190,835	181,795	174,376	168,844	165,813
Corporate	108,191	102,823	99,578	89,881	86,149	80,514	81,124	78,050	70,583	61,970	59,954	56,762	53,472	56,773
Trust and Cost Plus	16,339	14,511	8,698	3,944	2,731	2,639	-	-	-	-	-	-	-	-
Total	570,271	532,767	495,887	449,372	425,030	404,057	399,344	392,556	374,245	349,082	332,124	317,080	306,486	304,757

VitalityHealth Lives

	June 2023	December 2022	June 2022	December 2021	June 2021	December 2020	June 2020	December 2019	June 2019	December 2018	June 2018	December 2017	June 2017	December 2016
Individual	250,551	238,629	227,684	212,896	204,890	195,996	188,976	186,559	179,811	168,609	156,488	148,309	145,379	142,044
SME	496,299	460,442	429,110	395,777	374,179	357,768	356,907	353,763	342,431	327,594	314,773	304,280	297,186	292,506
Corporate	171,364	163,120	158,890	148,654	143,905	135,218	135,440	131,991	120,157	107,570	105,083	100,242	94,662	101,104
Trust and Cost Plus	26,854	22,673	15,903	6,509	4,066	3,956	-	-	-	-	-	-	-	-
Total	945,068	884,864	831,587	763,836	727,040	692,938	681,323	672,313	642,399	603,773	576,344	552,831	537,227	535,654

VitalityLife Policies

	June 2023	December 2022	June 2022	December 2021	June 2021	December 2020	June 2020	December 2019	June 2019	December 2018	June 2018	December 2017	June 2017	December 2016
Policies	622,451	593,322	565,778	535,281	517,913	493,970	474,890	458,675	434,678	408,914	386,136	357,986	338,056	322,266

VitalityLife Lives

	June 2023	December 2022	June 2022	December 2021	June 2021	December 2020	June 2020	December 2019	June 2019	December 2018	June 2018	December 2017	June 2017	December 2016
Lives*	764,699	735,137	702,105	669,139	647,020	617,051	594,799	577,965	549,526	516,020	480,121	439,566	409,939	387,151

*restated to include unique lives only

Discovery Insure Policies

	June 2023	December 2022	June 2022	December 2021	June 2021	December 2020	June 2020	December 2019	June 2019	December 2018	June 2018	December 2017	June 2017	December 2016
Policies	211,223	214,315	213,453	212,570	202,335	191,936	178,517	169,920	159,171	152,947	144,072	137,412	121,785	111,605

Discovery Bank

	June 2023	December 2022	June 2022	December 2021	June 2021	December 2020	June 2020	December 2019	June 2019	December 2018	June 2018	December 2017	June 2017	December 2016
Primary Clients	702,131	581,457	470,220	385,177	331,088	287,183	206,810	61,731	1,476	-	-	-	-	-
Total Accounts	1,625,912	1,312,970	1,023,790	793,215	648,546	521,081	357,416	141,660	3,740	-	-	-	-	-

VALUE OF NEW BUSINESS AT POINT OF SALE VS VALUATION DATE

June 2023

VNB at Point of Sale

R million	Health and Vitality	Life and Invest	VitalityHealth	VitalityLife	Total
Acquisition Costs and Initial strain	(485)	(2,757)	(1,885)	(1,701)	(6,828)
Value of In Force	1,439	3,273	2,154	1,704	8,570
Cost of Capital	(39)	(87)	(87)	(89)	(302)
	915	429	182	(86)	1,440

New business contribution to value of in force at valuation date

R million	Health and Vitality	Life and Invest	VitalityHealth	VitalityLife	Total
Value of In Force	1,434	2,575	1,745	1,907	7,661
Cost of Capital	(38)	(87)	(95)	(95)	(315)
	1,396	2,488	1,650	1,812	7,346

December 2022

VNB at Point of Sale

R million	Health and Vitality	Life and Invest	VitalityHealth	VitalityLife	Total
Acquisition Costs and Initial strain	(231)	(1,377)	(815)	(815)	(3,238)
Value of In Force	762	1,754	895	919	4,330
Cost of Capital	(20)	(48)	(38)	(46)	(152)
	511	329	42	58	940

New business contribution to value of in force at valuation date

R million	Health and Vitality	Life and Invest	VitalityHealth	VitalityLife	Total
Value of In Force	760	1,514	703	922	3,899
Cost of Capital	(19)	(48)	(37)	(55)	(159)
	741	1,466	666	867	3,740

June 2022

VNB at Point of Sale

R million	Health and Vitality	Life and Invest	VitalityHealth	VitalityLife	Total
Acquisition Costs and Initial strain	(425)	(2,590)	(1,502)	(1,378)	(5,895)
Value of In Force	1,383	3,385	1,900	1,597	8,265
Cost of Capital	(30)	(90)	(81)	(108)	(309)
	928	705	317	111	2,061

New business contribution to value of in force at valuation date

R million	Health and Vitality	Life and Invest	VitalityHealth	VitalityLife	Total
Value of In Force	1,368	2,934	1,482	1,577	7,361
Cost of Capital	(30)	(90)	(81)	(121)	(322)
	1,338	2,844	1,401	1,456	7,039

