



Annual financial statements



How we report to our stakeholders

THIS REPORT



Group Annual Financial Statements

Group audited consolidated annual financial results for Discovery Limited, the Embedded Value Statement and Five-year Review.

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Integrated Annual Report

Our primary report to our shareholders, providers of financial capital and other key stakeholders, detailing how we created, preserved or eroded value during the year.



Climate Report

change and climate-related disclosures regarding governance, strategy, risk management, and metrics and targets.



Remuneration Report

Outlines our remuneration policy and implementation approach, along with factors influencing our remunerationrelated decisions.



Annual financial results presentation and booklet



Sustainability Report

An overview of the Group's performance against our Integrated Sustainability Framework and, where appropriate, against relevant standards and frameworks.



Outlines the Group's governance philosophy, leadership and compliance with the King Report on Corporate Governance for South Africa, 2016 (King IV™)*.



Tax Transparency Report

Communicates material tax disclosure information to demonstrate our commitment to tax transparency and operating as a force for good through our tax contributions.



Notice of Annual General Meeting (AGM)







Directors' responsibility statement

for the year ended 30 June 2025

DIRECTORS' RESPONSIBILITY TO THE SHAREHOLDERS OF DISCOVERY LIMITED AND ITS SUBSIDIARIES (DISCOVERY OR THE GROUP)

The directors of Discovery are required by the Companies Act, No. 71 of 2008, as amended (Companies Act), to maintain adequate accounting records and to prepare financial statements for each financial year that fairly present the state of affairs of Discovery at the end of the financial year and the results and cash flows for the period. In preparing the accompanying Annual Financial Statements, IFRS Accounting Standards have been used, and reasonable estimates have been made. The Annual Financial Statements incorporate full and responsible disclosure, in line with Discovery's philosophy on corporate governance.

The directors have reviewed Discovery's budget and cash flow forecast for the year to 30 June 2026. On the basis of this review, and in light of the current financial position and available cash resources, the directors have no reason to believe that Discovery will not be a going concern for the foreseeable future. The going concern basis has therefore been adopted in preparing the Annual Financial Statements.

The directors are responsible for Discovery's systems of internal control, which include internal financial controls in the various subsidiaries that are designed to provide reasonable, but not absolute, assurance against material misstatement and loss. Discovery maintains internal financial controls to provide assurance regarding:

- Safeguarding of assets against unauthorised use or disposition, and
- The maintenance of proper accounting records, written or electronic and the reliability of financial information used within the business, or for the publication thereof, including submissions to the Companies and Intellectual Property Commission (CIPC).

The controls contain self-monitoring mechanisms, and actions are taken to correct deficiencies as they are identified. Even an effective system of internal control, no matter how well designed, has inherent limitations, including the possibility of circumvention and the overriding of controls. An effective system of control therefore aims to provide reasonable assurance with respect to the reliability of financial information and, in particular, the presentation of Annual Financial Statements.

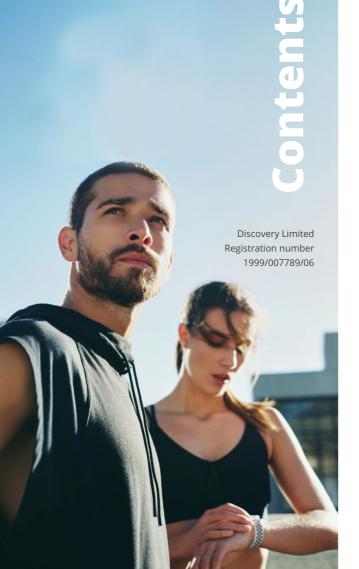
To the best of their knowledge and belief, based on the above, the directors are satisfied that no material breakdown in the operation of the systems of internal control and procedures has occurred during the year under review.

Discovery's external auditors, KPMG Inc. and Deloitte & Touche, have audited the Annual Financial Statements and their unmodified report appears on pages 8 to 12.

The Annual Financial Statements of Discovery for the year ended 30 June 2025, which appear on pages 17 to 285 have been approved by the Board of Directors on 10 September 2025, and are signed on its behalf by:

Mark Tucker Chairperson

Adrian Gore Group Chief Executive



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BASIS OF PREPARATION

The consolidated and separate Annual Financial Statements have been prepared in accordance with JSE Limited (JSE) Listings Requirements, IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards), the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council (FRSC), and the requirements of the South African Companies Act. They have been prepared in accordance with the going concern principle using the historical cost basis, except where otherwise stated in the accounting policies (refer Annexure B).

