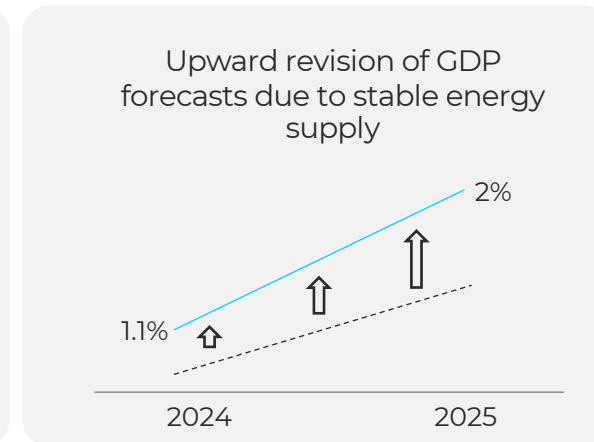
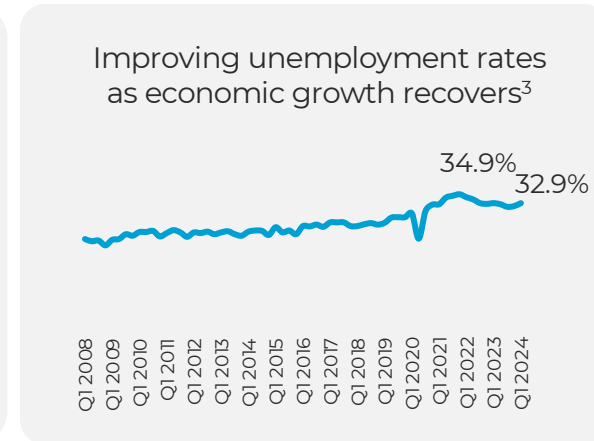
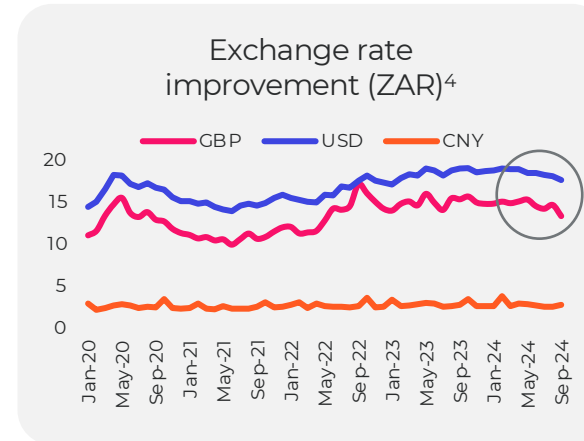
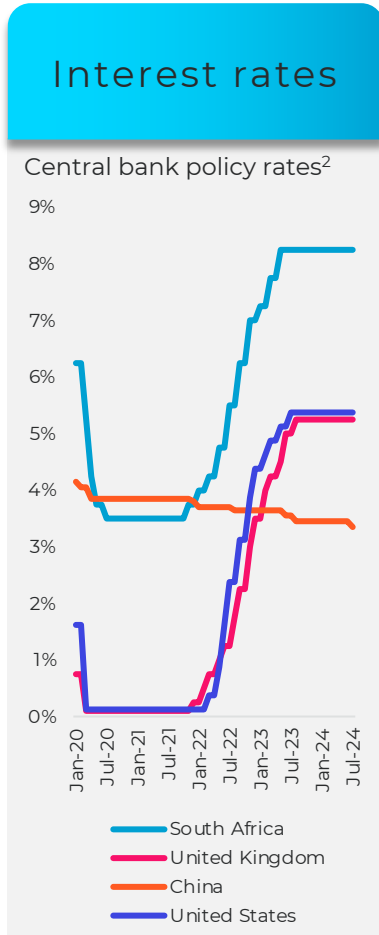
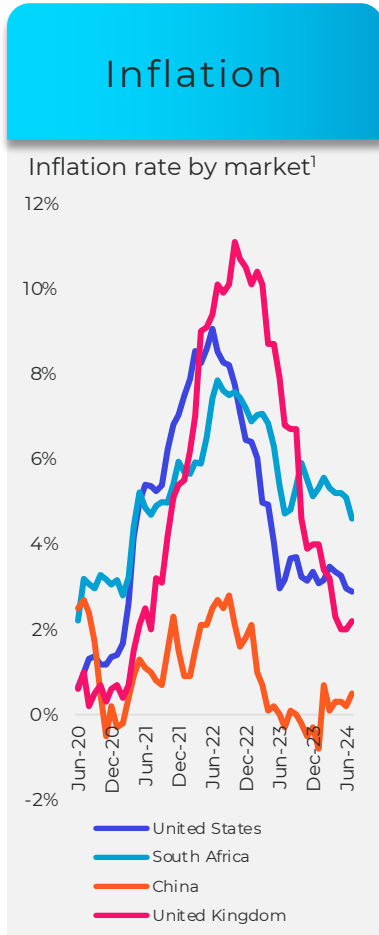
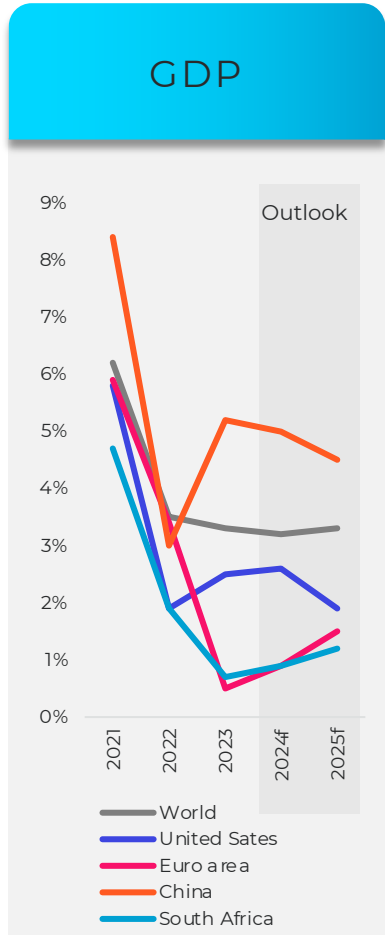




UBS Conference

Discovery South Africa
Hylton Kallner

South African operating context

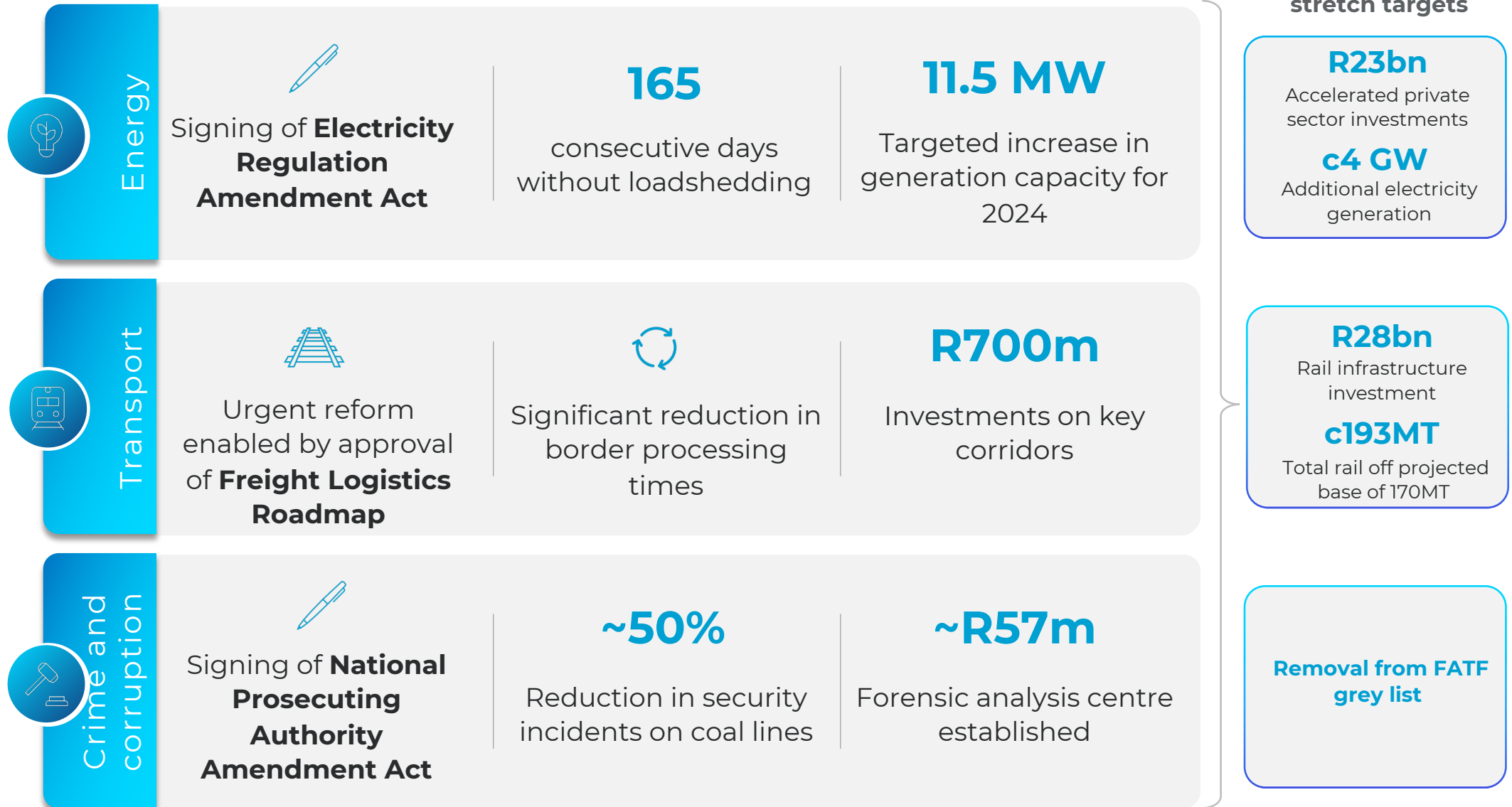


1 Sources: Stats SA, Statista, Office for National Statistics, US Bureau of Labor Statistics; 2 Source: Bank of International Settlement ; 3 Stats SA; 4 IMF data bank

Collaboration and key investments as contributors to the positive outlook



Unique partnership between government & Business Unity South Africa, focusing on the **three sectors** critical to turn the flywheel on economic growth



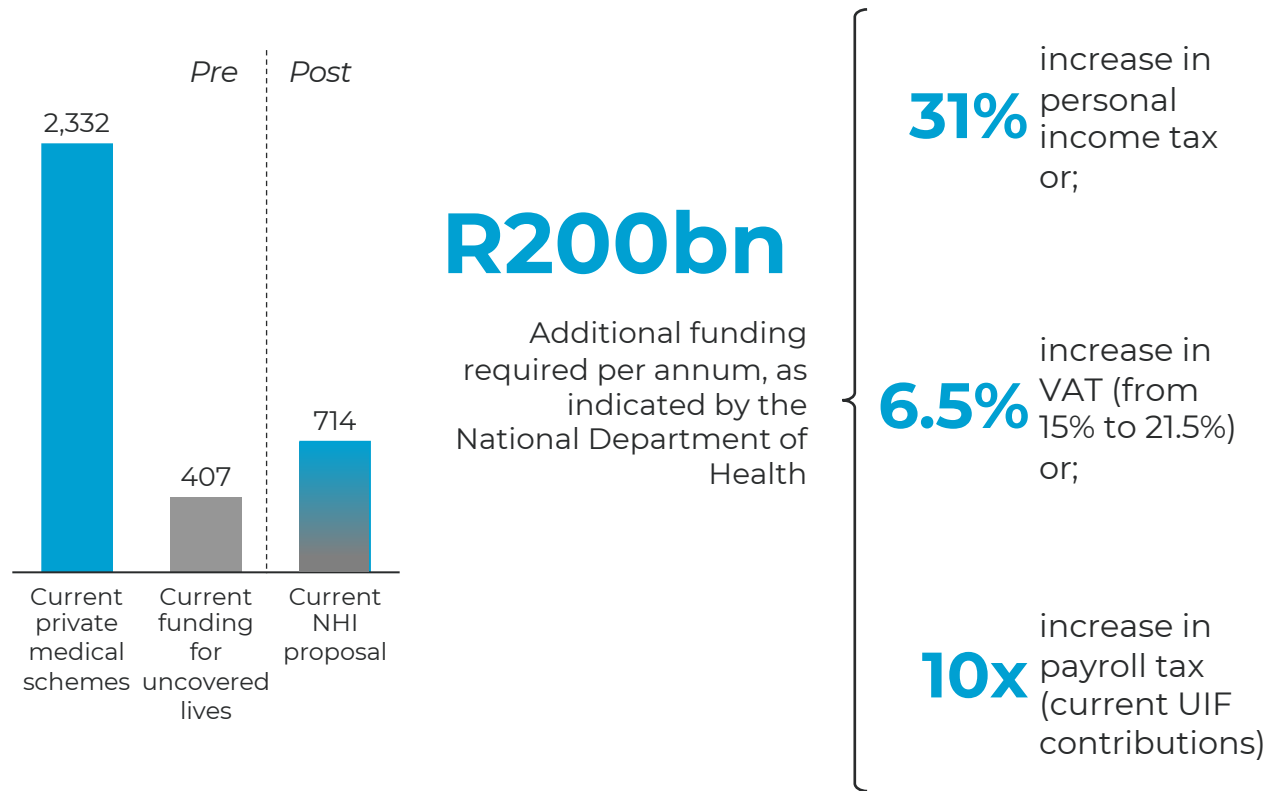
1. Reduction in cumulative load shedding hours realised year-to-date; 2. As of 20 August 2024; 3.GW in rooftop solar; 4. Total investment including Business, Government and donors; 5. As of March 2024; 6. As of 17 July 2024

Implementation of NHI requires collaboration with the private sector for optimal outcomes | funding assumed is not sufficient



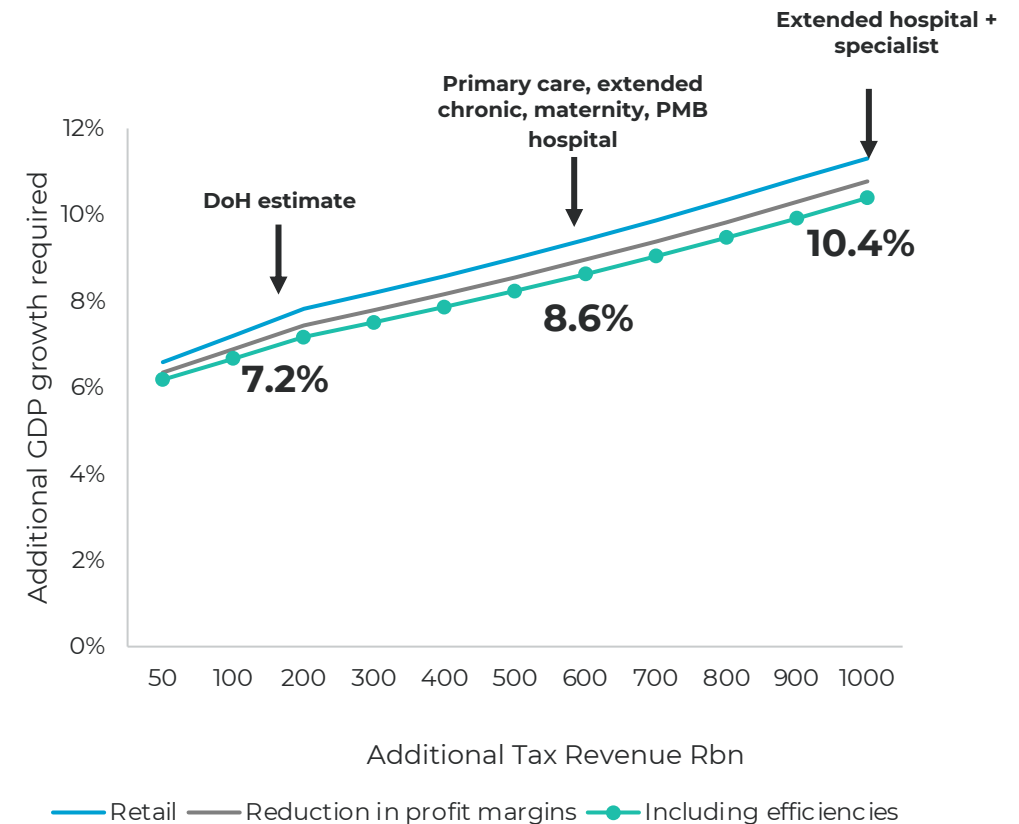
NHI scenario relies on R200bn additional tax revenue

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.

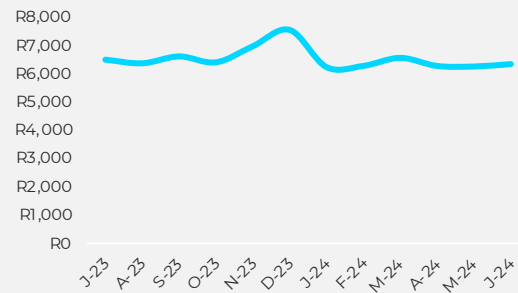
1. Until the NHI is fully implemented, **there are no restrictions on medical schemes**
2. When it is fully implemented, complementary cover may be added – **key question: how comprehensive will NHI be?**

Discovery indicators reflect resilience and changing sentiment

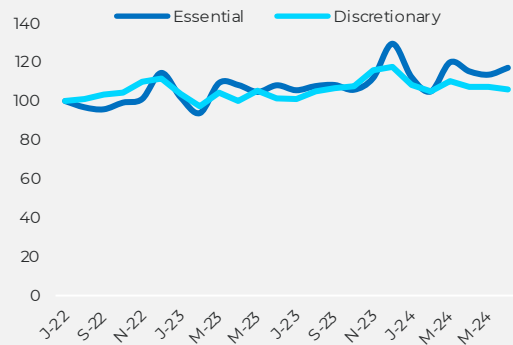


Consumption indicators

Spend per Discovery Bank client

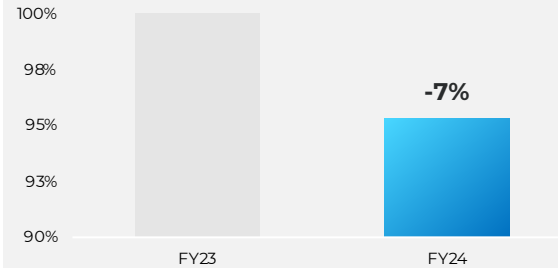


Discretionary vs essential spend indexed to July 2022

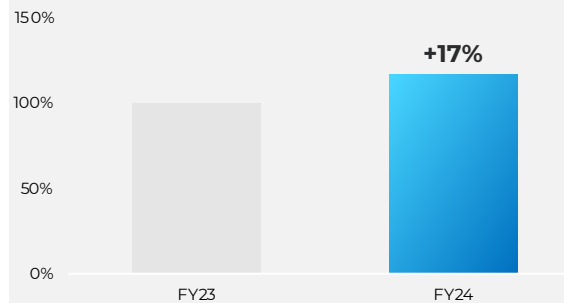


Behavioural indicators

Annualised vehicle theft rate (relative to 2023)

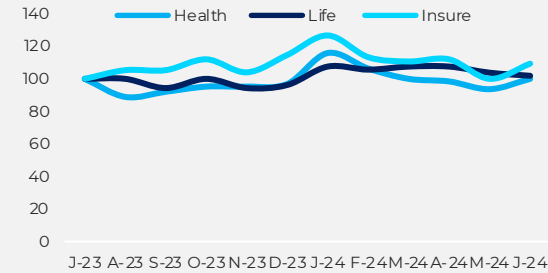


Healthy Food items purchased (relative to 2023)

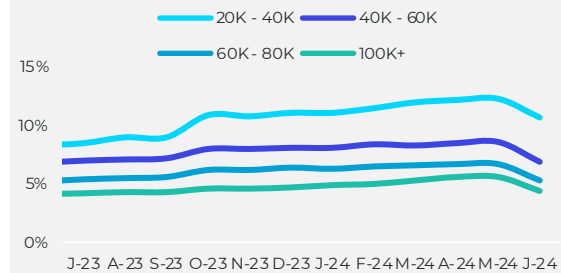


Economic indicators

Debit order rejections (relative to July 2023)