June 2021

VNB at Point of Sale

R million	Health and Vitality	Life and Invest	VitalityHealth	VitalityLife	Total
Acquisition Costs and Initial strain	(383)	(2,472)	(1,355)	(1,547)	(5,757)
Value of In Force	1,172	3,297	1,498	1,943	7,910
Cost of Capital	(24)	(82)	(61)	(95)	(262)
	765	743	82	301	1,891

New business contribution to value of in force at valuation date

R million	Health and Vitality	Life and Invest	VitalityHealth	VitalityLife	Total
Value of In Force	1,155	2,890	1,073	1,850	6,968
Cost of Capital	(23)	(83)	(56)	(109)	(271)
	1,132	2,807	1,017	1,741	6,697

EV RECONCILIATION TO INCOME STATEMENT

for the year ended 30 June 2023

R million	Embedded Value Earnings	Value of In-Force	Cost of required Capital	Impact on Income Statement	Adjustment to Shareholders Funds	Statement of Changes in Equity
Total profit from new business	1,440	6,955	(302)	(5,213)		
- Health and Vitality	915	1,346	(39)	(392)	-	-
- Life	429	2,467	(87)	(1,951)	-	-
- VitalityHealth	182	1,473	(87)	(1,204)	-	-
- VitalityLife	(86)	1,669	(89)	(1,666)	-	-
Profit from existing business						
* Expected return	8,589	1,426	(33)	7,196		
- Health and Vitality	3,492	610	3	2,879		
Expected transfer from VIF to net worth	-	(2,879)	-	2,879		
Unwinding of the risk discount rate	3,492	3,489	3	-		
- Life	4,027	2,121	19	1,887		
Expected transfer from VIF to net worth	-	(1,887)	-	1,887		
Unwinding of the risk discount rate	4,027	4,008	19	-		
- VitalityHealth	612	(825)	(28)	1,465		
Expected transfer from VIF to net worth	-	(1,465)	-	1,465		
Unwinding of the risk discount rate	612	640	(28)	-		
- VitalityLife	458	(480)	(27)	965		
Expected transfer from VIF to net worth	-	(965)	-	965		
Unwinding of the risk discount rate	458	485	(27)	-		
* Change in methodology and assumptions	(4,854)	(7,015)	172	1,989		
- Health and Vitality	(706)	(759)	12	41		
- Life	(2,659)	(4,239)	(133)	1,713	-	-
- VitalityHealth	(1,009)	(1,071)	62	-		
- VitalityLife	(480)	(946)	231	235		
* Experience variances	3,204	2,420	68	716		
- Health and Vitality	703	259	(8)	452		
- Life	1,065	854	44	167		
- VitalityHealth	619	436	53	130		
- VitalityLife	817	871	(21)	(33)		
Increase in goodwill and intangibles	(263)	-	-	-	(263)	-
Other initiatives	24	24	-	-	-	-
Non-recurring expenses	(193)	-	-	(193)	-	-
Acquisition costs	(48)	2	-	(50)	-	-
Finance costs	(2,848)	-	-	(2,848)	-	-
Other	90	-	1	-	89	-
Foreign Exchange Rate Movements	5,070	4,017	(312)	(2,441)	(743)	4,549
Intangibles	(651)	-	-	-	(651)	-
DAC	(92)	-	-	-	(92)	-
Puttable NCI Liability	-	-	-	-	-	-
Other	5,813	4,017	(312)	(2,441)	-	4,549
Return on shareholders' funds	1,208	-	-	1,224	-	(16)
Unrealised gain on investments and realised gain on investments transferred to income statement	878	-	-	894	-	(16)
Health and Vitality investment income	88	-	-	88	-	-
Life investment income	242	-	-	242	-	-
VitalityHealth investment income	-	-	-	-	-	-
VitalityLife investment income	-	-	-	-	-	-
Amortisation of Intangibles	(67)	-	-	(415)	348	-
Amortisation of intangibles from business combinations	(67)	-	-	(100)	33	-
Amortisation of systems intangibles	-	-	-	(315)	315	-
VitalityHealth and VitalityLife DAC and unemployment reserve	-	-	-	42	(42)	-
Reversal of 1 Discovery Place IFRS 16 financial lease accounting	-	-	-	(163)	163	-
Life assets under insurance contracts	-	-	-	698	(698)	-
Vitality Life Limited and Discovery funded VitalityLife business on the Prudential Assurance Company license net assets under insurance contracts	-	-	-	3,443	(3,443)	-
VitalityHealth FinRe	-	-	-	1,444	(1,444)	-
Equity settled share based payment mark-to-market adjustment	-	-	-	(109)	109	-
Embedded value earnings	11,352	7,829	(406)	5,320	(5,924)	4,533
Adjustment to Shareholders' Funds:						
Change in:						
DAC	(88)					
Intangibles & Goodwill	(523)					
Life negative reserve	(698)					
VitalityLife negative reserve	(3,443)					
VitalityLife FinRe liability	(1,444)					
1 DP IFRS 16 financial lease accounting	163					
Equity settled share based payment mark-to-market adjustment	109					