The Annual Financial Statements have been prepared under the supervision of Deon Viljoen CA(SA), Group Chief Financial Officer. The Annual Financial Statements are reviewed by management, the Discovery Limited Audit Committee and Board, and are audited by the external auditors of the Group.

The embedded value statements have been prepared by Peter Bolink (FASSA) and supervised by Andrew Rayner (FASSA, FIA).

A copy of the set of annual consolidated and separate financial statements with the signatures of the directors is available at the Company's registered office through a secure electronic manner, at the election of the person requesting inspection.

Group Chief Executive and Group Chief Financial Officer's internal financial control responsibility statement

for the year ended 30 June 2025

After due, careful, and proper consideration, in accordance with the JSE Listings Requirements 3.84(k), each of the directors, whose names are stated below, hereby confirm that:

- The Annual Financial Statements set out on pages 17 to 285 fairly present, in all material respects, the financial position, financial performance and cash flows of the issuer in terms of IFRS;
- To the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the Annual Financial Statements false or misleading;
- Internal financial controls have been put in place to ensure that material information relating to Discovery Limited and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer;
- The internal financial controls are adequate and effective and can be relied upon in compiling the Annual Financial Statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- Where we are not satisfied, we have disclosed to the Discovery Limited Audit Committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have remediated or taken steps to remedy the deficiencies; and
- We are not aware of any fraud involving directors.

Adrian Gore Group Chief Executive

Deon Vilioen Group Chief Financial Officer

10 September 2025

10 September 2025

Certificate by the Company Secretary

for the year ended 30 June 2025

It is hereby certified in terms of section 88(2)(e) of the Companies Act, that Discovery Limited has, for the year ended 30 June 2025, lodged with the Companies and Intellectual Property Commission (CIPC) all such returns as are required by a public company in terms of this Act and that all such returns are true, correct and up to date.

Ayanda Ceba **Company Secretary**

10 September 2025

Report of the Discovery Limited Audit Committee

for the year ended 30 June 2025

The Discovery Limited Audit Committee (DLAC) is pleased to present its report for the financial year ended 30 June 2025. This report has been prepared in accordance with the requirements of the South African Companies Act, 71 of 2008, as amended (Companies Act), the King Report on Corporate Governance™ for South Africa, 2016 (King IV™), and the JSE Listings Requirements. DLAC has carried out its duties in accordance with its Terms of Reference as mandated by the Board. This report outlines how DLAC discharged its statutory obligations during the year under review, including consideration of significant matters and focus areas to ensure the integrity of the Group's financial

ROLE OF THE COMMITTEE

The primary role of DLAC is to provide independent challenge and oversight of the Group's financial results, as well as over the disclosure of relevant financial and non-financial information. In fulfilling this role, DLAC evaluates the adequacy and effectiveness of accounting policies and satisfies itself that significant estimates and judgements made by management in preparing the financial results are sound and reasonable. In addition, DLAC assesses the effectiveness of internal financial controls, oversees the financial and corporate reporting $processes, monitors \ the \ independence \ and \ effectiveness \ of \ the \ joint \ external \ auditors \ and \ recommends \ their \ appointment \ to$ shareholders. The scope of DLAC extends to all activities of the Discovery Limited Group and its subsidiaries, both locally and

COMPOSITION AND GOVERNANCE

DLAC is chaired by an Independent Non-executive Director and comprises at least three skilled and experienced Independent Non-executive Directors. Members are appointed annually by the Board of Directors and their appointments are subsequently confirmed by shareholders at the Discovery Group's Annual General Meeting.

DLAC members meet the requirements to serve on an audit committee as defined by section 94(7) of the Companies Act and collectively provide an appropriate balance and diversity of knowledge, financial expertise, and experience necessary to discharge their responsibilities

The table below sets out the membership, qualifications, and attendance of DLAC members during the year.