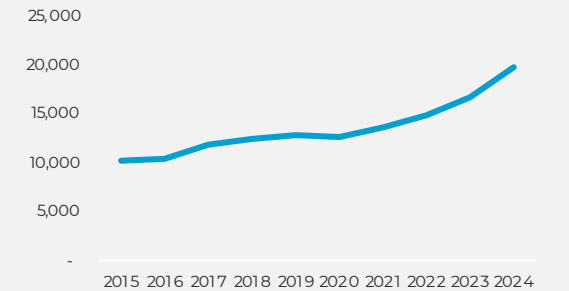


Arrears rates by monthly income band

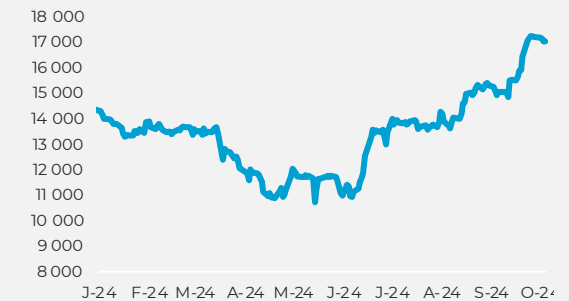


Sentiment

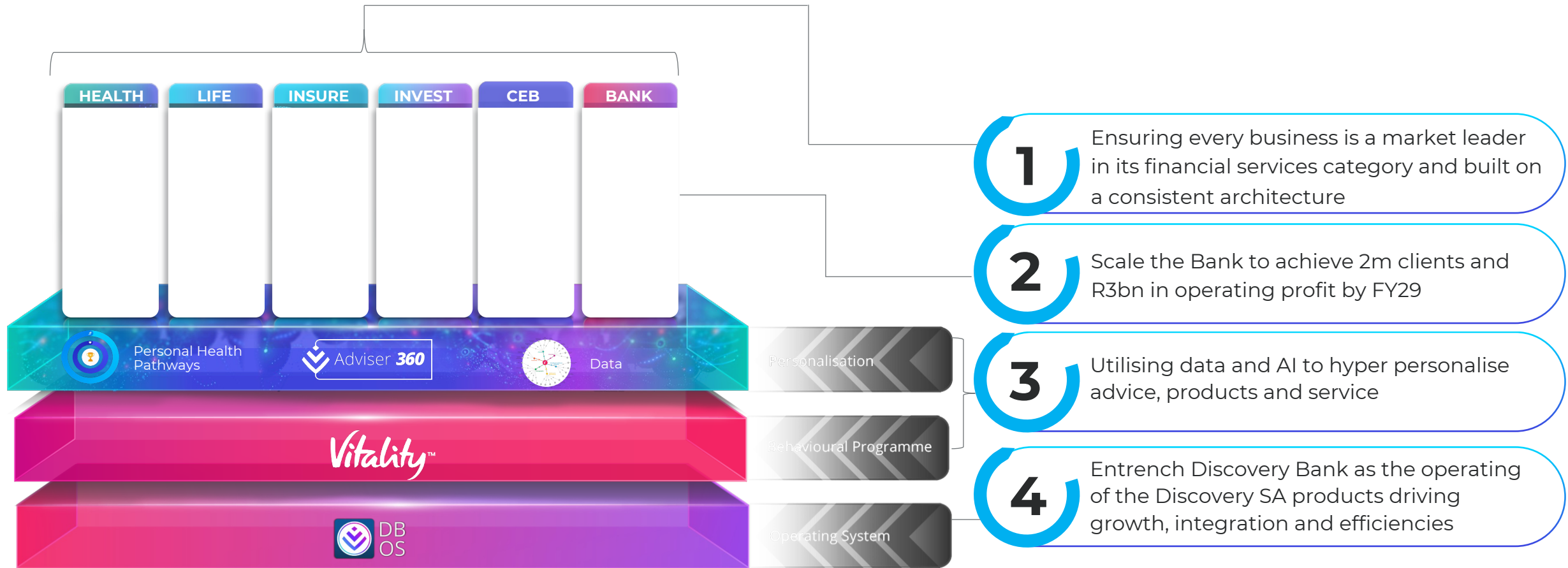
Discovery SA new business (Rm)



Discovery closing share price (ZAc)



Discovery SA architecture and focus areas



Strong performance in Discovery SA with a focus on growth



Gross new business API (Rm)

R19.7bn

19% growth

25,000

20,000

15,000

10,000

5,000

2019 2020 2021 2022 2023 2024

Discovery South Africa lives (000)¹

4.55m

6% growth

5,000

4,500

4,000

3,500

3,000

2,500

2,000

1,500

1,000

500

2019 2020 2021 2022 2023 2024

Operating Profit (Rm)

R9.7bn

16% growth

12,000

10,000

8,000

6,000

4,000

2,000

2019 2020 2021 2022 2023 2023 2024

IFRS 17

Strong capital position

Jun 23
Cover

**Jun 24
Cover**

Life 1.8x **1.8x**

Insure 1.6x **1.6x**

Bank² 1.3x **1.3x**

DHMS solvency (unaudited) 30%

¹ Including Life, Health, Insure, Vitality, Bank, Invest and Gap cover lives; ² Capital Adequacy Ratio

A new phase of growth



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

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

Highly cash generative with superior growth. Maintaining leadership in SA with the Bank scaling

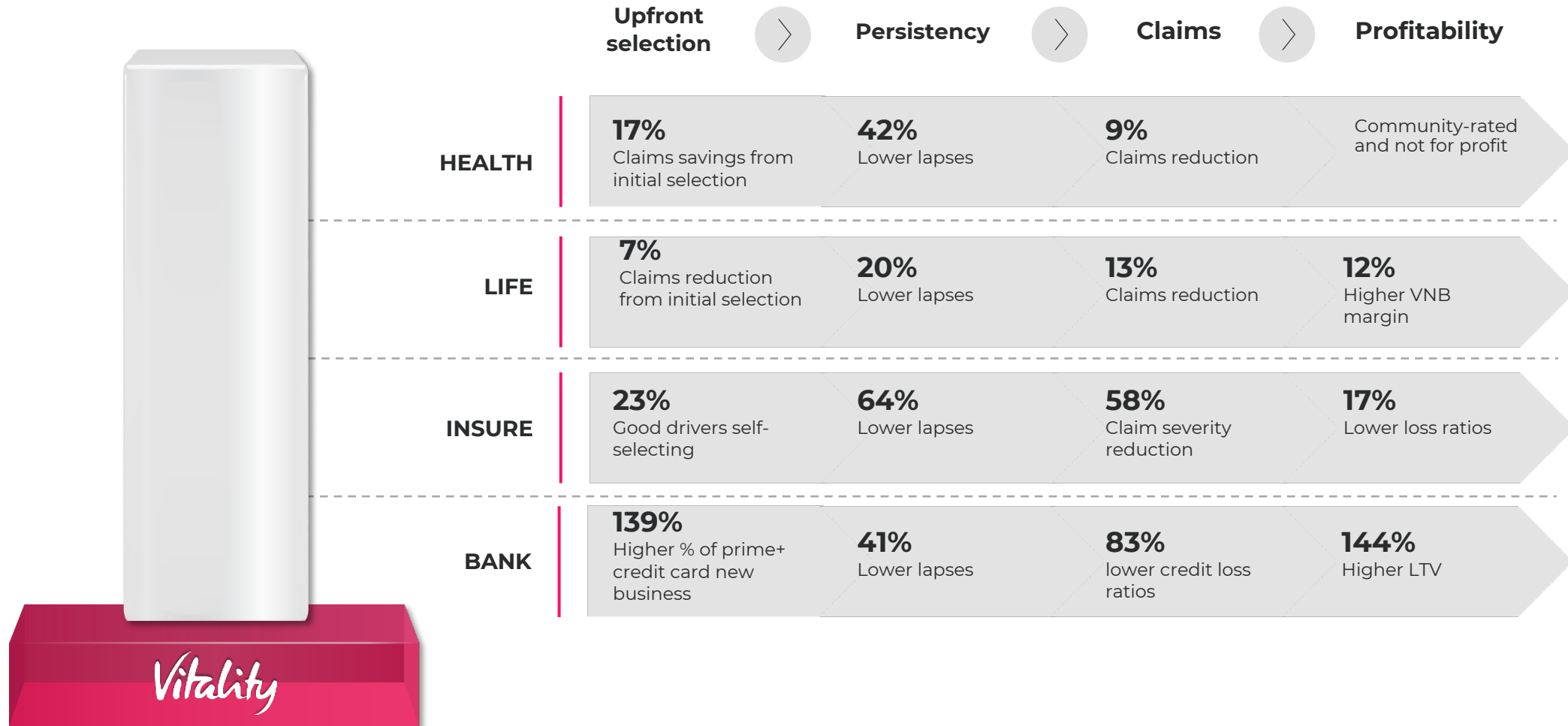
Average	Where we were (FY16-FY23)	Where we are today (FY24)	Where we are headed (FY25-FY29)
Earnings growth (Discovery Group)	9% CAGR	17%	15-20% CAGR
RoE (Discovery Group)	13%	13%	15%-20%
Normalised profit growth (Discovery South Africa)	6% CAGR	16%	12.5%-17.5% CAGR



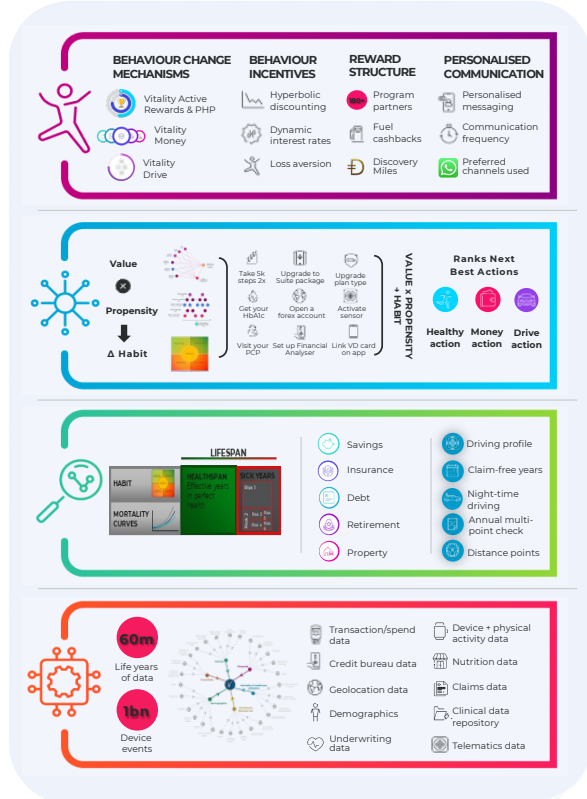
Significant value generated by the Vitality shared-value model



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



Evolving the business model to engage members in a personalised program using causal insights

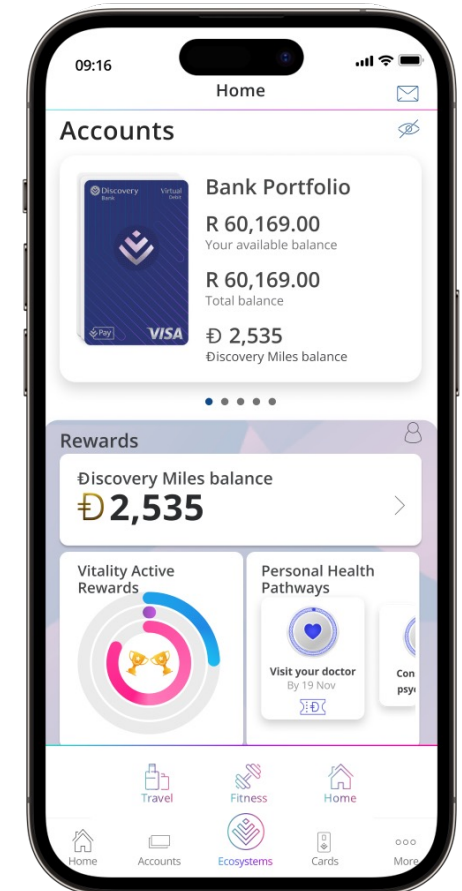
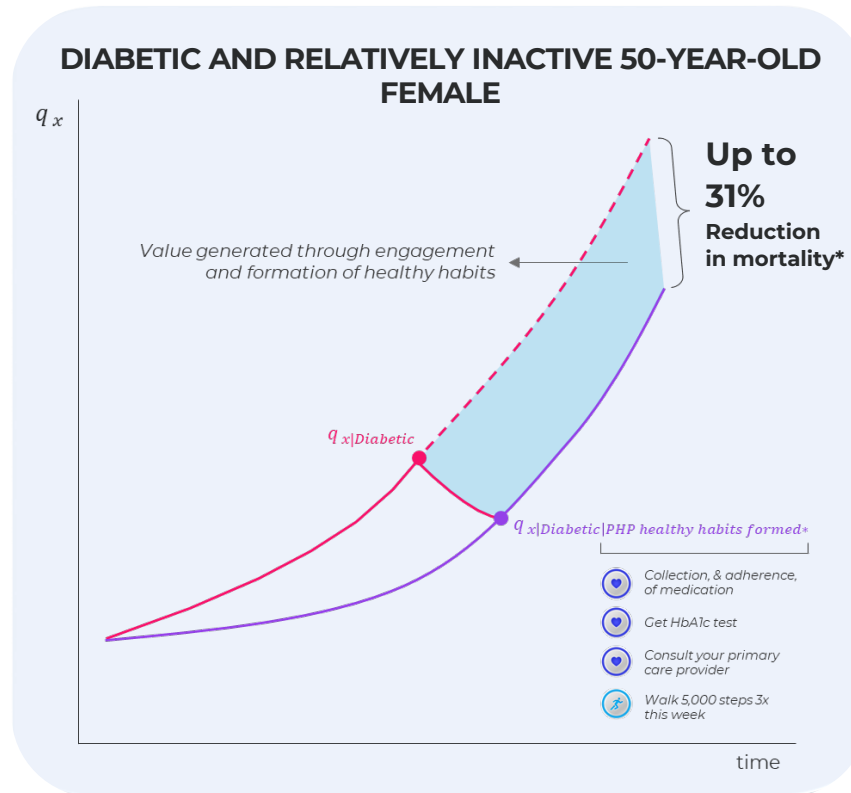


Incentivised engagement

AI recommender

Dynamic risk assessment

Data



Swiss Re is Discovery's collaboration partner on this concept



Rich and world-class data assets



Comprehensive dataset with 60 million life years

Mortality and healthcare utilisation

Audited mortality and causes
Healthcare claims
Healthcare quality
Population segmentation
Hospitalisations

Financial

Transactions
Property ownership
Savings
Debt
Retirement savings

Rewards

Rewards utilisation habits
Response to rewards
Reward partner preferences

Demographic

Age
Chronicity
Gender
Family status
Location
Socio-economic status

Wellness and behavioural

Digital engagement
Travel
Vitality age
Smoking status
Exercise and device data
HealthyFood

Clinical

Health records
Risk predictions
Diagnoses and medication
Pathology
Radiology
Episodes of care

Insurance

Claims
Lapses
Underwriting
Policy servicing
HealthyFood

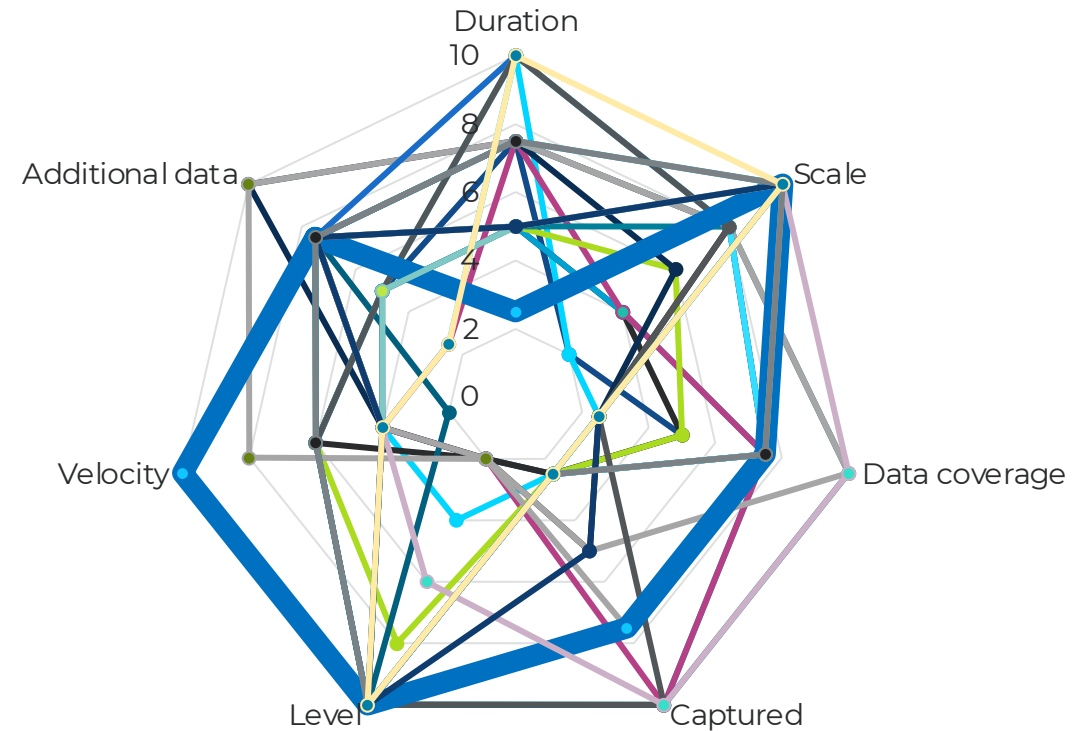
Marketing and sales

Digital registrations
Email open rates
Digital engagement status
Target market

Data science

Machine learning and AI

High-quality data by global standards



- National Health and Nutrition Examination Survey (NHANES)
- UK biobank
- National Epidemiologic Survey on Alcohol and Related Conditions
- The Health and Retirement Study (HRS)
- The Million Veteran program
- Global burden of disease study
- The Health Professionals Follow-up study
- Copenhagen City Heart Study
- Cancer Genome atlas
- National Longitudinal Study of Adolescent to Adult Health (Add Health)
- China Health and Nutrition Survey (CHNS)
- Framingham Heart Study (FHS)
- Multi-Ethnic Study of Atherosclerosis (MESA)
- Kaiser Permanente Research Program on Genes
- The European Social Survey
- The Human Genome Project
- GDELT
- Behavioral Risk Factor Surveillance System (BRFSS)
- Discovery
- The European Health Interview Survey
- Youth Risk Behavior Surveillance System (YRBSS)
- The Longitudinal Study of Aging

Central data assets driving hyper-personalisation, operations and exceptional service



Investment in data use cases across the Bank and SA businesses

Agent Assist | Call centre co-pilot to drive servicing efficiencies



HYPER-PERSONALISATION

<p>ACTIONS AND INDICES</p> <ul style="list-style-type: none"> Document store Next best actions Vector search 	<p>QUANTILE REGRESSION AND SIMILARITY SEARCH</p>	<p>PROMPT</p> <p>Generating personalised messaging through optimal channels and timing</p>
---	---	---

FRAUD AND SECURITY

Fraud Protection

Using the geo data as well as personalised transaction environment and behavioural profiles for clients

SERVICING AND OPERATIONS

<p>Agent assist for ease of service</p>	<p>Impact Alert</p>	<p>Trauma support</p>	<p>Proactive servicing</p>
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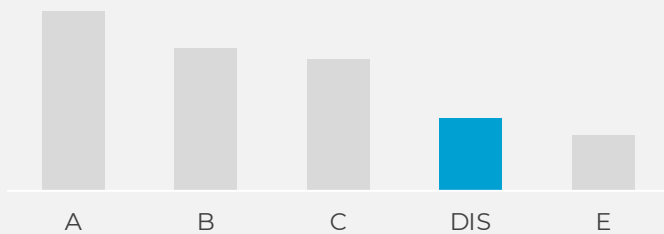
Agent Assist, an AI co-pilot in Discovery Bank's servicing call centre that ensures that every customer interaction is seamless, efficient, and personalised

Leading retail distribution team



Small but highly productive distribution team

Internal agent count



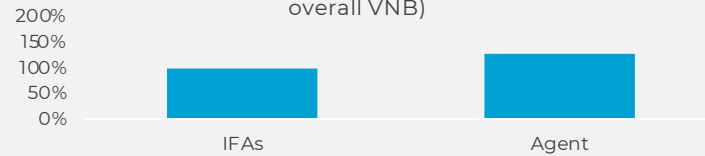
Life risk average productivity



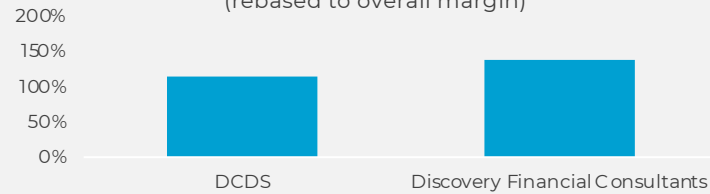
Source: NMG

Value generated across channels

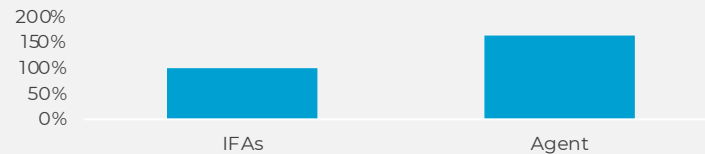
Life VNB by Distribution channel (rebased to overall VNB)