EV BUILD-UP PER ENTITY

for the year ended 30 June 2023

R million	Health and Vitality	Life and Invest	VitalityHealth	VitalityLife	Other	Total
Value of in-force business at 30 June 2022	24,049	30,564	10,075	7,779	-	72,467
Expected return (in-force business)	3,409	3,859	538	409	-	8,215
Release of profits (in-force business)	(2,879)	(1,887)	(1,465)	(965)	-	(7,196)
Value of new business	1,400	3,186	2,067	1,615	-	8,268
Expected return (new business)	83	168	74	49	-	374
Release of profits (new business)	(93)	(806)	(681)	(35)	-	(1,615)
Experience variances	251	898	489	850	-	2,488
Methodology changes	(747)	(4,372)	(1,009)	(715)	-	(6,843)
Other	-	26	2,011	1,695	-	3,732
Value of in-force business at 30 June 2023	25,473	31,636	12,099	10,682	-	79,890
Shareholders' funds per Balance Sheet	3,390	35,000	10,138	8,571	6,875	63,974
Adjustment to shareholders' funds	-	(25,491)	(5,001)	(12,064)	(3,132)	(45,688)
Embedded value at 30 June 2023	28,863	41,145	17,236	7,189	3,743	98,176

COMPONENTS OF ASSETS UNDER INSURANCE CONTRACTS AND ADJUSTMENT TO SHAREHOLDERS' FUNDS ON PUBLISHED BASIS



R million	June 2023	December 2022	June 2022	December 2021	June 2021	December 2020	June 2020	December 2019	June 2019	December 2018	June 2018	December 2017	June 2017
1. Assets under insurance contracts													
Discovery Life positive liabilities not netted off with negative liabilities*:	867	1,424	1,353	1,314	1,263	1,185	1,174	1,205	1,234	1,163	4,636	3,983	3,642
Discovery Life long term reserves in respect of policies with net negative liabilities:	(38,613)	(39,190)	(37,535)	(36,722)	(32,947)	(31,927)	(29,994)	(32,984)	(31,295)	(29,786)	(31,713)	(29,448)	(27,650)
Unit reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
VitalityLife net long term reserve	(14,014)	(11,869)	(9,855)	(9,520)	(8,557)	(7,898)	(8,180)	(9,473)	(9,347)	(9,398)	(9,124)	(8,238)	(8,530)
Total Assets under insurance contracts:	(51,760)	(49,635)	(46,037)	(44,928)	(40,241)	(38,641)	(36,999)	(41,252)	(39,409)	(38,020)	(36,201)	(33,703)	(32,538)
<i>*The Discovery Retirement Optimiser pre-retirement matching strategy has been revised to consider portfolio cash flows available in the negative reserve to match policies with positive reserves where appropriate by nature and duration. Whilst this does not change the overall IFRS liability it results in a transfer of value from value of in-force to net worth on the embedded value basis.</i>													
2. Negative liabilities not included under assets under insurance contracts													
Negative reserve in respect of Invest business	(7,092)	(6,743)	(6,520)	(6,144)	(5,989)	(5,704)	(5,494)	(5,175)	(4,829)	(4,404)	(4,059)	(3,709)	(3,428)
DAC and DRL in respect of Invest business	(731)	(709)	(708)	(672)	(650)	(619)	(601)	(568)	(544)	(519)	(503)	(480)	(464)
	(7,823)	(7,452)	(7,228)	(6,816)	(6,639)	(6,323)	(6,095)	(5,743)	(5,373)	(4,923)	(4,562)	(4,189)	(3,892)
3. Components to be zeroised based on the Method of Distributable Cashflows:													
Discovery Life long term reserves in respect of policies with net negative liabilities:	(38,613)	(39,190)	(37,535)	(36,722)	(32,947)	(31,927)	(29,994)	(32,984)	(31,295)	(29,786)	(31,713)	(29,448)	(27,650)
Negative reserve in respect of Invest business	(7,092)	(6,743)	(6,520)	(6,144)	(5,989)	(5,704)	(5,494)	(5,175)	(4,829)	(4,404)	(4,059)	(3,709)	(3,428)
DAC and DRL in respect of Invest business	(731)	(709)	(708)	(672)	(650)	(619)	(601)	(568)	(544)	(519)	(503)	(480)	(464)
Adjust for reduction on Deferred Tax Liability as a result of reduction in earnings	9,202	8,994	8,576	8,771	8,086	8,238	7,973	8,679	8,218	7,686	7,155	6,768	6,349
Liabilities off set against Negative reserve before zeroisation*	11,743	11,927	11,394	11,734	10,825	10,228	9,552	7,692	7,686	7,610	7,642	7,015	6,839
	(25,491)	(25,721)	(24,793)	(23,033)	(20,675)	(19,785)	(18,564)	(22,356)	(20,765)	(19,412)	(21,478)	(19,854)	(18,354)
<i>*Includes Group Life URR which is projected in the Value in Force</i>													
4. Other adjustments to published Shareholders' funds													
Vitality Life Limited net assets under insurance contracts**	(12,051)	(9,415)	(8,608)	(8,944)	(7,703)	(6,427)	(6,320)	(6,231)	(5,812)	(5,812)	(4,834)	(3,891)	(3,620)
VitalityHealth FinRe Asset	(4,465)	(3,382)	(3,021)	(2,855)	(2,353)	(3,005)	(3,078)	(2,600)	(2,315)	(2,315)	(1,898)	(1,568)	(1,440)
VitalityHealth and VitalityHealth Insurance Limited deferred acquisition costs (net of deferred tax)	(536)	(466)	(450)	(415)	(407)	(439)	(467)	(365)	(382)	(382)	(331)	(254)	(252)
VitalityLife receivable relating to the Unemployment Cover benefit (net of deferred tax)	(13)	(10)	(11)	(12)	(12)	(16)	(21)	(19)	(19)	(19)	(27)	(26)	(27)
Goodwill	(2,969)	(2,531)	(2,475)	(2,661)	(2,442)	(2,487)	(2,653)	(2,289)	(2,225)	(2,225)	(2,247)	(2,060)	(2,107)
Intangible assets (net of deferred tax) relating to the acquisition of Standard Life Healthcare and the Prudential Assurance Company joint venture	(893)	(867)	(864)	(869)	(830)	(867)	(945)	(964)	(800)	(800)	(874)	(839)	(979)
Net preference share capital	(779)	(779)	(779)	(779)	(779)	(779)	(779)	(779)	(779)	(779)	(779)	(779)	(779)
Reversal of 1 Discovery Place IFRS 16 financial lease accounting	1,333	1,260	1,170	1,079	975	871	747	625	406	406	208	75	-
Equity settled share based payment mark-to-market adjustment	176	26	67	111	42	(62)	-	-	-	-	-	-	-
Adjustment to Shareholders' funds from published basis	(45,688)	(41,885)	(39,764)	(38,378)	(34,184)	(32,996)	(32,080)	(34,977)	(32,690)	(31,338)	(32,261)	(29,196)	(27,558)