Committee member	Qualifications	Appointment to committee	Number of meetings attended
D Macready (Chairperson)	BCom (Hons), CTA, CA (SA), SEP, IDP	February 2020	4 out of 4
LM Chiume	BCom Business Finance and Economics	September 2023	4 out of 4
MW Hlahla	BA Economics (Hons), MA, Advanced Management Programme	August 2021	4 out of 4
KC Ramon	BCompt (Hons), CA(SA), SEP	September 2023	4 out of 4
M Schreuder	BCom (Hons), FIA, FASSA	February 2021	4 out of 4

In addition to their responsibilities on DLAC, members serve on other key Board committees to ensure collective and integrated oversight of matters across the Discovery Group, as shown below:

Committee member	Actuarial committee	Remuneration committee	Risk and compliance committee	Social and Ethics committee	Technology working group
D Macready	x		х		
LM Chiume			х		
MW Hlahla		х		х	
KC Ramon		х		х	
M Schreuder	Х		х		Х

The Board Chairperson and other Non-executive Directors can attend DLAC meetings upon request. The Group Chief Executive, Group Chief Financial Officer (CFO), Actuarial Committee Chairperson and Executive Directors attend DLAC meetings, or parts thereof, by invitation only. DLAC also invites other members of management to attend meetings to provide deeper insights into specific issues or areas of the Group

Report of the Discovery Limited Audit Committee continued

for the year ended 30 June 2025

EFFECTIVENESS REVIEW

During the year, DLAC conducted an independent review of its effectiveness. The review provided positive feedback and confirmed that DLAC is well managed, thorough, proactive, and appropriately resourced to deliver on its mandate.

MEETING CYCLE FOR THE YEAR

Committee meetings	DLAC convened four scheduled meetings during the year, as well as four ad hoc meetings specifically to consider the Group's Annual Financial Statements, results, and annual reporting suite.
Management engagements	The DLAC Chairperson meets regularly with the Group CFO, the Heads of the Actuarial, Risk and Compliance functions, and, as necessary, with executive management.
Auditor engagements	The Group's internal and external auditors have direct access to the DLAC Chairperson, including closed sessions without management present, on any matters they consider relevant to fulfilling DLAC's responsibilities. In addition, the Chairperson meets regularly with the internal and external auditors before each meeting and at other times as required.
Regulatory engagements	DLAC participated in the annual bilateral and trilateral meetings convened with the respective regulatory bodies.
Subsidiary Audit Committee engagements	The DLAC Chairperson meets regularly with the individual Chairpersons of the Subsidiary Audit Committees and can attend their subsidiary meetings as an invitee. Subsidiary Chairpersons are formally invited to give feedback to the DLAC during reporting periods on subsidiary significant matters.
Feedback to the Discovery Board	Following the meetings and engagements outlined above, the DLAC Chairperson reports to the Discovery Board on DLAC's activities and matters discussed, highlighting any areas requiring attention or action.
Annual General Meeting	The DLAC Chairperson attends Annual General Meetings and is available to respond to any questions concerning matters within DLAC's mandate.

KEY FOCUS AREAS FOR FY2025

ASSESSING THE EFFECTIVENESS OF THE GROUP GOVERNANCE FRAMEWORK

DLAC is satisfied that the Group Governance Framework continues to enhance and strengthen the governance and oversight of subsidiaries within the broader Discovery multinational operations, whilst upholding Discovery's common purpose, values, and Shared-

DLAC observed the further maturation of the Subsidiary Audit Committees established under the framework implemented in FY2023, reflecting steady progress in embedding consistent governance practices and reporting across the Group.

EMBEDDING IFRS 17 AND NEW IFRS ACCOUNTING STANDARDS

In the first year following the transition to IFRS 17, DLAC focused on monitoring Discovery's integration of the standard into business-asusual activities with particular emphasis on internal model governance, system improvements, financial reporting controls and the strengthening of both internal and external assurance processes.

Restatement of prior period error

The maturation of the IFRS 17 governance models led to the identification of an isolated error arising on transition, which affected prior periods and resulted in a restatement as set out in Note 7.5 of the Annual Financial Statements.

DLAC reviewed the cause of the error, assessed the effectiveness of the control environment, and considered the proposed adjustment. It also obtained independent assurance from the external auditors to confirm that the changes were implemented appropriately. DLAC requested a thorough review of IFRS 17 model governance and best practice. In addition, DLAC considered the related disclosures in the financial statements and the necessary communication with regulatory bodies.

JSE Proactive monitoring IFRS 17 thematic review

In line with general oversight practice when significant new standards are adopted; the JSE selected Discovery's FY2024 Annual Financial Statements, together with those of other major insurers, for its thematic review of IFRS 17 related disclosures.

DLAC noted, in consultation with both management and external auditors, that the common themes and matters highlighted by the ISE had already been considered in the preparation of Discovery's financial statements. While the JSE review did not result in material comments, selected enhancements were made to the IFRS 17 disclosures in the FY2025 Annual Financial Statements. DLAC takes comfort from the overall quality of the existing disclosures and welcomes any enhancements which further strengthened comparability and clarity for stakeholders.