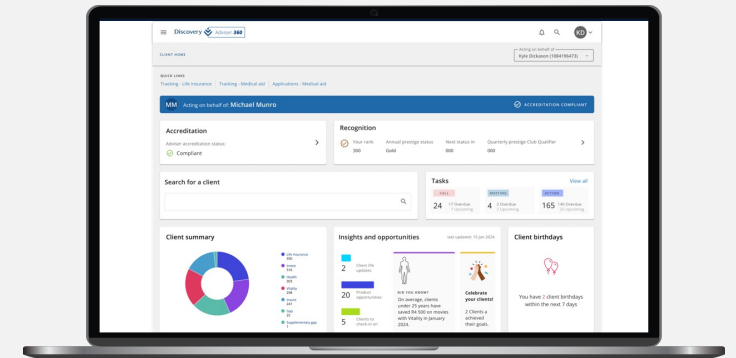
Insure VNB margin by Distribution channel (rebased to overall margin)



Client integration % relative to IFAs



Investments in technology to support holistic and personalised advice



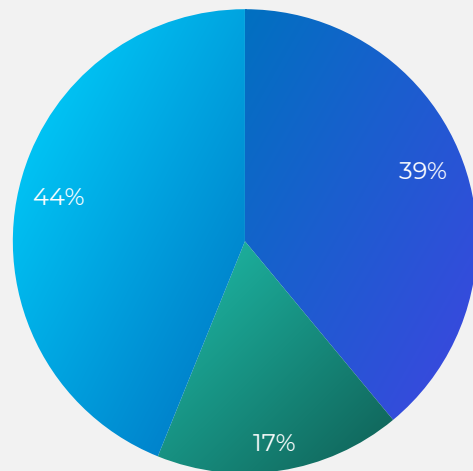
Investment in Brand, and the contribution of Discovery Connect to Discovery SA's growth



Significant investment in brand and sponsorships

Distribution of marketing spend by category

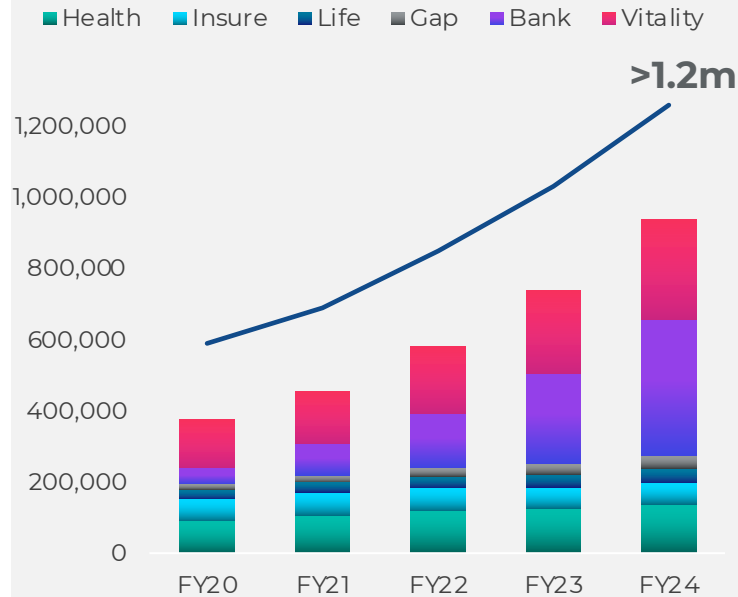
- Brand
- DCDS marketing spend
- Group digital marketing



Excluding Discovery Bank

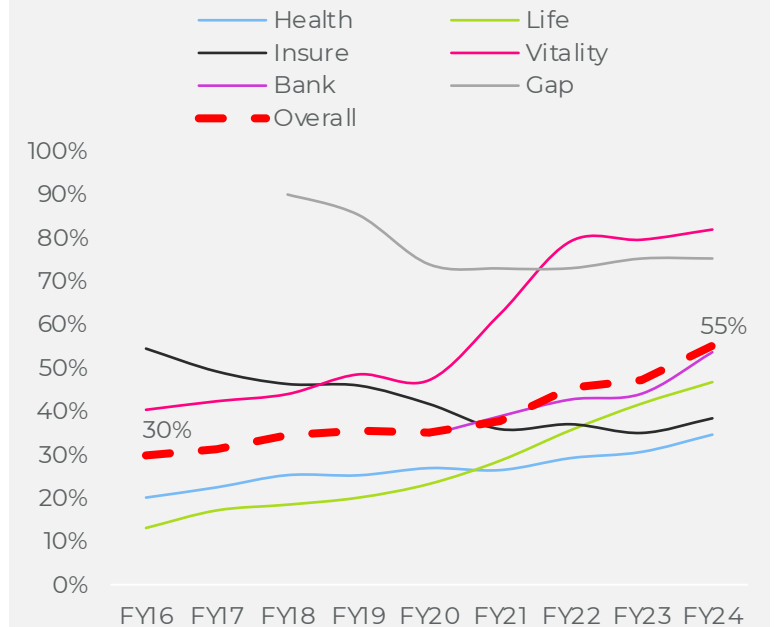
Discovery Connect growth

Discovery Connect Distribution Services growth to >1.2m policy lives

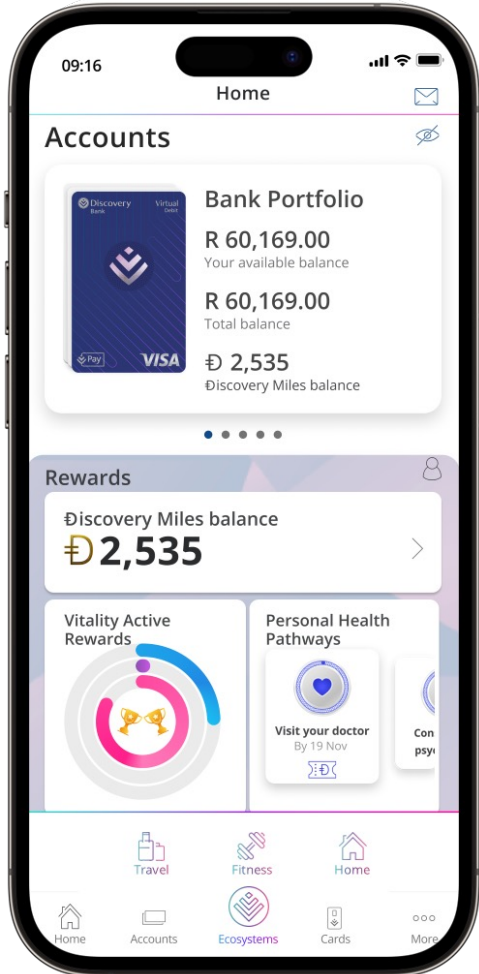


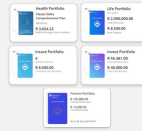
Discovery Connect has become a significant contributor to the Group's new business growth

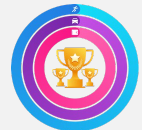
DCDS percentage of gross new business - case count





Discovery Bank as the composite-maker, leveraging key technological capabilities




- 

Consolidated view of the Group products in the Bank app
- 

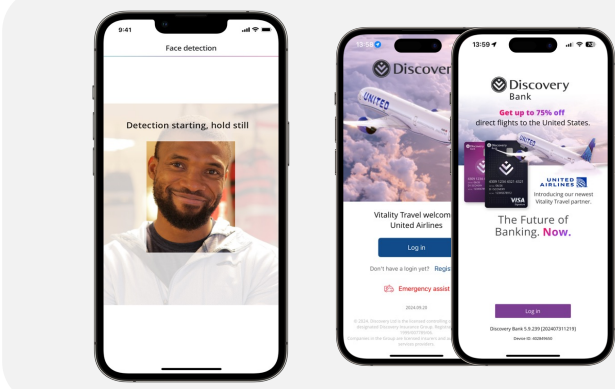
Personalised shared-value behavioural programme tracked through Bank app
- 

Universal shared-value rewards currency with many ways to earn and spend
- 

Unique Discovery ecosystems powered by the Bank's payment capabilities
- 

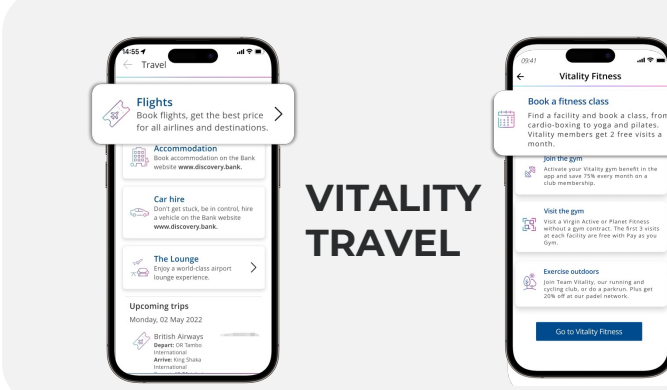
Advanced payments engine with a seamless and secure payments journey

Technology



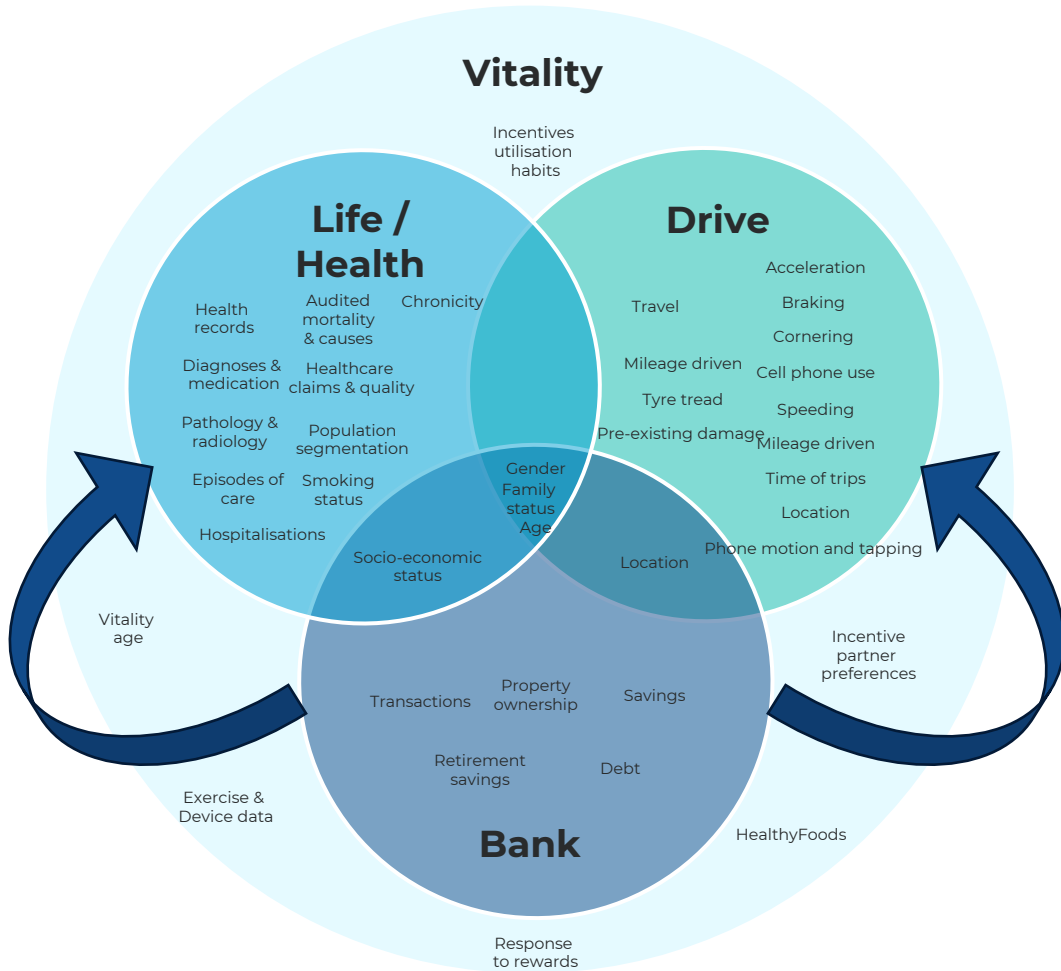
Using the Bank's facial recognition capabilities for KYC at onboarding, Discovery Group and Bank app logins

Ecosystems



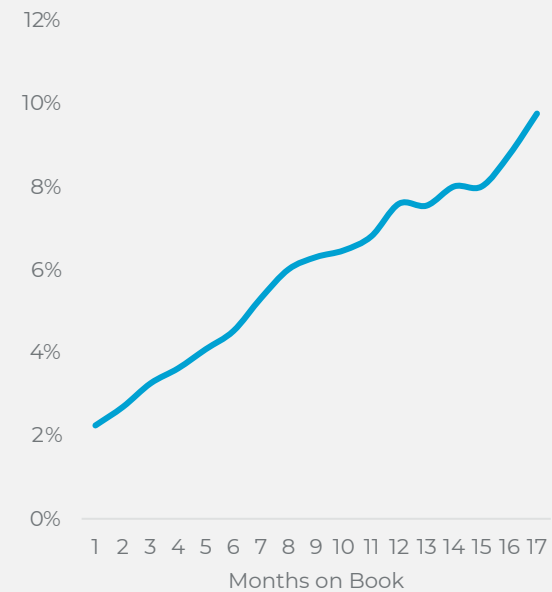
VITALITY TRAVEL **VITALITY FITNESS**

Bank data allows additional insights to drive product integration and take-up



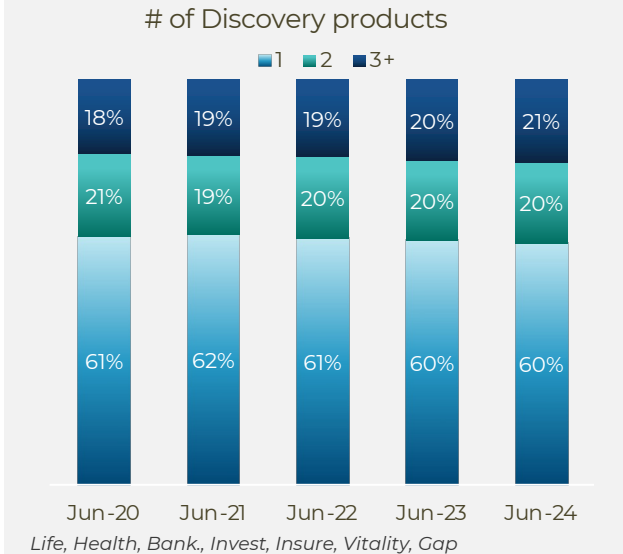
New-to-Discovery clients taking up new products

58% of new business is new to Discovery
±10% of new Bank clients add 1 or more Discovery products within 18 months



Integration opportunity remains high

60% of clients have only 1 Discovery product.
±80% of clients have only 1 Discovery product, excluding Vitality

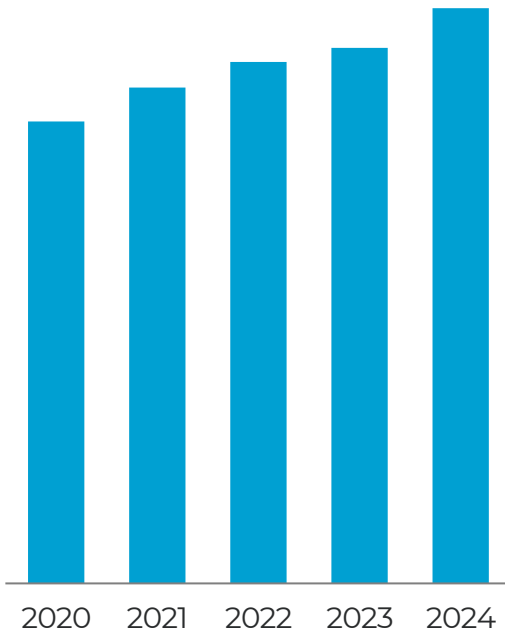


Growth in Discovery Health with a strong market share leadership position



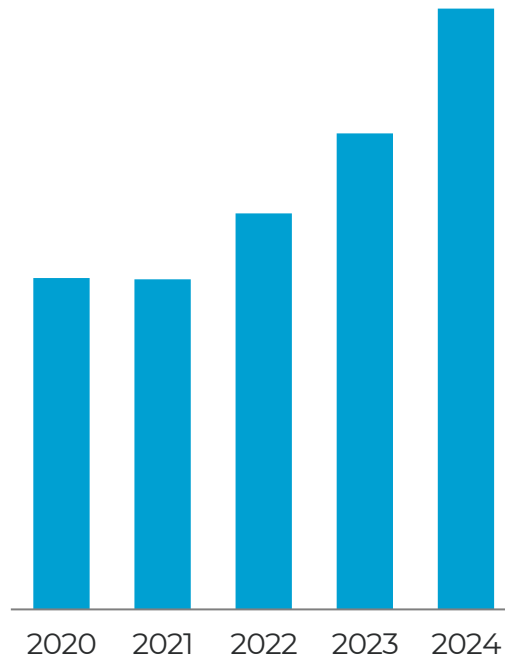
Operating profit

+7%
to R3 972m



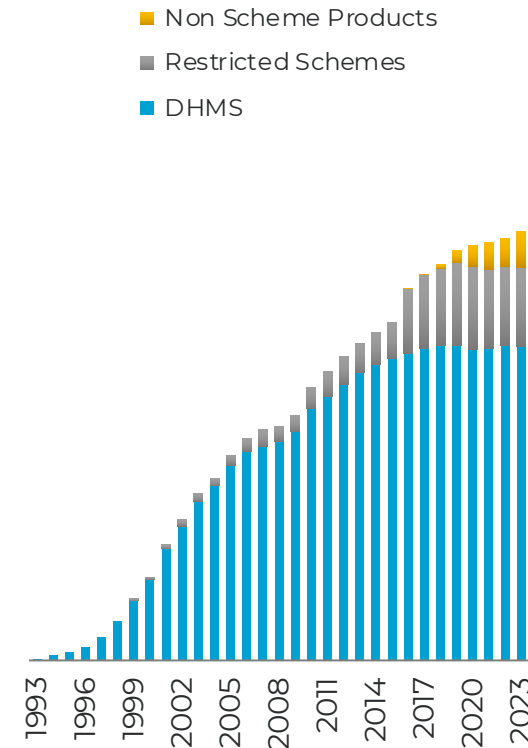
New business

+26%
to R11 069m*



Membership

>3.9m
Lives under administration



Market share

57.9%



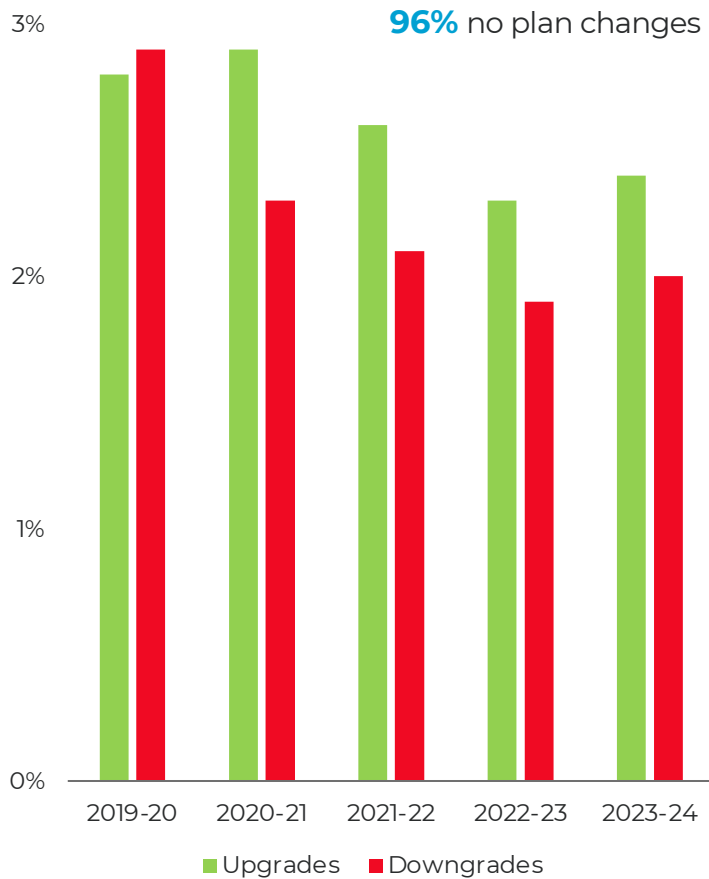
*Sasolmed contributed R2 510m to new business for FY2024