**For periods prior to June 2022, the "Vitality Life Limited net assets under insurance contracts" included an adjustment for the Discovery funded VitalityLife business on the Prudential Assurance Company licence net assets under insurance contracts. From 30 June 2022, the Discovery funded VitalityLife business on the Prudential Assurance Company licence net assets under insurance contracts are no longer eliminated in the embedded value because the Discovery funding was settled as part of the agreement to delay the Part VII transfer in the period, aligning the financial operation of all VitalityLife business on the Prudential Assurance Company licence.

RECON OF ASSETS UNDER INSURANCE CONTRACTS

R million	FY June 2023	HY December 2022	FY June 2022	HY December 2021	FY June 2021	HY December 2020	FY June 2020	HY December 2019	FY June 2019	HY December 2018	FY June 2018	HY December 2017	FY June 2017	HY December 2016
Balance at the beginning of the year	46,037	46,037	40,242	40,242	36,972	36,999	39,408	39,408	36,201	36,201	32,538	32,538	30,589	30,589
Movement for the year:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expected Movement in Policyholder Liabilities	(2,886)	(1,431)	(1,362)	(85)	(2,180)	(1,352)	(3,275)	(1,286)	(2,945)	(1,440)	(3,280)	(1,650)	(2,917)	(1,580)
Unwinding of Discount Rate	4,173	1,980	3,108	1,531	2,711	1,384	2,792	1,040	2,003	1,012	2,425	1,187	2,091	1,044
New Business Written	3,497	1,842	3,371	1,845	3,606	1,989	3,862	2,430	4,747	2,347	3,984	1,986	3,843	2,145
Experience Variances	1,265	648	1,363	128	1,433	871	(436)	(179)	(812)	(481)	(546)	(466)	(588)	(508)
Economic	-	-	185	69	115	181	(129)	(103)	(133)	21	(255)	(36)	91	33
Inflation-linked indexation	1,022	534	-	-	-	-	-	-	-	-	-	-	-	-
Operational	243	114	1,178	59	1,317	690	(307)	(75)	(679)	(502)	(291)	(430)	(678)	(542)
Modeling and method changes	(18)	(81)	(179)	(167)	(346)	(74)	(111)	1	1,420	(58)	(155)	(155)	14	175
Benefit changes	-	-	-	-	-	-	-	-	2,066	-	(31)	(44)	-	-
Changes in assumptions	(2,702)	(363)	(984)	475	(1,358)	(903)	(8,174)	(958)	(2,639)	(432)	(6)	403	137	262
Economic	(1,988)	(184)	647	523	789	(547)	(5,478)	(751)	(679)	(483)	2,750	68	(138)	(36)
Operational	(714)	(179)	(1,631)	(48)	(2,148)	(356)	(2,696)	(207)	(1,960)	51	(2,756)	335	275	298
Changes in margins *	194	203	377	183	106	254	1,366	528	(529)	784	704	88	717	99
Exchange rate difference	2,200	800	101	776	(702)	(527)	1,566	268	(96)	87	568	(184)	(1,347)	(1,408)
Balance at the end of the year	51,760	49,635	46,037	44,928	40,242	38,641	36,999	41,252	39,415	38,020	36,201	33,703	32,538	30,818

* In line with accounting policy, the best estimate and margins are reset at every valuation date to reflect the underlying profitability of the overall portfolio

Assets under insurance contracts	63,865	60,523	56,445	56,434	50,385	49,688	48,042	51,508	48,788	46,284	43,624	39,686	37,690	34,897
Recovery from reinsurers	(12,105)	(10,888)	(10,408)	(11,506)	(10,143)	(11,047)	(11,043)	(10,255)	(9,373)	(8,263)	(7,423)	(5,984)	(5,152)	(4,079)
Balance at the end of the year	51,760	49,635	46,037	44,928	40,242	38,641	36,999	41,252	39,415	38,020	36,201	33,703	32,538	30,818