Report of the Discovery Limited Audit Committee continued

for the year ended 30 June 2025

KEY FOCUS AREAS FOR FY2025 continued

ASSESSING THE EFFECTIVENESS OF THE GROUP GOVERNANCE FRAMEWORK continued

IFRS 18 PRESENTATION AND DISCLOSURE IN FINANCIAL STATEMENTS

In April 2024, the International Accounting Standards Board published IFRS 18 Presentation and Disclosure in Financial Statements, which will supersede IAS 1 Presentation of Financial Statements. IFRS 18 will be effective for Discovery from 1 July 2027. The standard aims to improve how companies communicate in their financial statements, particularly information about financial performance in the statement

Discovery will establish a formal project office in the next financial year to manage the transition to IFRS 18, including assessing the detailed implications, process and system changes required for successful implementation.

REVIEWING DISCOVERY'S ESG FINANCIAL REPORTING PRACTICES

During the year, DLAC continued its review of the Group's ESG financial reporting practices, benchmarking these against industry-leading standards, regulatory requirements and emerging global trends. This included oversight of the implementation of IFRS S1, which outlines general sustainability-related disclosure requirements and IFRS S2, which specifies climate-related disclosure requirements as well as compliance with guidance notes issued by the South African Prudential Authority. DLAC also monitored Discovery's progress in meeting these evolving reporting requirements and reviewed the assurance processes supporting the Group's disclosure obligations.

Discovery's Climate and Environment Steering Committee, comprising representatives from several business functions, meets monthly at a Group level to manage and drive climate-related transformation. The Committee oversees the implementation of TCFD recommendations and compliance with related reporting requirements, particularly in the Climate Report and Sustainability Report. During the year, Discovery also published its Net Zero Transition Plan, which sets out the Group's pathway to achieving net zero carbon emissions by 2050.

EVALUATING THE EFFECTIVENESS OF GROUP INTERNAL AUDIT AND APPROPRIATENESS OF THE INSOURCING MODEL

DLAC annually reviews the skills, capacity and effectiveness of the Group Internal Audit (GIA) function, with an independent external assessment conducted at least every five years. During the current year under review, DLAC's assessment focused on the efficacy of the current operating model, considering the adequacy of in-house skills, experience and capacity relative to our co-sourcing, which leverages external consultants and subject-matter experts for specialised technical assignments. The review also considered coverage against the audit plan, the risk universe, quality assurance practices, the rating methodology as well as the charter and organisational independence

IMPROVING SHAREHOLDER REPORTING

During the year, DLAC considered holistically the disclosures of IFRS Financial Statements for information in segment reporting alongside other non-IFRS measures and other management defined performance measures e.g. Annualised Premium Income and other revenue, Embedded Value and other Group Shareholder Value metrics. DLAC is also satisfied with the segmental enhancements together with the transparency and consistency in the application of the metrics. DLAC will continue to monitor the quality of shareholder reporting and any future developments such as the new requirements of the forthcoming IFRS 18.

FINANCIAL, LEGAL, COMPLIANCE AND REGULATORY REPORTING FOR FY2025

DLAC receives regular reports from the Group CFO covering financial performance, budgets, forecasts, long-term plans, capital expenditure, financial reporting controls, and the adequacy of management information. DLAC reviewed and was satisfied with the expertise, resources, and experience of the Finance function, including the Group CFO.

As part of its annual work plan, DLAC considered management's assessment of the JSE Proactive Monitoring Report 2024. The review confirmed that Discovery's Annual Financial Statements appropriately addressed the JSE's findings, with no amendments required.

DLAC also reviewed reports from the Social and Ethics Committee on compliance with Discovery's Code of Conduct, ethics standards, and legal and regulatory obligations. DLAC is satisfied that there were no material breaches or instances of non-compliance during the year.

KEY AUDIT MATTERS

Each year, DLAC assesses the key audit matters (KAMs) identified by the Group's external auditors and considers the related judgements and estimates in the Annual Financial Statements. The FY2025 KAMs raised by the joint auditors were addressed as follows:

Key Audit Matter	How DLAC responded
Valuation of assets and liabilities arising from insurance contracts	DLAC reviewed reports from the Group Chief Actuary and the external auditors on actuarial assumptions and basis changes. DLAC evaluated the appropriateness of these assumptions and noted that the Annual Financial Statements set out the significant judgements and estimates involved.