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



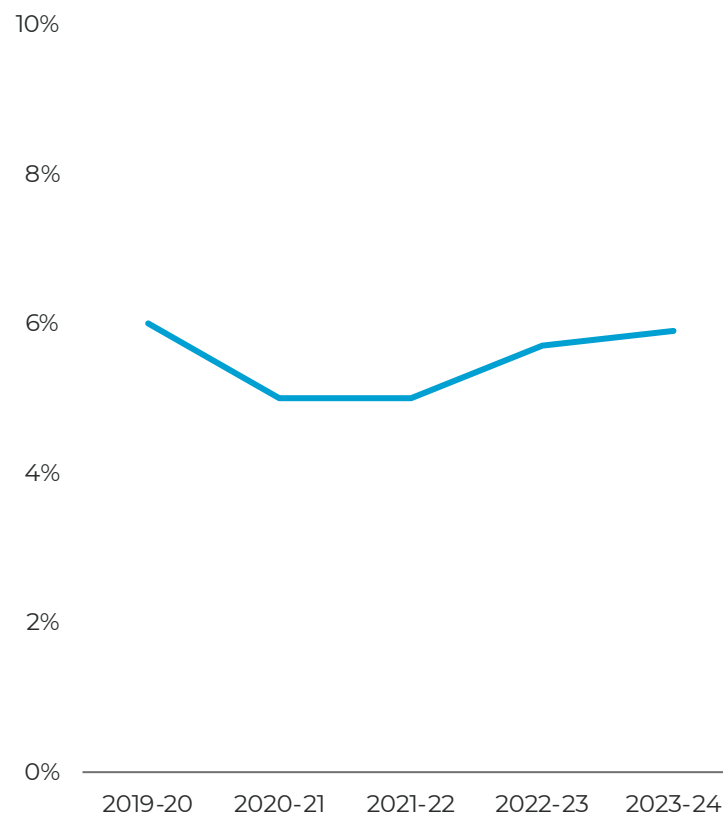
Customer satisfaction

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



Good customer retention

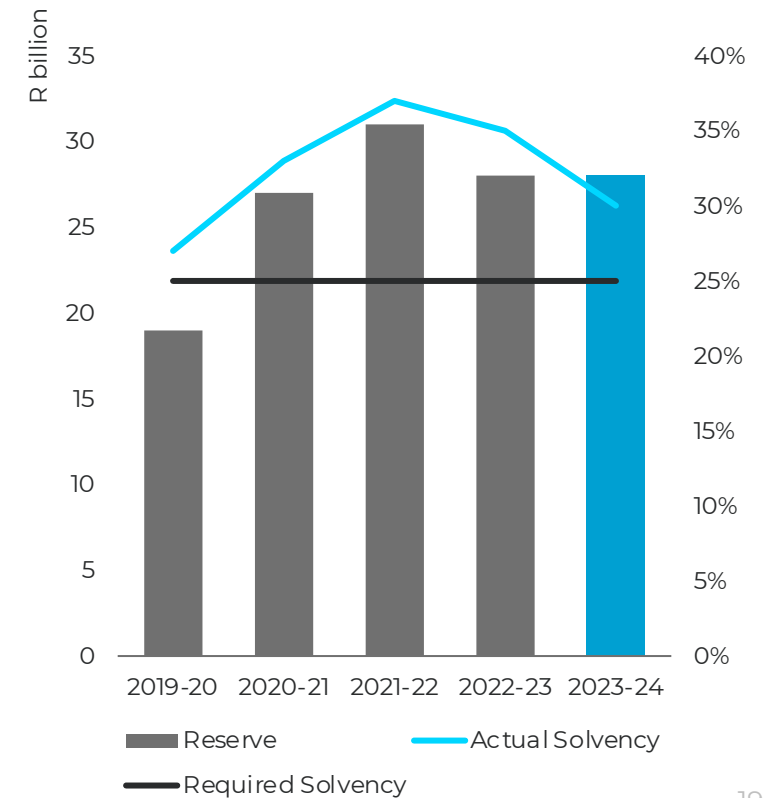
Lapses continue to remain stable



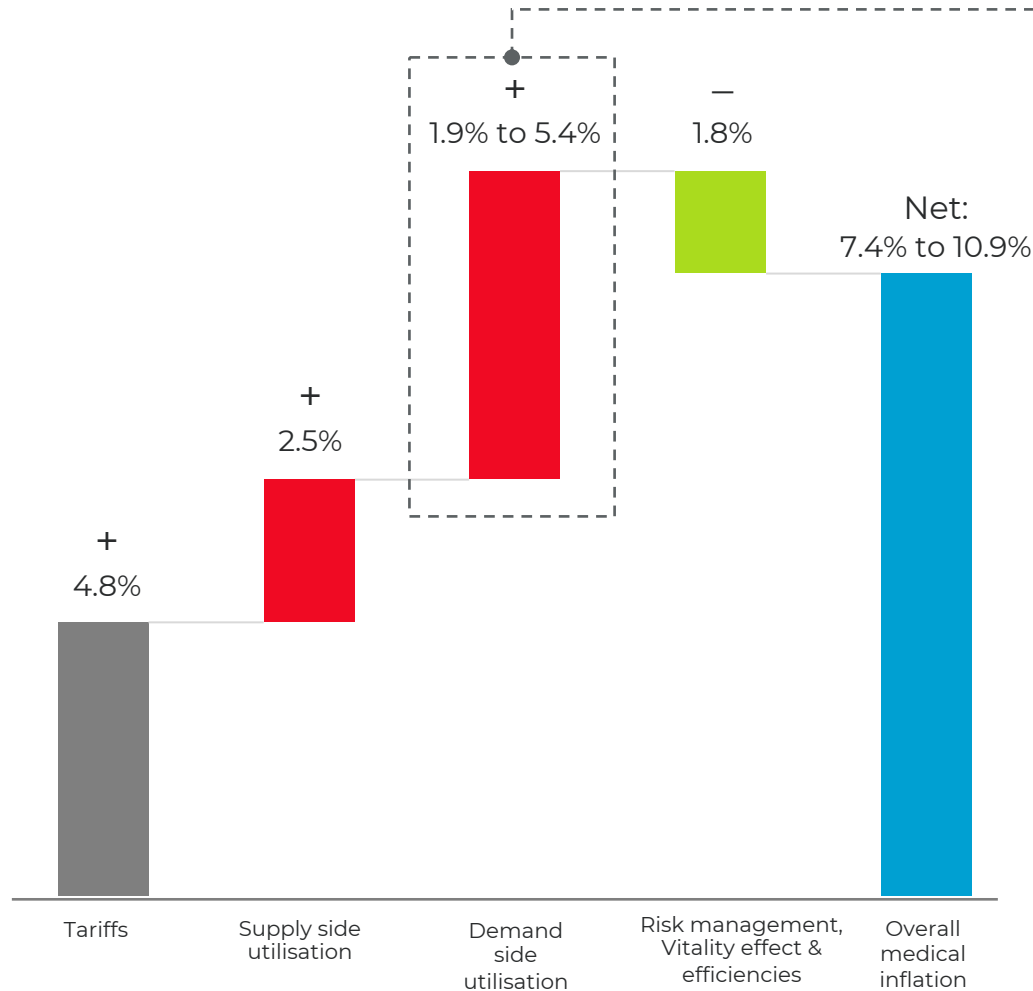
Solvency

R28.4bn
30%
AAA

projected unaudited reserves
projected unaudited solvency
credit rating



High utilisation driving medical inflation, DHMS increases focused on balancing scheme sustainability and affordability

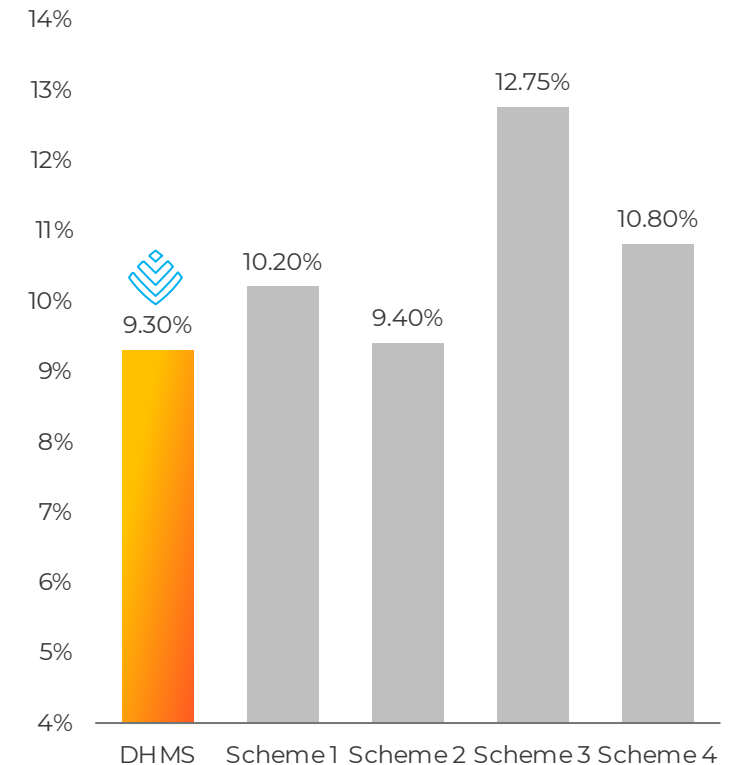


Demand side utilisation ranges from 1.9% to 5.4% depending on the plan type, with an **average of 4.1%**

- 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

Average medical scheme increases for 2025



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

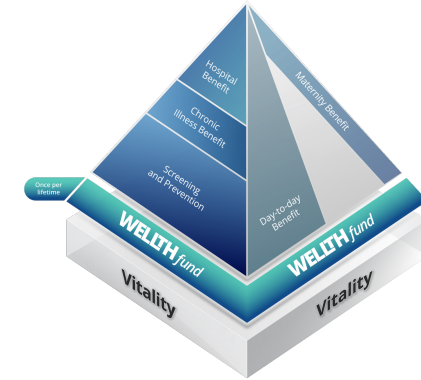
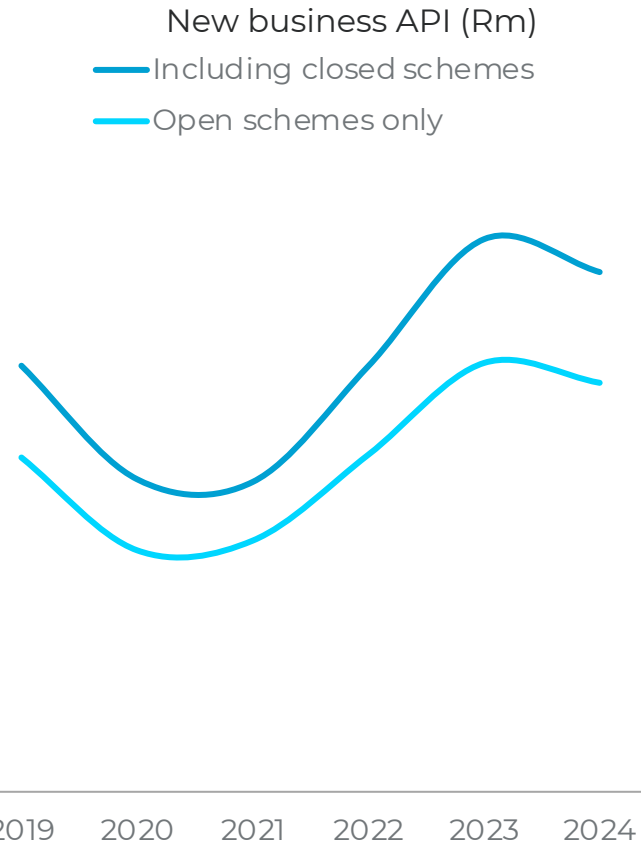
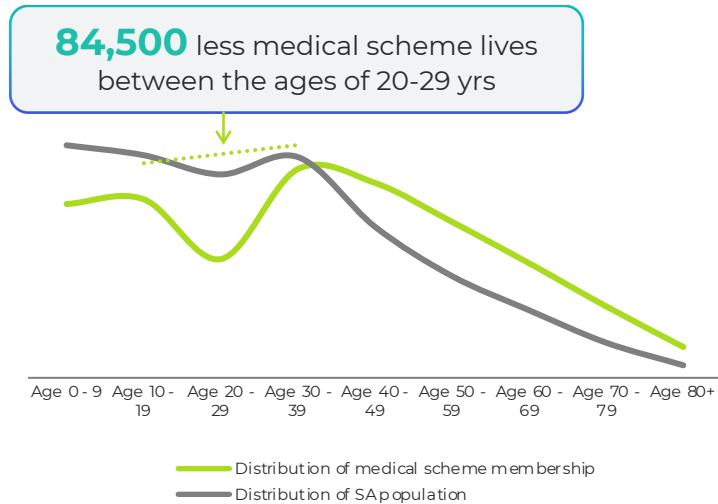
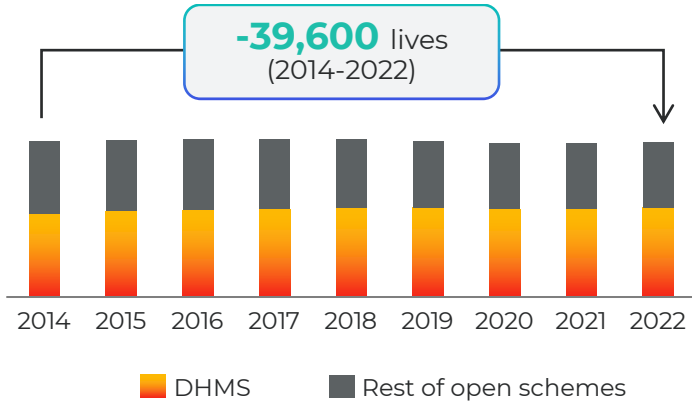
DHMS is uniquely positioned to capitalise on the economic impact of political stability



Low rates of medical scheme growth

Slowing type 2 new business

Attracting young and healthy lives



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

Source: Alexander Forbes Medical aid insights (2023/2024)

Robust operating profit growth in Discovery Life with a strong capital and liquidity position maintained



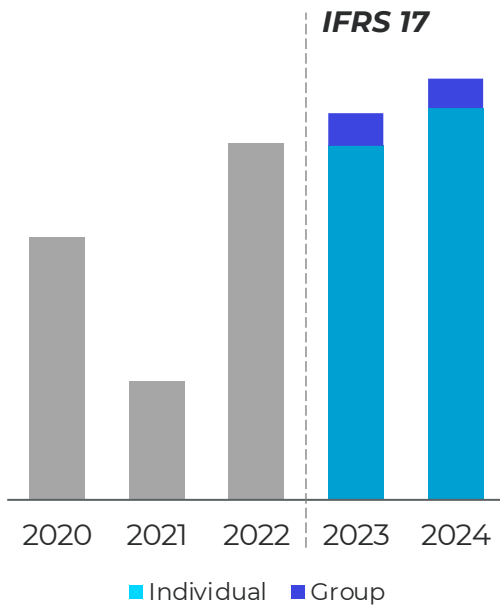
Normalised operating profit

+9%

to R4 765m

Individual Life:

+11%



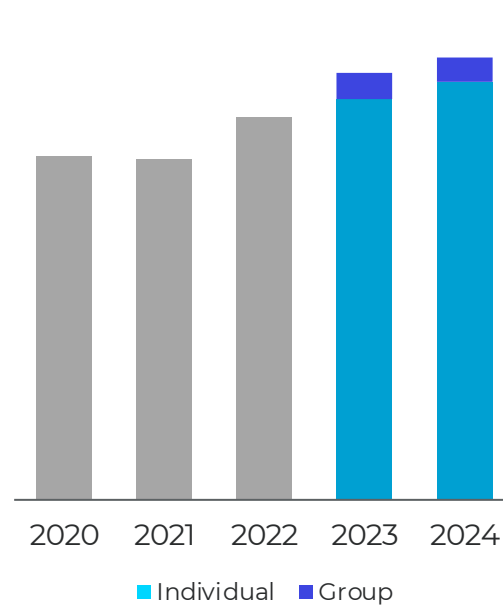
New business

+4%

to R2 942m

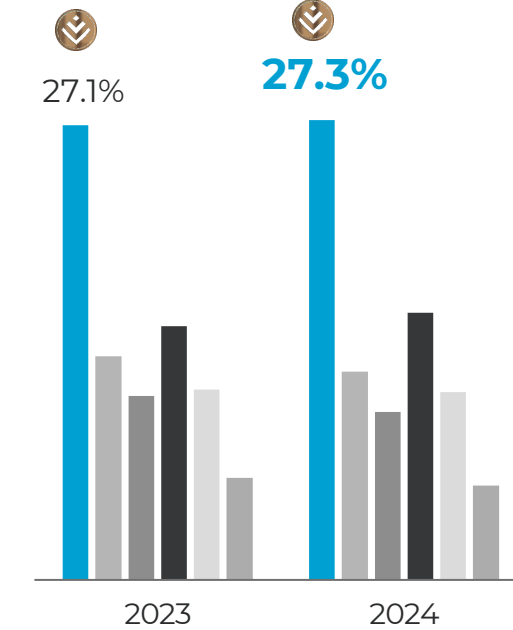
Individual Life:

+4%



Maintained leading market share

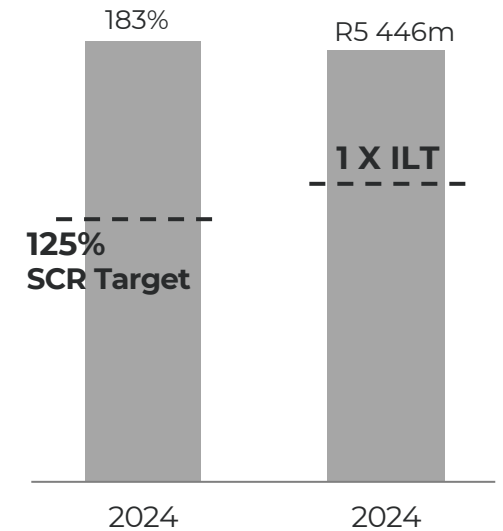
12 months to June 2024



Strong capital and liquidity

SCR coverage

Liquidity coverage

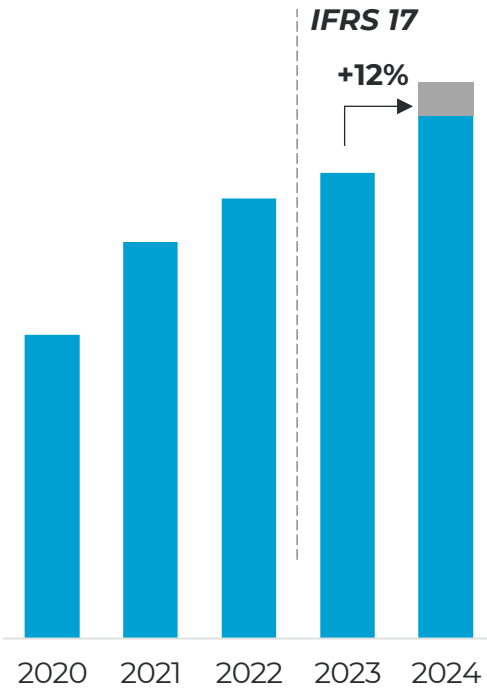


Discovery Invest operating profit growth exceeding target growth



Normalised operating profit

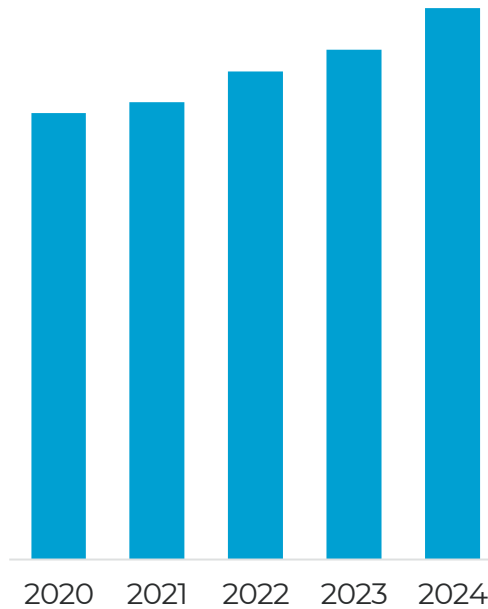
+20%
to R1 522m



■ Rebased profit release profile (guaranteed bonds)