BREAKDOWN BETWEEN DISCOVERY LIFE AND VITALITYLIFE

R million	FY June 2023		
	Discovery Life	VitalityLife	Total
Balance at the beginning of the year	36,182	9,855	46,037
Movement for the year:	-	-	-
Expected Movement in Policyholder Liabilities	(1,032)	(1,854)	(2,886)
Unwinding of Discount Rate	3,809	364	4,173
New Business Written	1,814	1,683	3,497
Experience Variances	243	1,022	1,265
Economic	-	-	-
Inflation-linked indexation	283	739	1,022
Operational	(40)	283	243
Modeling and method changes	178	(196)	(18)
Benefit changes	(3,642)	940	(2,702)
Changes in assumptions	(3,108)	1,120	(1,988)
Economic	(534)	(180)	(714)
Operational	-	-	-
Changes in margins *	194	-	194
Exchange rate difference	-	2,200	2,200
Balance at the end of the year	37,746	14,014	51,760

BREAKDOWN OF INVEST ASSETS UNDER ADMINISTRATION

R million	Total
June 2013	30,153
December 2013	36,026
June 2014	41,822
December 2014	45,619
June 2015	50,473
December 2015	56,195
June 2016	60,953
December 2016	63,985
June 2017	69,547
December 2017	77,844
June 2018	81,789
December 2018	83,060
June 2019	91,597
December 2019	96,706
June 2020	99,050
December 2020	107,189
June 2021	116,575
December 2021	127,632
June 2022	121,737
December 2022	130,830
June 2023	140,378

VIF, APE AND VNB SPLIT BETWEEN LIFE AND INVEST

R million	June 2023	December 2022	June 2022	December 2021	June 2021	December 2020	June 2020	December 2019	June 2019	December 2018	June 2018	December 2017	June 2017	December 2016
VIF**														
Life	22,244	23,133	22,059	20,467	18,324	17,256	16,041	20,191	19,124	18,242	19,810	19,484	18,065	17,313
Invest	9,393	9,521	8,505	9,524	8,270	7,276	6,467	7,391	6,976	6,502	7,348	7,032	6,258	5,794
APE***														
Life	823	463	837	407	868	445	835	477	939	506	933	488	985	462
Invest	2,142	1,033	2,158	1,130	2,079	960	2,051	979	1,959	1,041	1,840	894	1,856	974
VNB**														
Life	162	169	364	227	411	291	421	408	923	480	911	496	885	434
Invest	267	160	341	198	332	138	165	117	237	147	391	183	346	218

*Discovery Retirement Optimiser (DRO) product moved from Life to Invest in line with disclosures for December 2016 and later periods.

** These VIF and VNB numbers are after allowing for the Cost of required Capital.

***APE is the Annual Premium Income (or Annual Premium Equivalent in the case of Single Premium Investment business) in relation to New Business only, and excludes any addition to Existing Business premiums arising from servicing increases and ACIs.

RECONCILIATION TO THE REQUIRED CAPITAL

for the year ended 30 June 2023

R million	Health and Vitality	Life and Invest	VitalityHealth	VitalityLife	Total
Opening - 30 June 2022*	1,000	25,403	3,164	9,091	38,658
- Methodology and Basis Changes	-	(2,452)	-	(503)	(2,955)
- Expected release on in-force at start of period	(45)	(434)	(251)	(556)	(1,286)
- Impact of new business written	94	930	478	1,296	2,798
- Other changes**	59	2,564	168	(445)	2,346
- Exchange rate movements	-	-	679	1,747	2,426
Change in Required Capital	108	608	1,074	1,539	3,329
Closing - 30 June 2023	1,108	26,011	4,238	10,630	41,987

*Note that for the prior period ended 30 June 2022, the total required capital for VitalityLife was incorrectly reported as R9 751 million resulting in a Total Required Capital of R39 318 million.

**This line includes, amongst other things, the impact of rebasing the yield curve as part of the opening to closing reconciliation of required capital. This component of the expected yield curve unwind is shown separately from the expected release for information purposes only.

Group Shareholder Free Cash Movement

R millions	FY2023	HY2023	FY2022	FY2021	FY2020	FY2019	FY2018	FY2017
Cash Generated from In-Force Before Financing and Tax**	15,418	7,419	11,353	9,976	15,370	15,019	10,612	7,623
Tax Paid	(1,839)	(1,042)	(1,181)	(1,717)	(1,289)	(1,157)	(1,228)	(745)
Finance Cost Paid	(1,501)	(786)	(1,046)	(866)	(1,142)	(1,219)	(759)	(437)
Dividends Paid	(69)	(31)	(56)	(63)	(1,498)	(1,480)	(1,367)	(1,235)
New Business	(9,515)	(4,502)	(8,152)	(7,856)	(8,006)	(8,096)	(7,822)	(7,071)
New Initiatives	(1,671)	(800)	(1,970)	(1,762)	(2,565)	(3,973)	(1,996)	(1,471)
Investment in Ping An Health	-	-	(1,487)	-	-	-	-	-
Share Issue (Net of Share Issue Costs)	-	-	-	-	-	1,834	-	-
Transactions with Reinsurers	171	198	360	206	(90)	298	1,107	420
Transactions with Borrowers (Excl. Finance Costs)**	(597)	(549)	954	823	3,014	471	1,976	3,148
Movement in Shareholder Free Cash	397	(93)	(1,225)	(1,259)	3,794	1,698	522	231