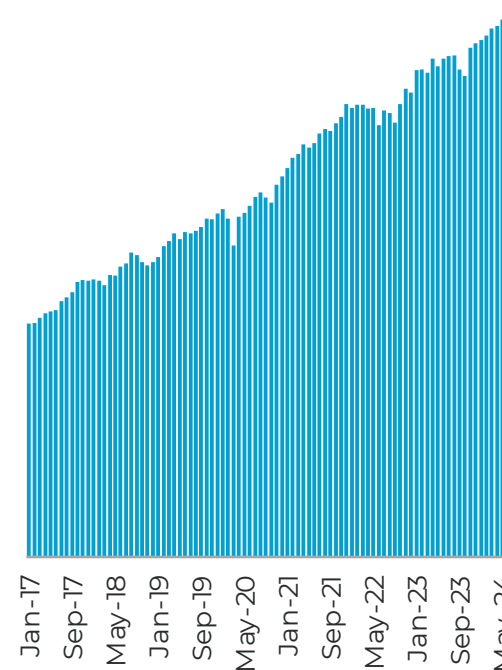
New business

+8%
to R3 300m



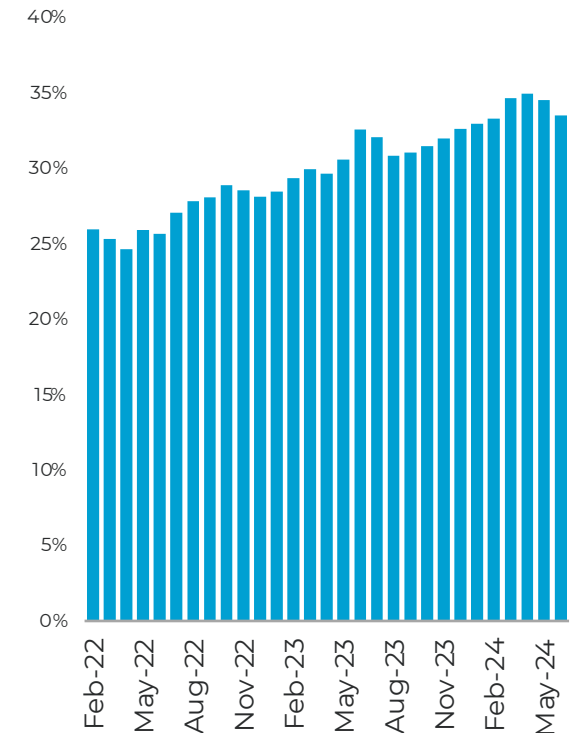
Assets under administration

+11%
to R155bn



Positive shift in product mix

% AuM in offshore funds



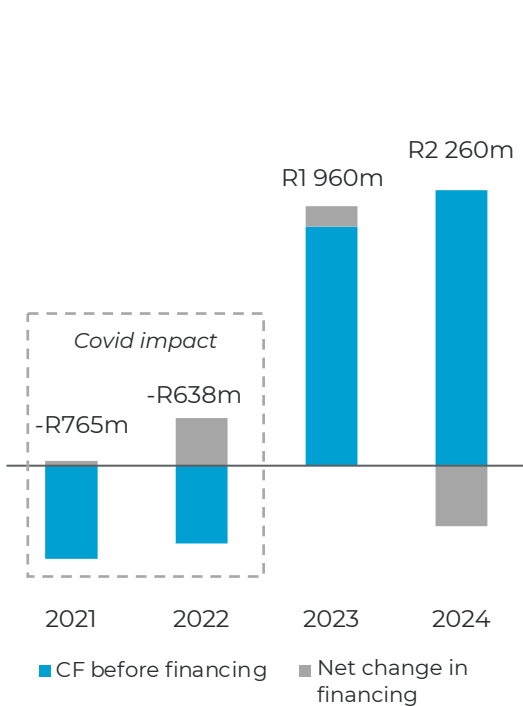
Strong EV growth and improvement in VNB margin



Strong cashflow generation

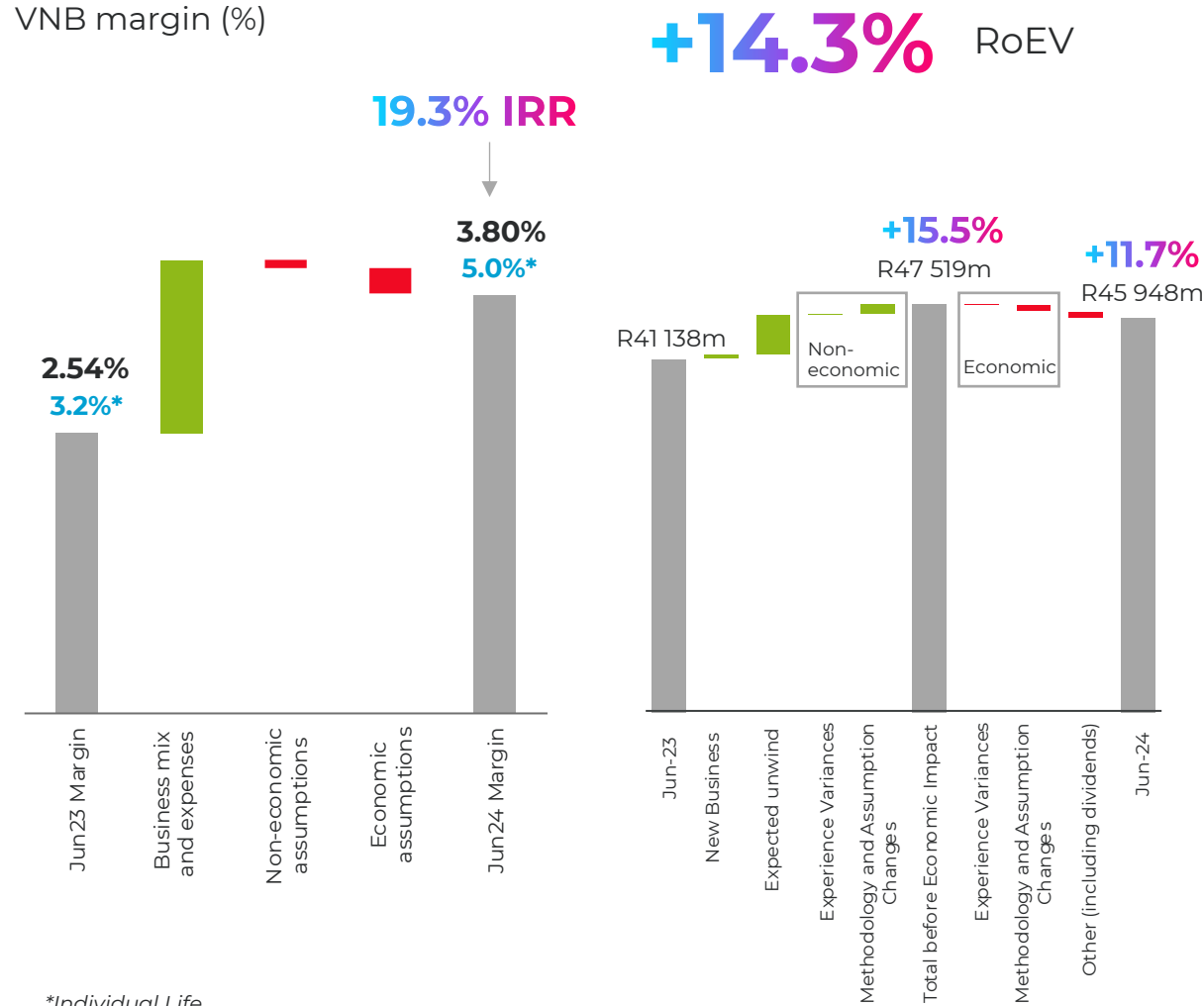
Life and Invest cashflow **in excess of 35%** of net of tax normalised earnings

Cashflows before financing



Improvement in VNB margin

VNB margin (%)

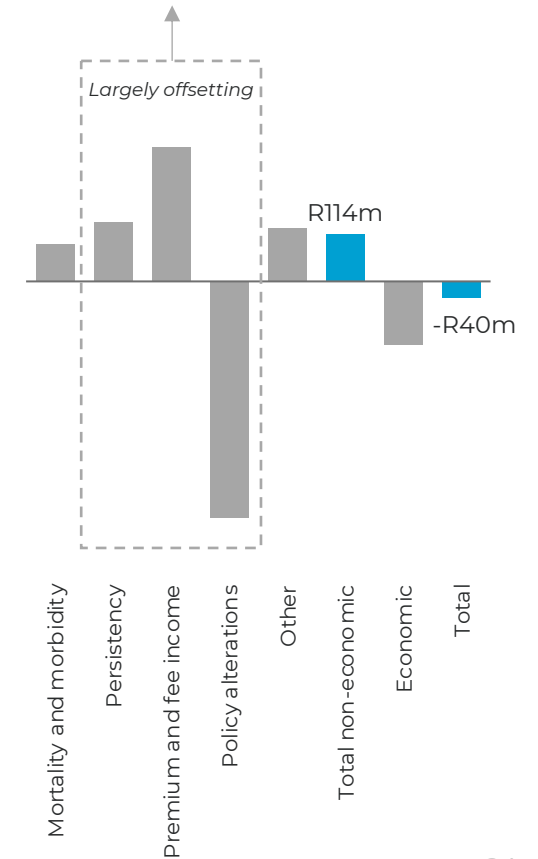


Strong EV growth

Operating variances

Discovery Life Ltd variances, Rm

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



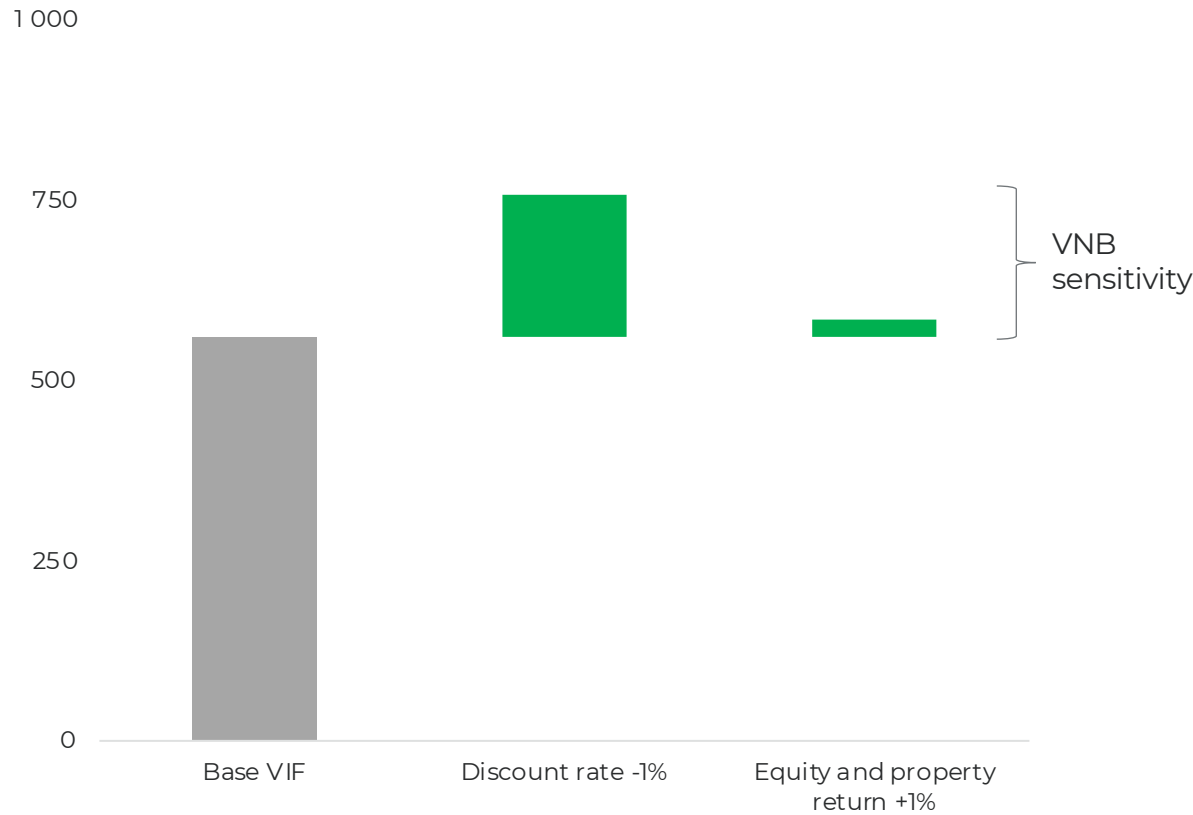
*Individual Life

Positive outlook and EV upside potential for Discovery Life and Invest

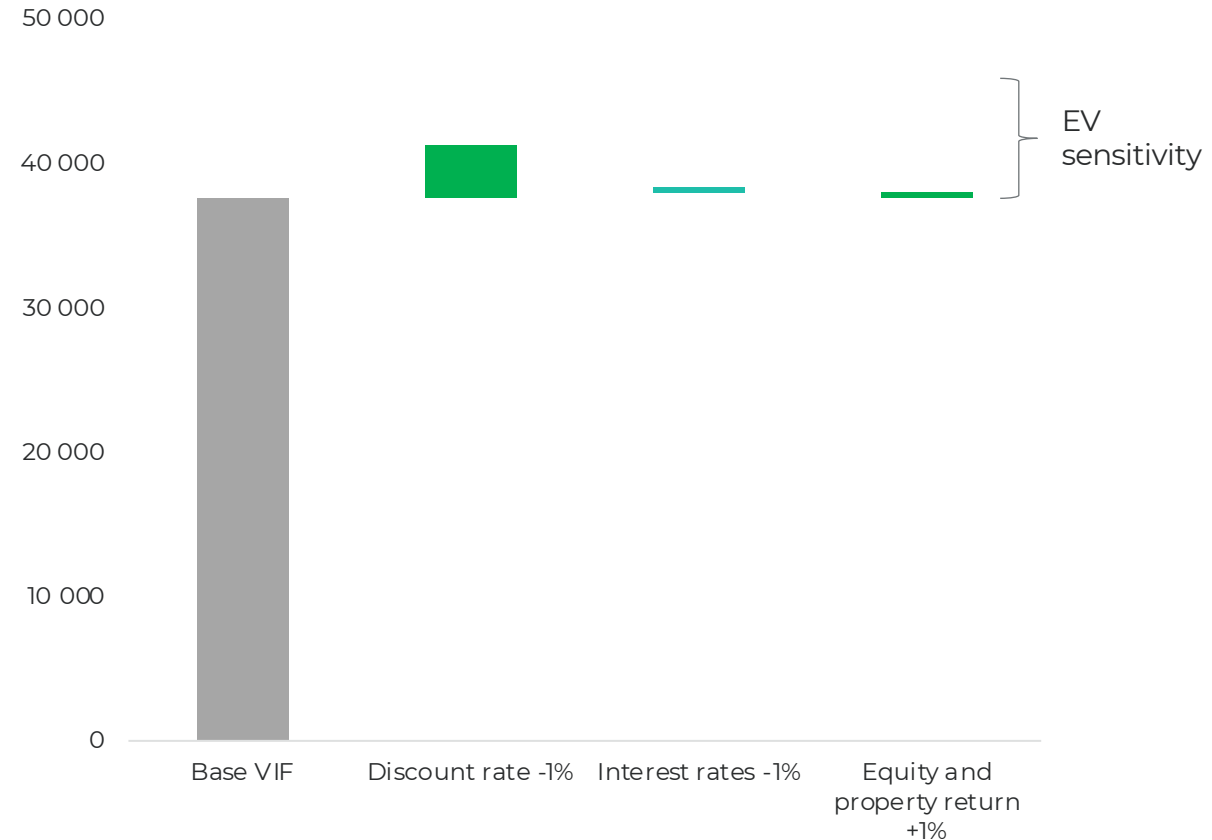


Stability in operating environment is likely to support positive economic and embedded value

Discovery Life and Invest VNB (Rm)



Discovery Life and Invest EV (Rm)



Discovery Insure achieved a step change in new business growth with recovery to target margin



Gross written premium

Gross new business

Vehicles insured¹

Normalised operating profit

+9%

to R5 726m

+11%

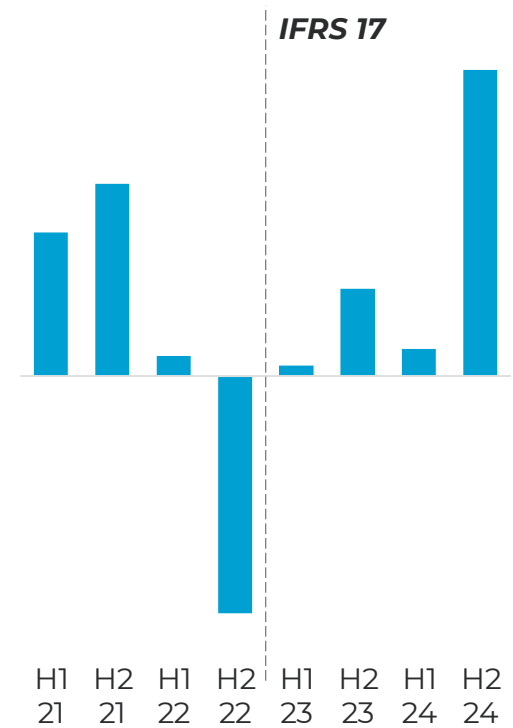
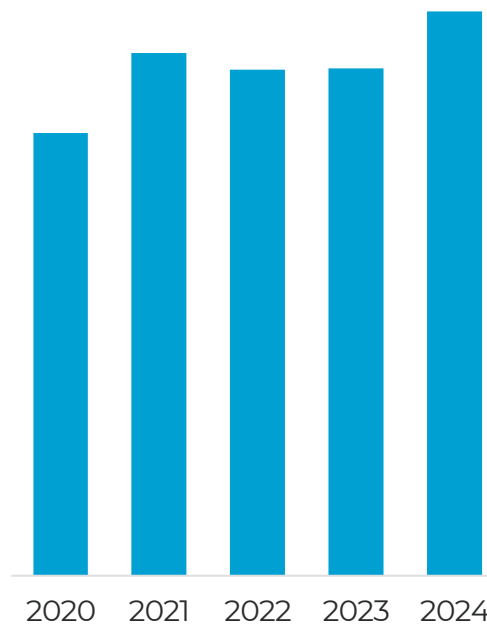
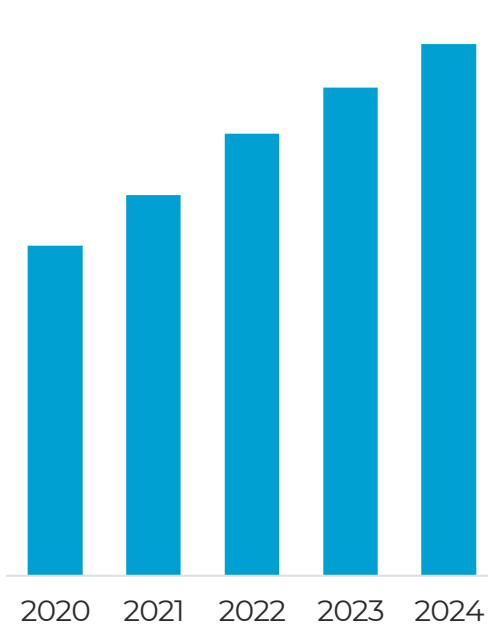
to R1 388m

+2%

to 288 120

+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:



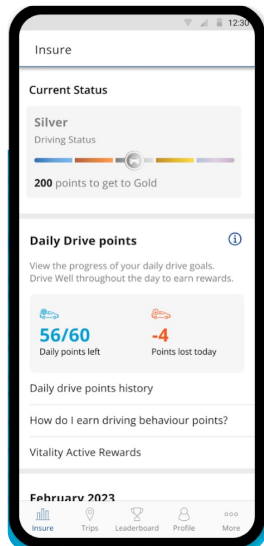
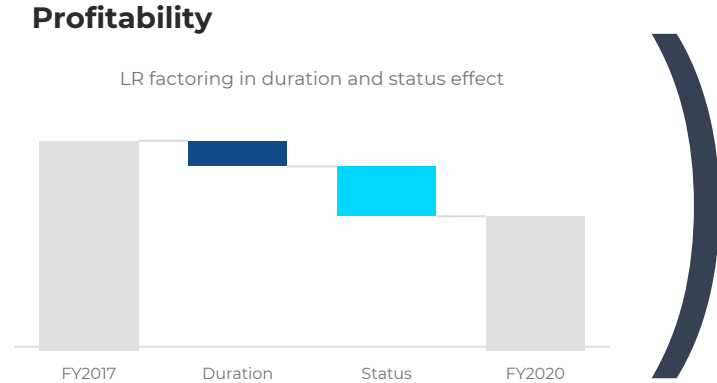
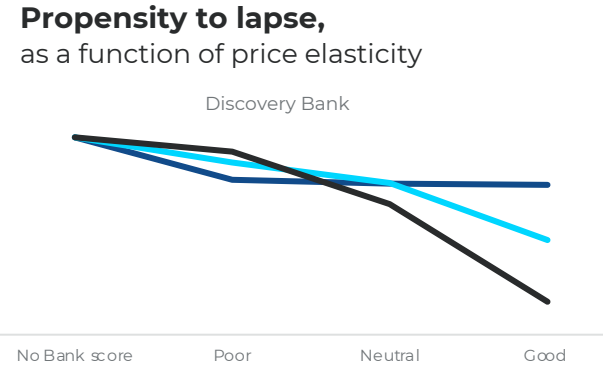
Insure data applications to enhance pricing and client servicing



Superior pricing dynamics due to hyper-personalised Lifetime value optimisation

f Individualised and unique data assets

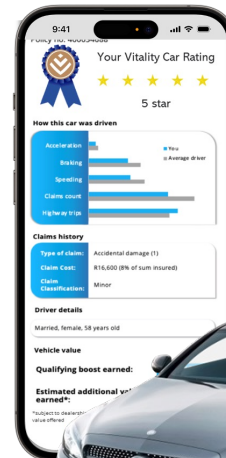
- Vitality Drive driving behaviour
- Discovery Bank and Vitality Money
- Discovery ecosystem integration
- Credit score
- Age
- Region



Increased digital capabilities

3X

Increase in digital interactions



Expanding into new markets with Vitality Car Rating

15%

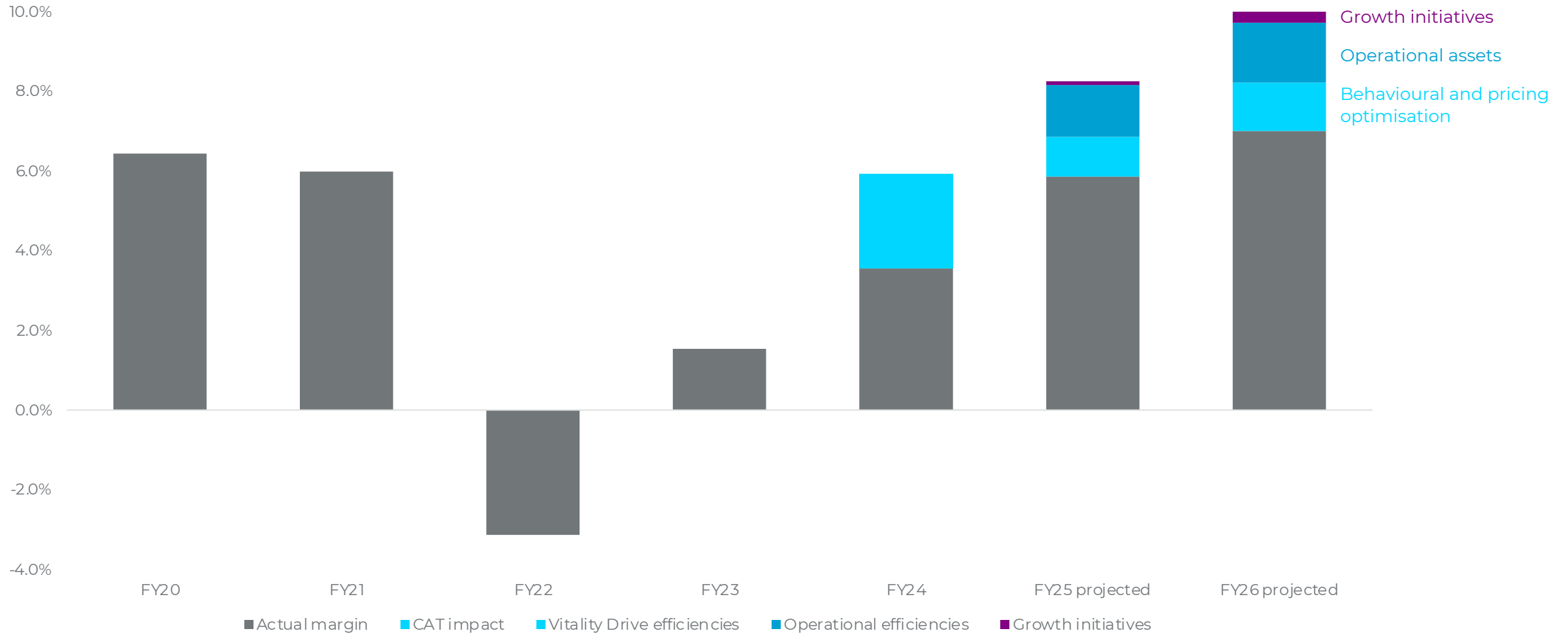
Boost in vehicle resale value



Insure margin projection



Operating profit margin



Building a leading CEB business creating value and driving healthy behaviours



UMBRELLA FUNDS

Significant growth

43%

AuM compound annual growth rate from 2021

GROUP RISK

Market leadership

27%

Market share in Critical Illness cover

HEALTHY COMPANY

Better employee engagement

9x

Higher engagement compared to industry standard and proactive support

Better preservation

20%

Preservation rate for high boost earners (vs. 10%-15% industry standard)

Better health

38%

Lower claims ratio for Gold & Diamond members

Better health outcomes

2x

PHQ-9 screening, with 2.7x faster recovery

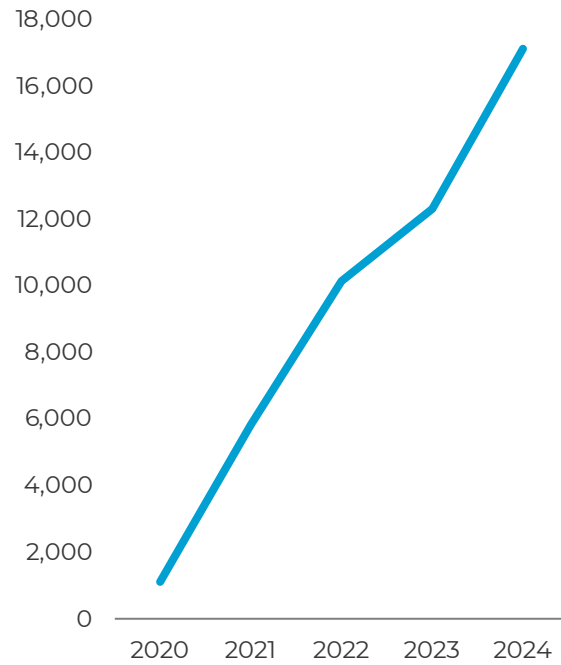
Establishing an integrated Corporate and Employee Benefits business



Retirement Funds AuM, Rm

+39%

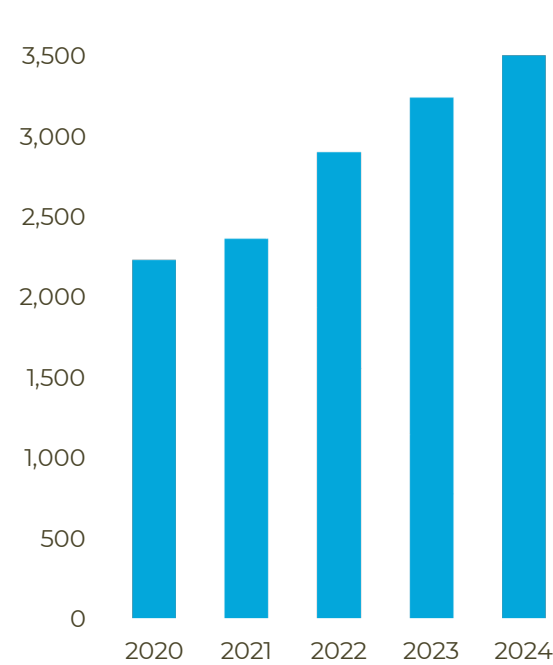
to R17.1bn



Group Risk API, Rm

+8%

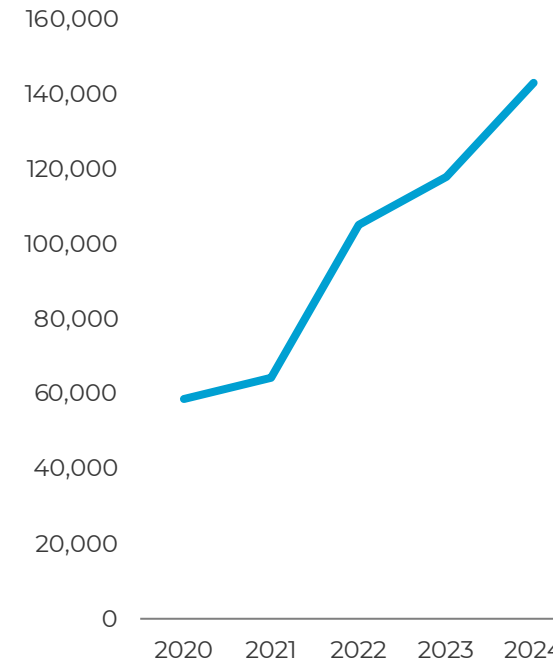
to R3.5bn



Healthy Company Lives

+21%

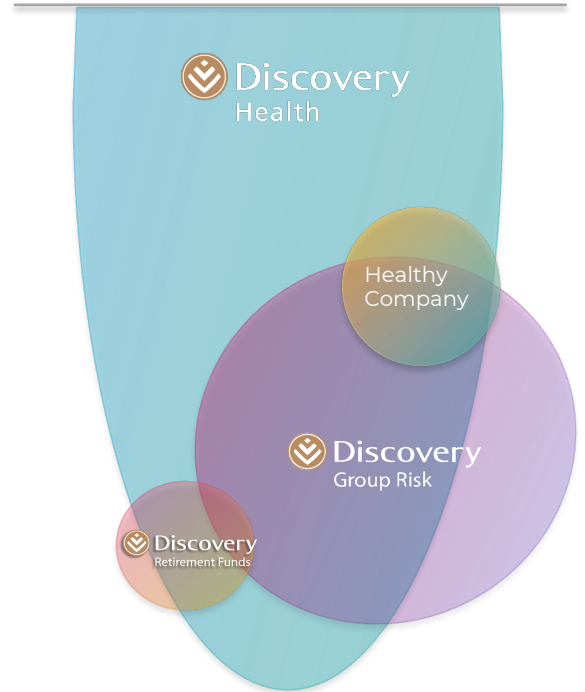
to 143,000



Significant integration opportunity

80%

Corporate employers with one product

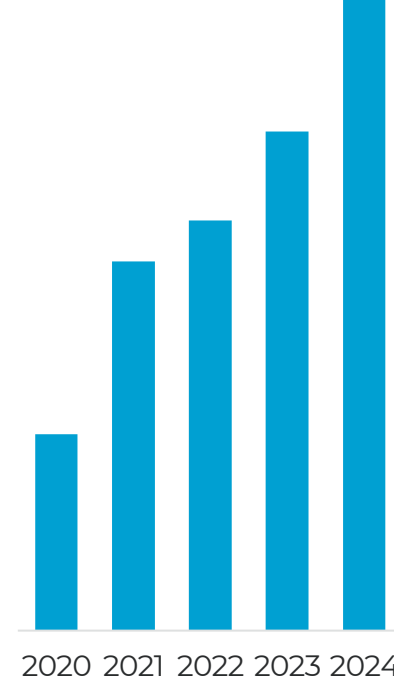
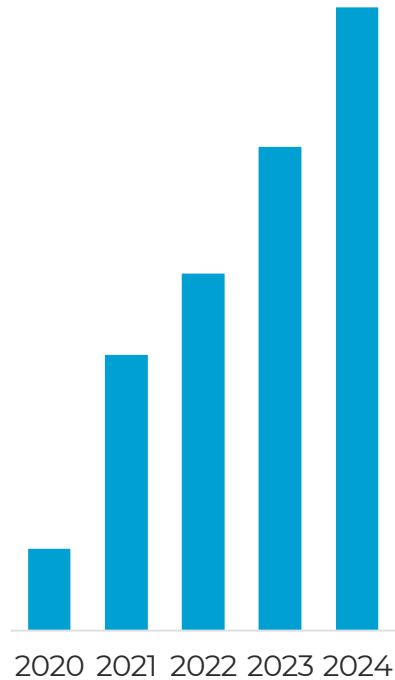
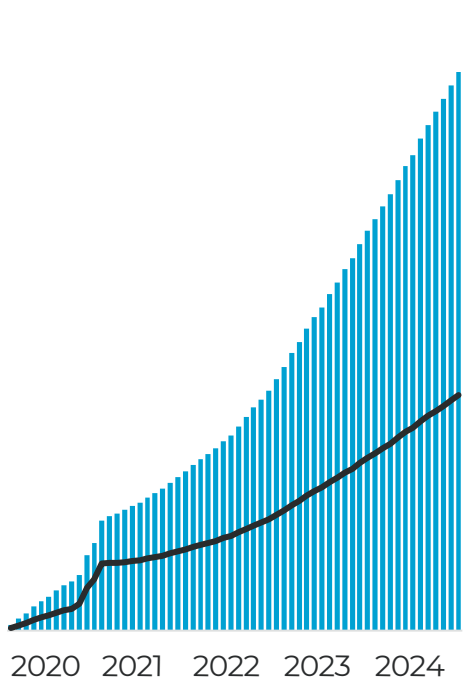


Strong growth across all Discovery Bank metrics

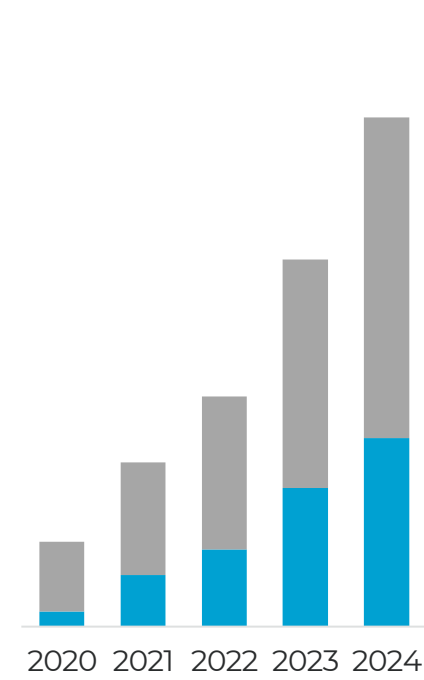


Total clients	Total accounts	Retail deposits	Advances	Revenue (NII + NIR)	Operating result	
+36% to >950k	+40% to 2.3m	+29% to R18.5bn	+27% to R6.6bn	+41% to R2.1bn	+41% to (R454m)	+89% to (R52m) Before NBAC

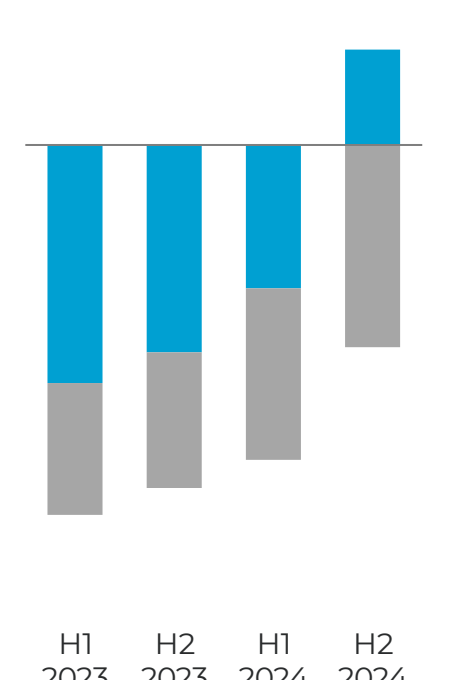
■ Total Accounts — Total Clients



■ Total NII ■ Total NIR



■ NBAC ■ Loss before NBAC



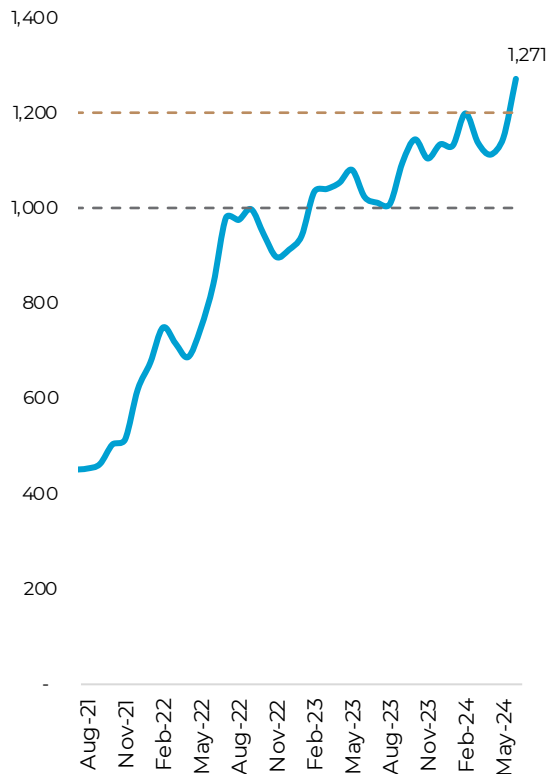
Strong and quality new business growth from multiple sources



Accelerating growth in sales

±1,100 sales per day

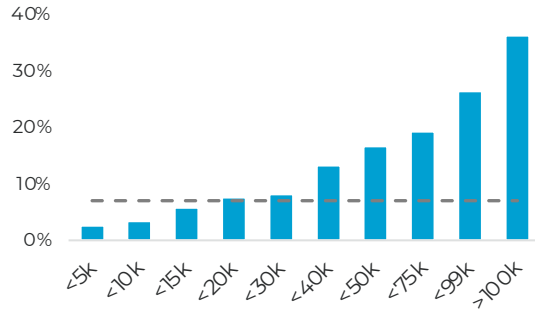
3-month moving average; per business day



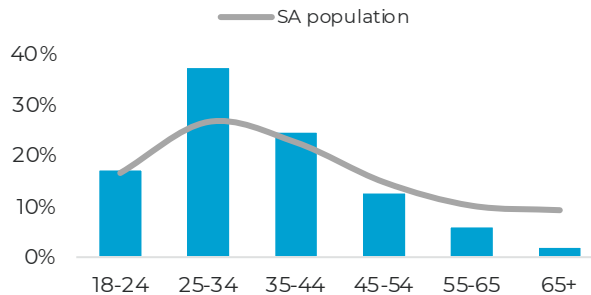
Relevance across demographic groups

Credit card new business by income

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

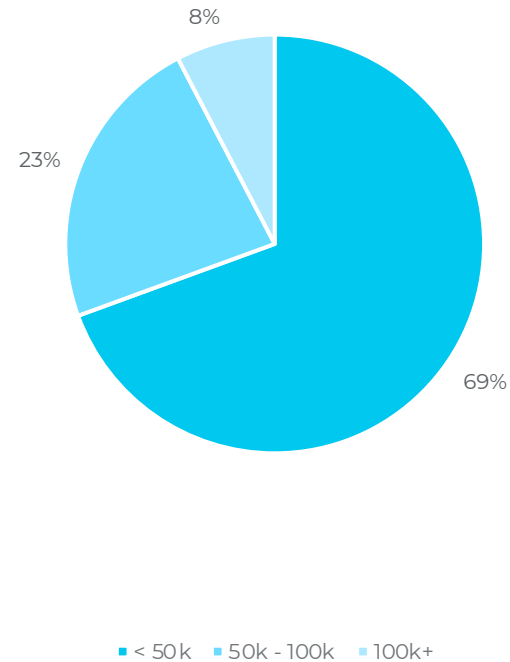


New business by age group
High share of new business from young adults



Increasing relevance across income bands

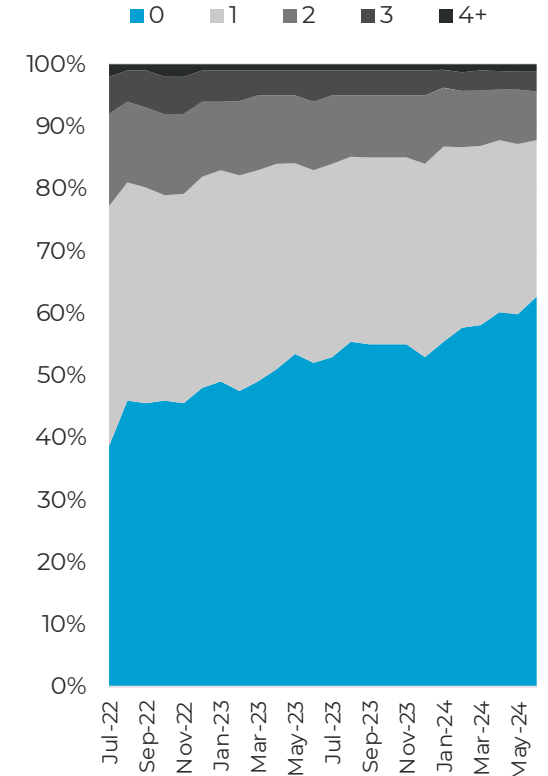
Discovery Bank clients by monthly income band