Group Shareholder Free Cash Movement - Reconciliation to Profit for the Period

R millions	FY2023	HY2023	FY2022	FY2021	FY2020	FY2019	FY2018	FY2017
Profit for the period	5,320	2,943	5,479	3,220	176	6,614	5,735	4,495
Reverse non-cash profit items:								
Share of net profits/(losses) from equity accounted investments	(561)	(76)	(597)	(374)	(253)	(170)	(115)	(26)
Gains from dilution of equity accounted investments	5	-	(33)	(554)	(3)	(844)	-	-
Depreciation and amortisation	1,972	957	1,901	1,851	1,753	1,434	940	699
Impairment of intangible assets	61	4	21	78	227	32	200	-
Deferred acquisition costs (Excl. Invest DAC and exchange rate movements)	(42)	(14)	(49)	2	(3)	(72)	(61)	(2)
Movement in contract assets	52	31	134	142	119	-	-	-
Deferred Revenue (Excl. exchange rate movements)	-	-	130	22	313	108	32	-
Amortisation of intangibles from business combinations	56	27	59	66	76	99	123	171
Non cash impact of Vitality Health Financial Reinsurance	(753)	(292)	(644)	505	(292)	(444)	(352)	(383)
Non-cash fair value gains on financial assets	(214)	(43)	(76)	471	-	-	-	(858)
UK Life IFRS reporting adjustments - Tax Accrued	-	-	-	-	-	64	(27)	(103)
Non-cash forex gains / losses	9	(1)	12	204	-	-	-	-
Other non-cash adjustments to profit **	(178)	(139)	(87)	11	(76)	159	42	(145)
Adjustments from IFRS to EV ANW:								
Tangible Asset Release on Transition to SAM	-	-	-	-	-	3,484	-	-
Gain from Asset-Liability optimisation	-	-	-	-	1,843	-	-	-
Increase in Negative Reserves and Invest DAC (Net of tax)	(4,141)	(1,735)	(5,023)	(3,494)	(151)	(3,747)	(4,339)	(3,116)
Exchange rate movements on Vitality Life Negative Reserves	1,900	195	94	(599)	1,071	(67)	286	(653)
Other adjustments to arrive at EV ANW	196	104	112	(274)	359	(1,209)	(692)	(888)
Incurred to Cash basis:								
- Rent Paid	(328)	(158)	(281)	(348)	(313)	(286)	(128)	-
- Finance Costs Paid	(1,501)	(932)	(1,411)	(1,197)	(1,406)	(1,003)	(759)	(437)
- Finance Costs Accrued	1,941	930	1,657	1,648	1,569	1,375	959	478
- Taxation paid	(1,839)	(1,042)	(1,181)	(1,717)	(1,289)	(1,157)	(1,228)	(745)
- Taxation Accrued	1,495	741	1,072	426	624	1,305	1,720	1,943
Investing Activities:								
Purchase of property and equipment	(551)	(210)	(275)	(277)	(289)	(510)	(470)	(239)
Proceeds from disposal of property and equipment	2	2	22	21	2	95	7	5
Purchase of intangible assets	(1,760)	(751)	(1,567)	(1,588)	(1,725)	(1,999)	(1,940)	(1,353)
Proceeds from disposal of intangible assets	-	-	2	-	-	22	-	7
Increase in investment in associate	(75)	(53)	(6)	(240)	(53)	(224)	(20)	(530)
Investment in Ping An Health	-	-	(1,487)	-	-	-	-	-
Card and Bank Buy-out Payment	-	-	-	-	-	(1,853)	-	-
Cash proceeds from CMT transaction	-	-	-	-	-	402	-	-
Acquisition of business net of cash required	(3)	-	(1)	(25)	-	(734)	-	-
Financing Activities:								
Increase in borrowings	7,441	3,855	3,261	1,841	10,339	2,147	2,654	3,514
Elimination of borrowings not allocated to shareholder cash	-	-	-	1,000	(1,000)	-	-	-
Repayment of borrowings**	(8,038)	(4,405)	(2,307)	(2,017)	(6,326)	(1,676)	(678)	(366)
Share Issue (Net of Share Issue Costs)	-	-	-	-	-	1,834	-	-
Dividends paid to ordinary shareholders	-	-	-	-	(1,417)	(1,400)	(1,284)	(1,152)
Dividends paid to preference shareholders	(69)	(31)	(56)	(63)	(81)	(81)	(83)	(83)
Movement in Shareholder Free Cash	397	(93)	(1,225)	(1,259)	3,794	1,698	522	231

Notes

(1) "Movement in Shareholder Free Cash" is an estimate of shareholder free cashflow. Life and Invest and VitalityLife are included based on the change in the Adjusted Net Worth in the Embedded Value. Changes in working capital are not allowed for in the estimate.

(2) ** HY2023 and FY2023: Reallocation of rental paid on finance leases from "Transactions with Borrowers" to "Cash Generated from In-Force". This value was immaterial in all other periods.