Majority new to Discovery

58% of Discovery Bank new business is new to Discovery

Number of other Discovery products

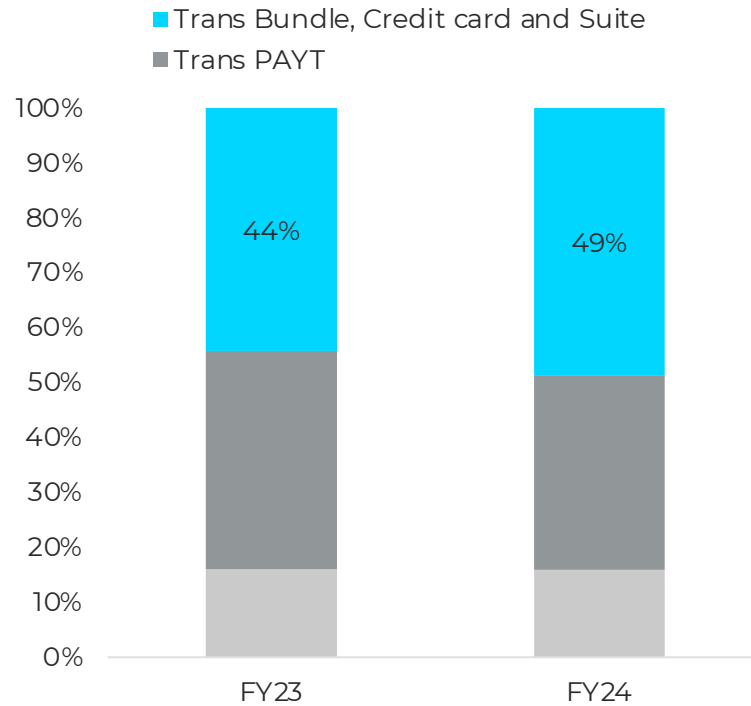


High quality of new business, with growth driven by Discovery Connect



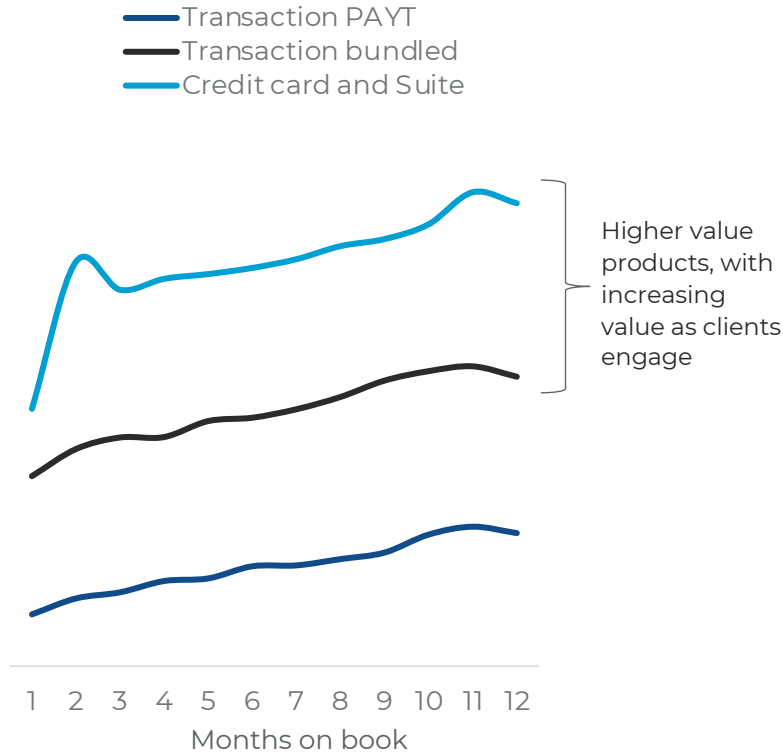
Increasing proportion of new business from high-value products

c50% of new business from high-value products



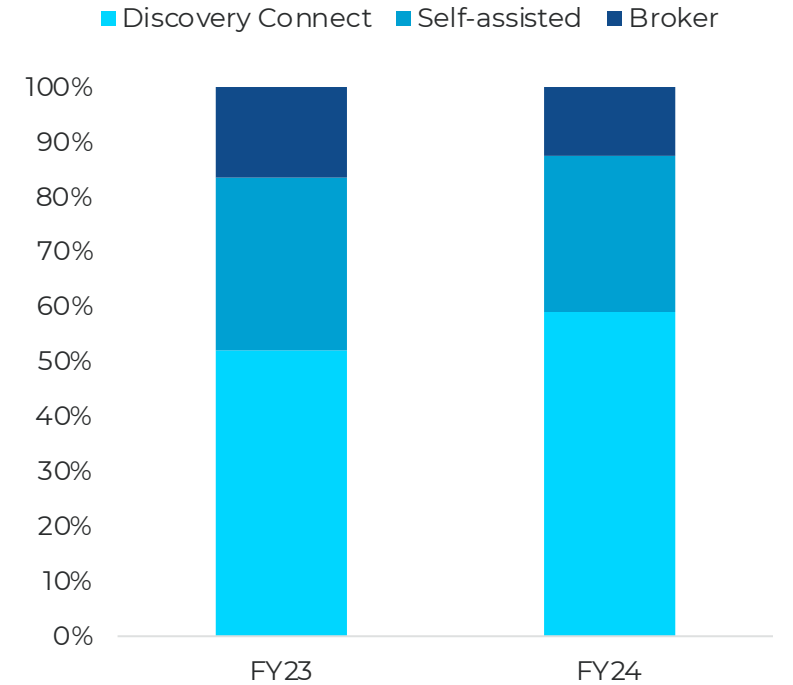
Increasing value as clients engage across all product types

NIR per client by months on book



Growth driven by the Discovery Connect channel

90% of new business from Discovery Connect and self-assisted channel

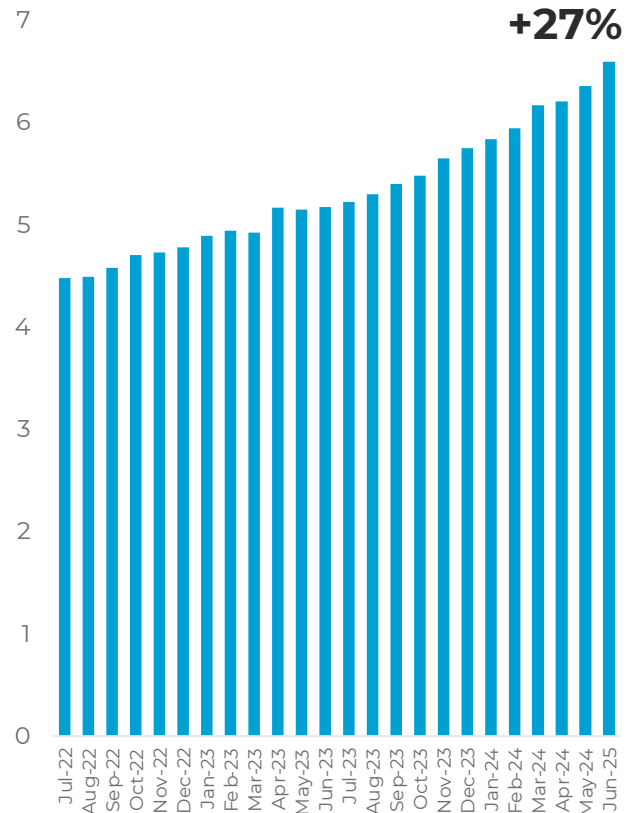


Maintained focus on credit book growth and quality

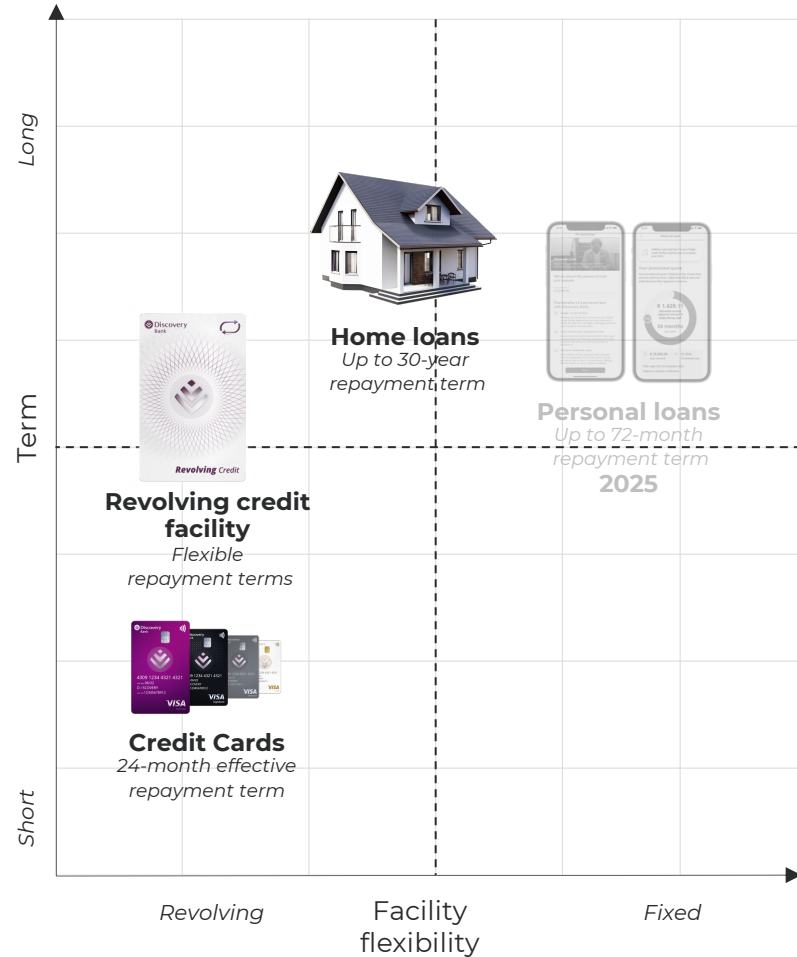


Strong growth in advances book

Advances, Rbn



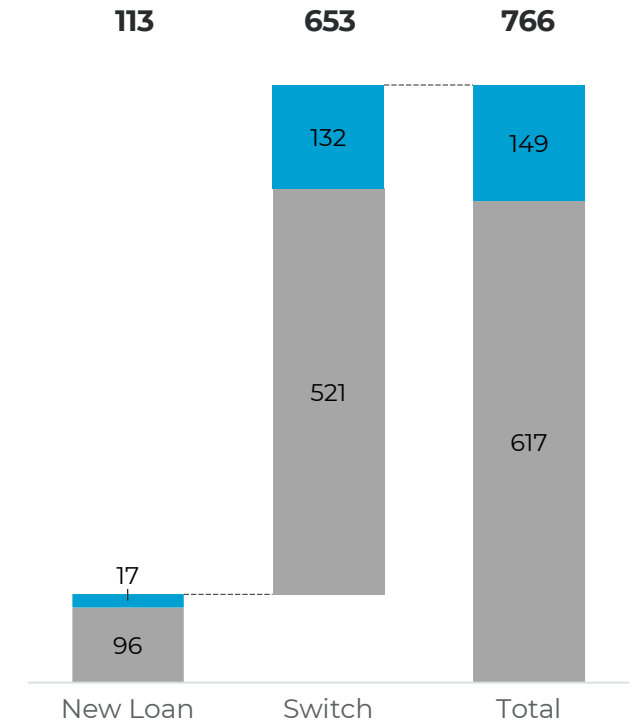
Expansion of the Bank's lending products



Promising home loans book and pipeline

Value of home loans disbursed, Rm

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



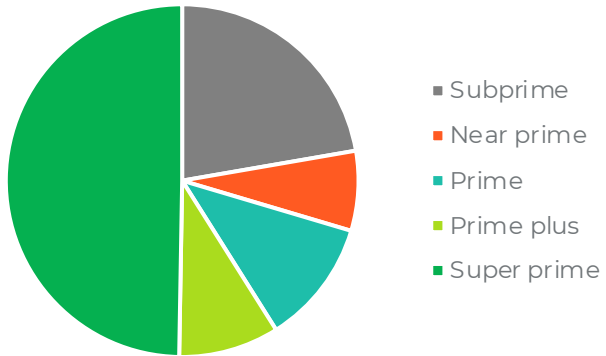
Better than market arrears experience



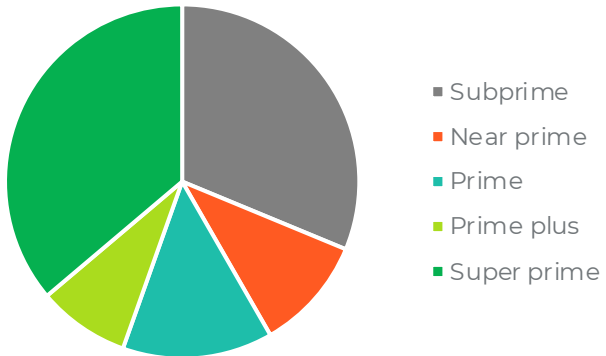
Higher credit quality than the market

Volume distribution of existing accounts¹

Discovery Bank

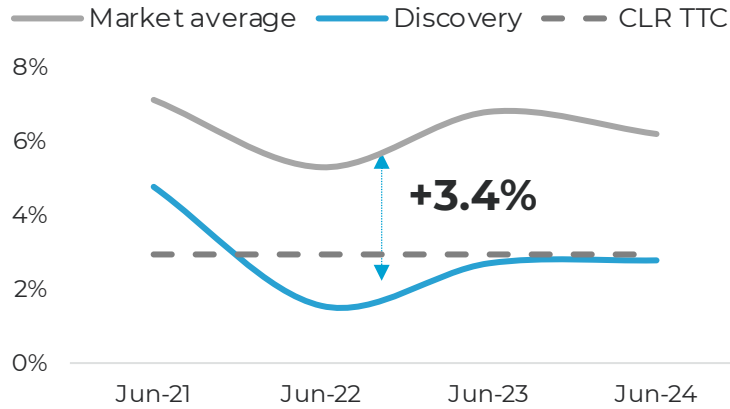


Market

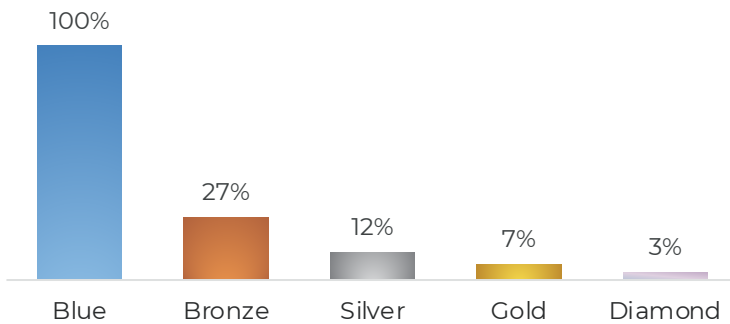


Better than market credit losses driven SVM

Credit loss ratio vs market¹

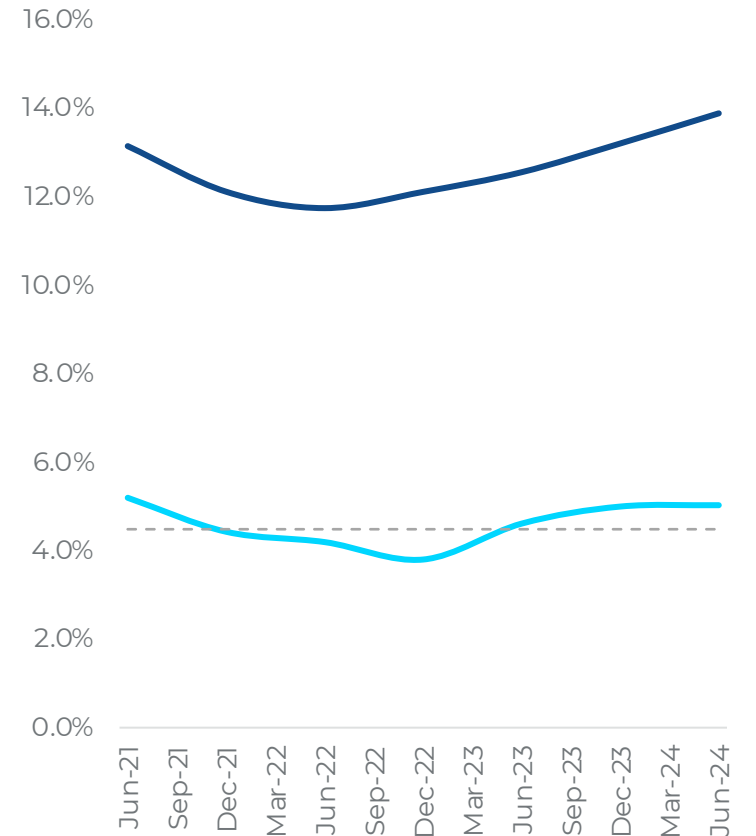


Credit loss ratio by Vitality Money status



Stage 3 vs the market

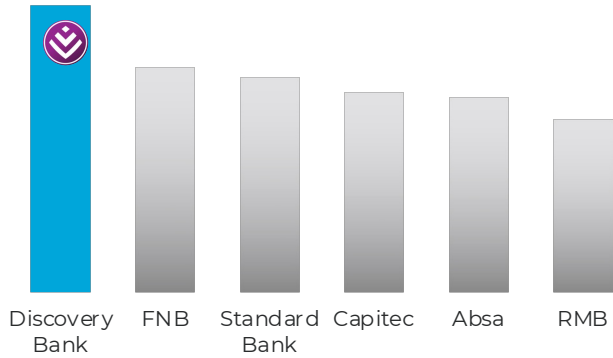
Market average Discovery Bank Stage 3 TTC



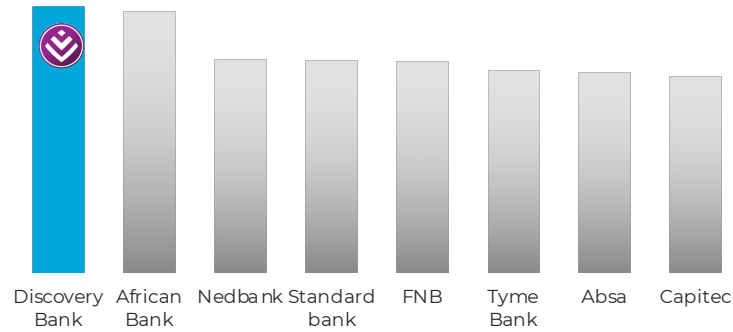
Best bank brand driven by disruptive products and superior service



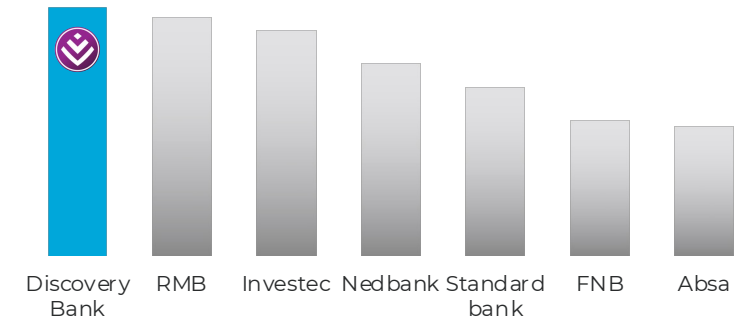
Established market leadership



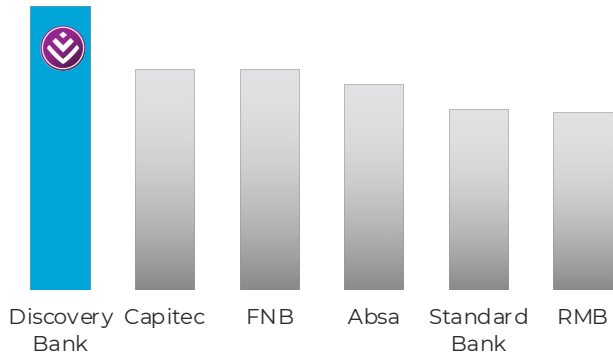
Best in retail banking



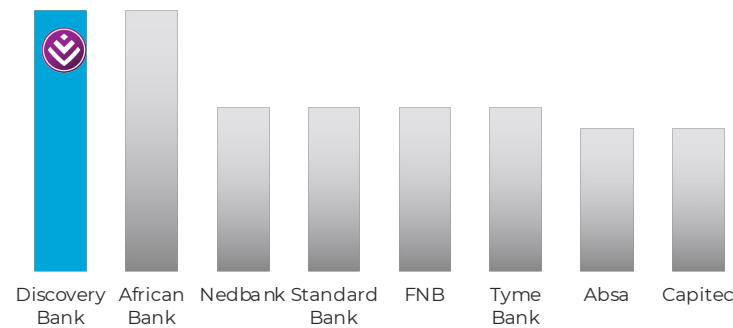
Best in private banking



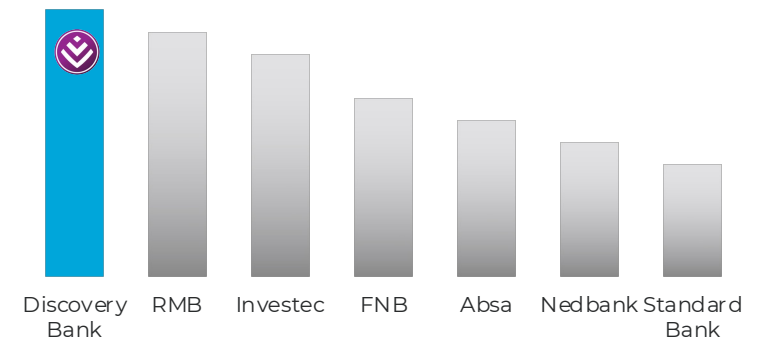
Smart, simple and easy products



Best service and experience metrics



Top private banking provider



Excellent benefits and rewards

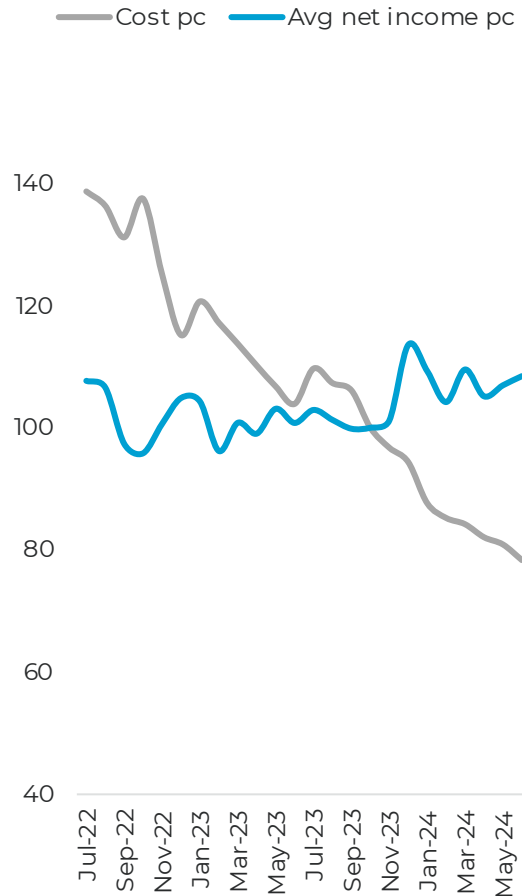
Best emotional experience

Best relationships with clients

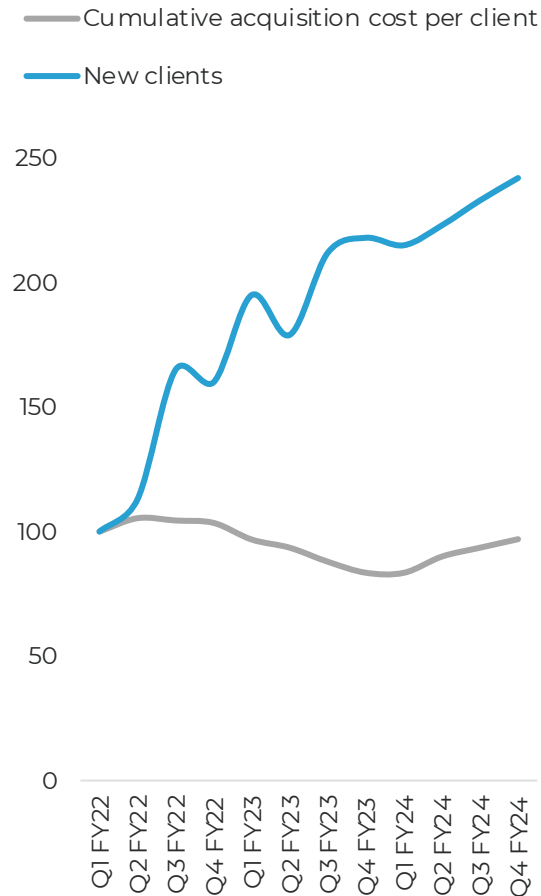
Declining costs-to-serve leading to operational breakeven



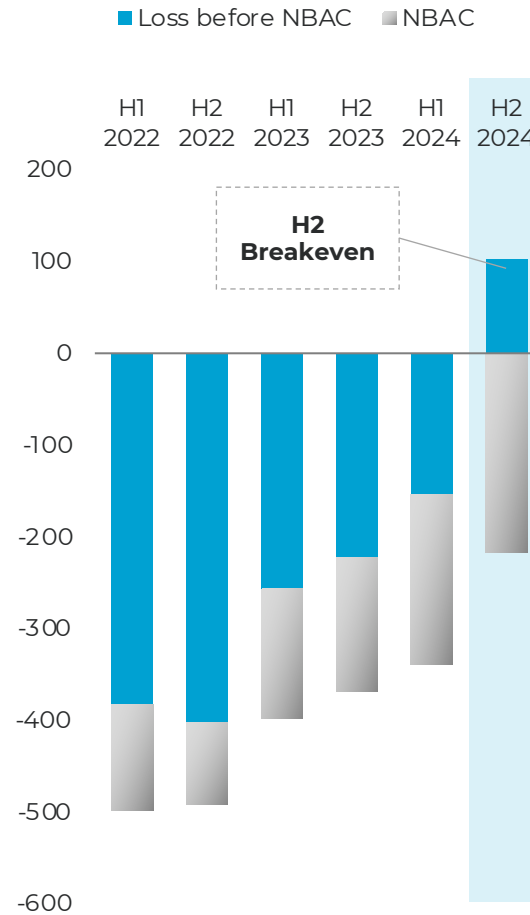
Positive jaws from cost vs income



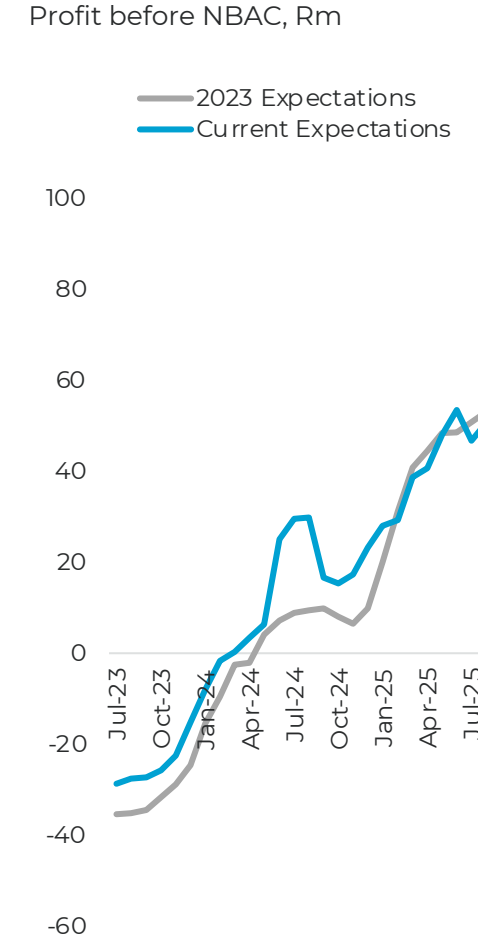
Stable NBAC per client as the bank grows



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

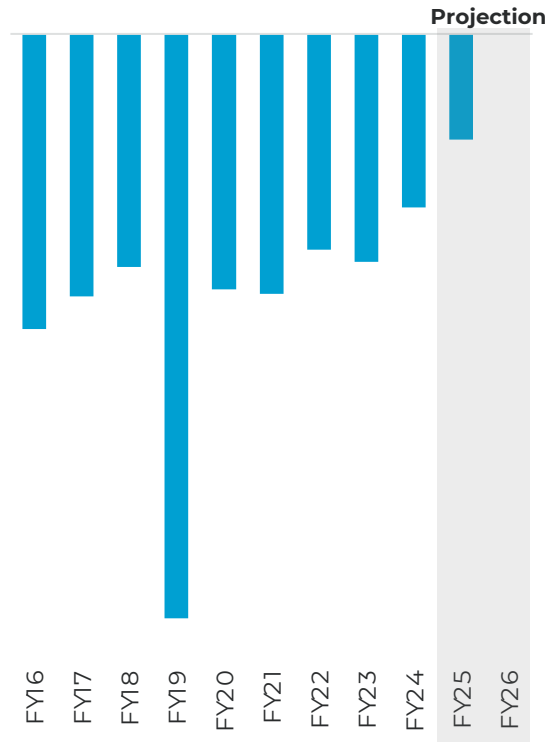
Reducing capital needs

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

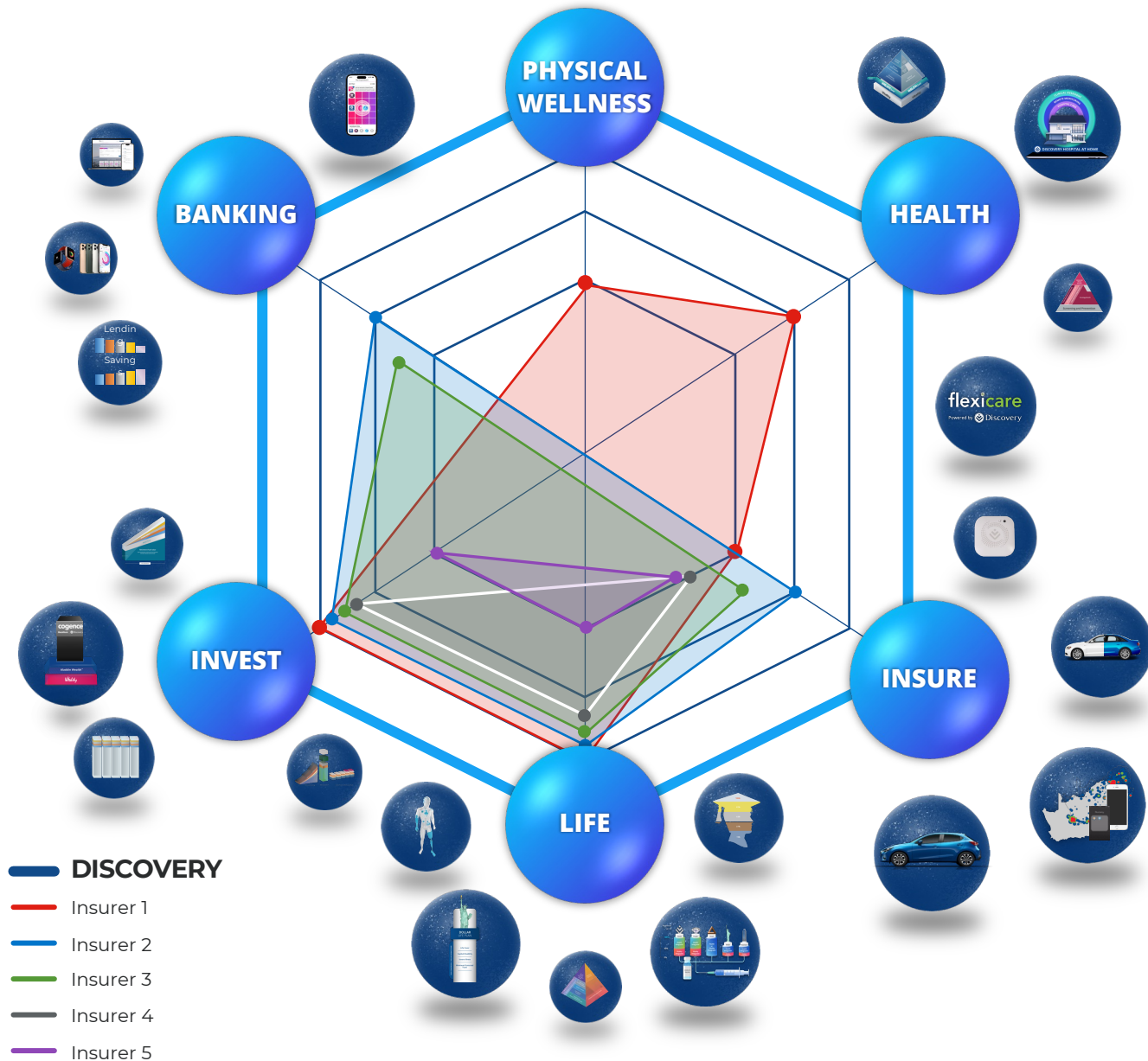
operating profit growth p.a.

Targeting

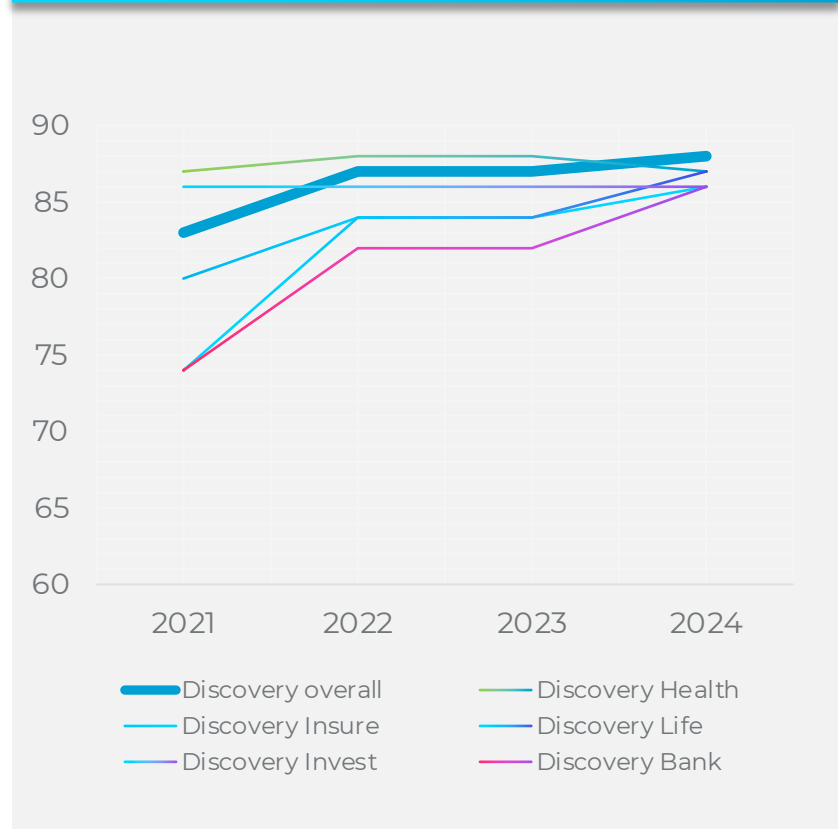
2m clients and R3bn in profits

in FY29

Discovery South Africa product and brand leadership maintained



Discovery Brand Health score (%)

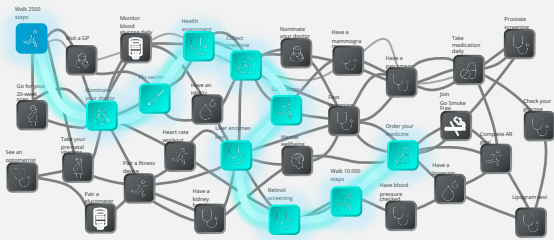


Focus on personalisation and tailoring the Discovery Product suite for all segments

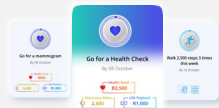


Personalising health and engagement

Personal Health Pathways



Simple user experience

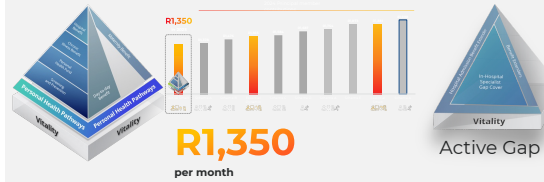


Personalised rewards

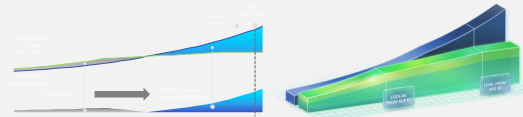


Tailoring Discovery products

Active Smart plan for youth, richest benefits at the lowest price



Lock-in benefit update for all ages



Holistic cover for Corporates



Using Discovery's data in unique ways

Vitality Car Rating

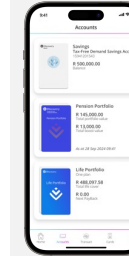


Increasing vehicle resale value using

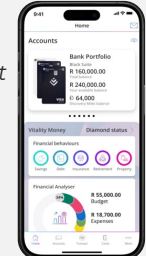
Vitality Car Rating	% Boost
★★★★★	15%
★★★★	10%
★★★	7.5%
★★	5%
★	2.5%
None	2%

Entrench the Bank as the operating system

Two pot savings withdrawals



Retirement funds in the Discovery Bank app

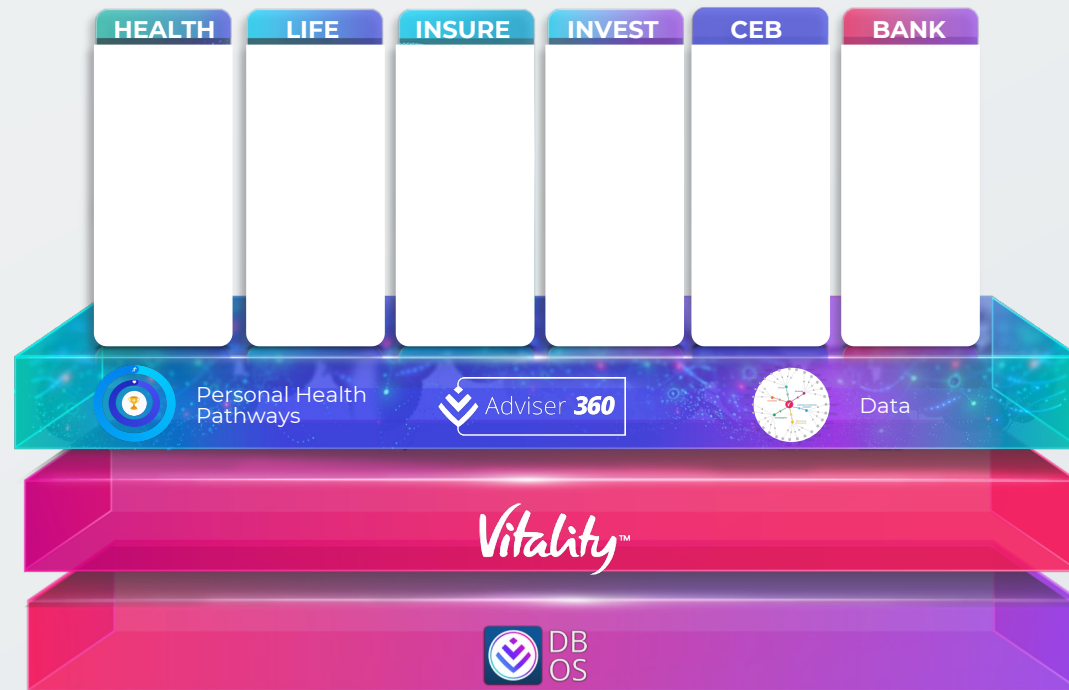


An integrated Discovery Bank withdrawal journey

More ways to earn Discovery Miles, Discovery's shared value rewards currency



Discovery SA, an insurance composite driven by bold ambitions across all businesses



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

Normalised operating profit
+16%
to R9 717m

Core new business
+19%
to R19 737m

Total income from non-insurance
+24%
to R3 362m

Excluding DBI



UBS Conference

Discovery South Africa
Hylton Kallner