Reconciliation of operating profit to normalised operating profit for the year ended 30 June 2023

	Group year ended June 2023	Group year ended June 2022	% change
R million			
Operating profit per income statement	8,662	7,858	10%
Add back investment income	(772)	(296)	
Add back amortisation of intangibles from business combinations	56	59	
Add share of profits from equity accounted investments	515	422	
Add back economic assumption adjustments net of discretionary margins	1 997	(169)	
Add back reversal of impairment/(impairment) of equity-accounted investments	-	134	
Normalised profit from operations per segmental (IFRS total)	10,458	8,008	31%
VitalityLife reclassified to account for the contractual arrangement as a reinsurance contract under IFRS 4	(127)	483	-126%
Normalised profit adjustments	1 330	893	49%
Unrealised losses on Part VII hedges	-	1	
Unrealised (gains)/losses on shareholder investments (IFRS 9)	(214)	(79)	
Investment income earned on assets backing policyholder liabilities	462	164	
Deferred tax on IPF	145	(158)	
Difference between market related rental and depreciation	(158)	(136)	
Expenses related to Prudential Book transfer	177	182	
VitalityLife interest rate derivatives (swap and swaption)	1 177	707	
Covid-19 vaccination programme	-	157	
CMT amortisation	46	41	
Economic assumptions adjustments presented in claims	(306)	-	
Other	1	14	
Normalised profit from operations	11,661	9,384	24%

Segmental information

for the year ended 30 June 2023

R million	SA HEALTH	SA LIFE	SA INVEST	SA INSURE ²	SA VITALITY	SA BANK	UK HEALTH	UK LIFE	ALL OTHER SEGMENTS	SEGMENT TOTAL	IFRS reporting adjustments ³	IFRS TOTAL
Income statement												
Insurance premium revenue	245	16 620	15 104	5 177	-	-	13 670	7 835	1 808	60 459	(788)	59 671
Reinsurance premiums	(1)	(852)	-	(414)	-	-	(2 149)	(4 277)	(231)	(10 524)	788	(10 136)
Net insurance premium revenue	244	12 768	15 104	4 763	-	-	11 521	3 558	1 577	49 535	-	49 535
Fee income from administration businesses	8 571	-	3 099	17	-	-	46	-	3,024	14 757	-	14,757
Vitality income	-	-	-	-	2 573	-	462	238	-	618	3 891	3,891
Net banking fee and commission income	-	-	-	-	-	943	-	-	22	965	-	965
Banking fee and commission income	-	-	-	-	-	1,292	-	-	-	1 292	-	1,292
Banking fee and commission expense	-	-	-	-	-	(349)	-	-	22	(327)	-	(327)
Net bank interest and similar income	-	-	-	-	-	574	-	-	-	574	-	574
Bank interest and similar income using the effective interest rate	-	-	-	-	-	1,318	-	-	-	1 318	-	1,318
Bank interest and similar expense using the effective interest rate	-	-	-	-	-	(744)	-	-	-	(744)	-	(744)
Investment income earned on assets backing policyholder liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Finance charge on negative reserve funding	-	8	-	159	-	-	81	199	15	462	(462)	-
Inter-segment funding ¹	-	-	-	1,098	-	-	-	1,098	-	1,098	-	(1,098)
Net fair value gains/(losses) on financial assets at fair value through profit or loss	(6)	(492)	492	-	(1)	-	-	-	-	-	-	-
Other income	1,395	3	10 904	-	1	-	48	(1,213)	1,839	12 201	2,172	14,373
Net income	10 204	12 965	29 599	4 939	2 573	1 517	12 158	3 880	7 192	85 027	612	85 639
Net claims and policyholders' benefits	(74)	(8,182)	(13,304)	(2,810)	-	-	(5,370)	(973)	(9,422)	(40 135)	-	(40,135)
Claims and policyholders' benefits	(75)	(11,452)	(13,304)	(3,153)	-	-	(7,138)	(2,514)	(9,648)	(47,304)	558	(46,746)
Insurance claims recovered from reinsurers	1	3,270	-	343	-	-	1,768	1,541	246	7,169	(558)	6,611
Acquisition costs	(35)	(1 833)	(1 262)	(784)	(119)	-	(1,146)	(2 449)	317	(7 311)	1 998	(6 213)
Marketing and administration expenses	-	-	-	-	-	-	-	-	-	-	-	-
- depreciation and amortisation	(140)	(6)	(12)	(64)	(9)	(314)	(430)	(49)	(794)	(1,800)	(169)	(1,977)
- derecognition of intangible assets and property and equipment	(4)	-	-	(3)	-	-	(241)	(19)	(57)	(324)	-	(324)
- impairment	-	-	-	-	-	-	(45)	-	-	(45)	-	(45)
- other expenses	(6 097)	(2 347)	(1,267)	(1 100)	(2 429)	(1 831)	(4,998)	(2 453)	(3 937)	(26,459)	(1 100)	(28 559)
Expected credit losses	-	-	-	-	-	(139)	-	-	-	(139)	-	(139)
Recovery of expenses from reinsurers	-	-	-	-	-	-	1,320	2,272	1	3 593	-	3,593
Net transfer to/from assets and liabilities under insurance contracts	-	-	-	-	-	-	-	-	-	-	-	-
- change in assets arising from insurance contracts	-	4 412	-	-	-	-	-	768	-	5 180	680	5 860
- change in assets arising from reinsurance contracts	-	49	-	-	-	-	61	18	10	128	(3)	125
- change in liabilities arising from insurance contracts	-	(230)	(10 868)	(100)	-	-	(226)	(31)	7,376	(4 079)	87	(3,992)
- change in liabilities arising from reinsurance contracts	-	(18)	-	-	-	-	-	73	-	55	(383)	(328)
Fair value adjustment to liabilities under investment contracts	-	(3)	(1,326)	-	-	-	-	-	-	(1,264)	(2,593)	(5,572)
Share of net profits from equity-accounted investments	-	-	-	(16)	-	-	1	2	574	561	(46)	515
Normalised profit/(loss) from operations	3 854	4 807	1 560	62	16	(767)	1 094	1 039	(4)	11 661	(1 203)	10 458
Economic assumptions adjustments net of discretionary margins and interest rate derivative	-	(2,811)	-	-	-	-	-	147	-	(2,664)	667	(1,997)
Economic assumption adjustments net of discretionary margins	-	(2,811)	-	-	-	-	-	1,120	-	(1,691)	(306)	(1,997)
Fair value losses on VitalityLife interest rate derivative	-	-	-	-	-	-	-	(973)	-	(973)	973	-
Investment income earned on shareholder investments and cash	89	20	71	-	32	-	28	75	75	324	446	772
Intercompany investment income	-	-	-	-	-	-	-	-	1,184	1,184	(1,184)	-
Net fair value gains/(losses) on financial assets at fair value through profit or loss	-	122	95	-	-	-	-	(204)	(3)	10	(10)	-
Expenses related to Prudential Assurance Company book transfer	-	-	-	-	-	-	-	(177)	-	(177)	-	-
Amortisation of intangibles from business combinations	-	-	-	(46)	-	-	-	-	(56)	(102)	46	(56)
Loss on dilution of equity-accounted investments	-	-	-	(5)	-	-	-	-	-	(5)	-	(5)
Impairment of goodwill	-	-	-	-	-	-	-	-	-	(9)	(9)	(9)
Market rentals related to Head Office building adjusted for finance costs and depreciation	-	-	-	-	-	-	-	-	(134)	(134)	134	-
Finance costs	(2)	(1)	-	-	-	-	(8)	(216)	(1,423)	(1,650)	(291)	(1,941)
Intercompany finance costs	(362)	-	-	-	-	-	-	(316)	(520)	(1,198)	1,198	-
Foreign exchange gains	(4)	33	36	-	-	-	1	-	84	150	-	150
Profit/(loss) before tax	3 575	2 170	1 762	11	48	(767)	1 096	301	(806)	7 390	(18)	7 372
Income tax expense	(972)	(576)	(573)	(21)	4	226	(287)	53	56	(2,070)	18	(2,052)
Profit/(loss) for the period	2 603	1 594	1 189	(10)	52	(541)	829	354	(750)	5 320	-	5,320

¹ The inter-segment funding of R492 million reflects a notional allocation of interest earned on the negative reserve backing policyholders' funds of guaranteed investment products and hence is transferred to Discovery Invest.

² This segment relates to SA Insure - Personal lines.

³ The segment information is presented on the same basis as reported to the Chief Executive Officers of the reportable segments. The segment total is then adjusted for accounting reclassifications and entries required to produce IFRS compliant results. These adjustments include the following:

- The VitalityLife results, for business written on the Prudential Assurance Company license, are reclassified to account for the contractual arrangement as a reinsurance contract under IFRS 4.
- Unit trusts which the Group controls in terms of IFRS 10 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.
- The effects of eliminating intercompany transactions on consolidation and normalised operating profit adjustments.
- The effects of reclassifying items to align to IFRS results.

Gross inflows¹

for the year ended 30 June 2023

R million	June 2023 YTD Actual	June 2022 YTD Actual	%
			change
Discovery Health	104,477	97,190	7%
Discovery Life	16,623	15,053	10%
Discovery Invest	26,614	24,679	8%
Discovery Insure	5,194	4,672	11%
Discovery Vitality	2,573	2,338	10%
Other group initiatives	693	481	44%
Gross inflows from South Africa Composite	156,174	144,413	8%
VitalityHealth	14,226	11,753	21%
VitalityLife	8,073	6,977	16%
Other group initiatives (includes VitalityInvest in run-off)	1,434	6,781	-79%
Gross inflows from United Kingdom Composite	23,733	25,511	-7%
Gross inflows from Vitality Global Composite	3,420	2,342	46%
Gross inflows	183,327	172,266	6%
Less: collected on behalf of third parties	(102,676)	(95,666)	7%
Discovery Health	(94,266)	(87,850)	7%
Discovery Invest	(8,410)	(7,816)	8%
Gross income of Group per segment information	80,651	76,600	5%
Gross income is made up as follows:			
- Insurance premium revenue	60,459	59,000	2%
- Fee income from administration business	14,757	12,764	16%
- Vitality income	3,891	3,495	11%
- Other Income	1,544	1,341	15%
Gross income of Group per segment information	80,651	76,600	5%

¹ Excluding flows in respect of DiscoveryBank and PAHI

NAV PER ENTITY

for the year ended 30 June 2023

Covered businesses

June 2023

NAV before adjustment to shareholder funds	
Health and Vitality	3,390
Life and Invest	35,000
VitalityHealth	10,138
VitalityLife	8,571

Non-covered business

Bank, including DCS intangible asset and goodwill	7,516
Insure	1,996
PAHI	5,380
CMT	1,400
Limited	(9,001)
Other	(416)
Total NAV	63,974

Healthy cash generation after decision to repay debt



R15.6bn

Cash generated from in-force

(R14.6bn)

Cash used

R1.0bn

Cash flow before funding

(R0.6bn)

Repayment of debt

R0.4bn

Net cash flow