OTHER SIGNIFICANT MATTERS CONSIDERED

In addition to the above KAMs, DLAC also focused on:

- The impairment assessment of specified assets under IAS 36, including goodwill relating to Discovery Bank, VitalityHealth, VitalityLife, and material associate investments. DLAC was satisfied there was no risk of impairment of any material assets.
- The recognition and measurement of deferred tax assets arising from unutilised assessed tax losses. DLAC considered the appropriateness of the measurement and was satisfied with the level of prudence applied in the recognition process.

Report of the Discovery Limited Audit Committee continued

for the year ended 30 June 2025

ANNUAL FINANCIAL STATEMENTS, ACCOUNTING PRACTICES AND **REPORTING PROCESSES**

DLAC reviewed the accounting policies of all entities included in the Group's consolidated Annual Financial Statements and is satisfied that they are appropriate, consistently applied and compliant with IFRS Accounting Standards. DLAC also confirmed that Discovery has robust financial reporting procedures to ensure access to all information required for the preparation of the financial statements. DLAC is satisfied that the Group remains a going concern and that the financial statements were prepared on this basis. DLAC further considered the accounting treatments of material or unusual transactions and related judgements.

During the year, DLAC focused on the following financial reporting matters to ensure the integrity and fairness of reported information:

- Considered significant accounting transactions, actuarial and tax judgements and assumptions, including the KAMs reported by the external auditors, and was satisfied with how these were addressed.
- Reviewed financial information in the Group's trading statements and interim and year-end results announcements to confirm the accuracy and integrity of external disclosures.
- Evaluated the consistent application of accounting policies in respect of insurance reserves, including enhancements arising from the ISE IFRS 17 thematic review.
- Oversaw the correction of the prior period restatement and assessed the adequacy of related disclosures in the financial statements.

DLAC receives and addresses any complaints or whistleblowing matters related to accounting practices, internal audit, the content or auditing of financial statements or internal financial controls. No such matters were raised during FY2025.

In respect of the Integrated Annual Report, DLAC evaluated management's judgements and reporting decisions and is satisfied that all material matter disclosures were appropriately included. DLAC also reviewed financial and non-financial information, forward-looking statements, and sustainability disclosures, including:

- The Sustainability Report, with a focus on data sources, metrics, methodologies, and narrative.
- The level of internal and external assurance obtained on ESG reporting and disclosures, including work plans and procedures.
- The Climate Report, with particular emphasis on the disclosure of climate-related risks, opportunities, and financial implications.

EXTERNAL AUDIT

DLAC is responsible to appoint, approve the annual audit budget, and oversee the Group's independent joint external auditors, KPMG and Deloitte. During the year, DLAC:

- Assessed the independence and objectivity of KPMG and Deloitte and is satisfied that both firms operate independently of Discovery, with internal governance processes supporting their claims to independence.
- Reviewed the accreditation of the individual audit partners responsible for audit sign-off, as well as the most recent Independent Regulatory Board for Auditors (IRBA) inspection reports and assessed the suitability of the audit firms and individuals in accordance with paragraphs 3.84(g)(iii) of the JSE Listings Requirements and 7.3(e)(iii) of the JSE Debt and Specialist Securities Listings Requirements.
- Approved the engagement letter, terms, audit plan, focus areas, and budgeted audit fees for FY2025 following consultation with executive management and considered the allocation of work between the joint auditors.
- Engaged regularly through the DLAC Chairperson with the lead partners from both firms to discuss the audit plan, scope, key focus areas and findings, including reliance, where appropriate on Group Internal Audit.
- Received reports from the external auditors on the audit of the Group's Annual Financial Statements, critical accounting estimates and judgements, cross-reviews, and the Summary of Audit Differences. DLAC noted the unqualified independent auditors' report for Discovery Limited and the Group.

DLAC maintains a formal policy governing non-audit services provided by the joint auditors, which includes a cap whereby such services may not exceed 25% of each auditor's audit fee. The DLAC Chairperson pre-approves the nature and scope of any non-audit services in line with this policy, and DLAC reviews the schedule of approved services annually. For the year ended 30 June 2025, the total value of non-audit services performed by Deloitte was less than 1% of their audit fee, while KPMG rendered no non-audit services.

In accordance with section 94(8) of the Companies Act and considering the requirements of King IV™, the JSE Listings Requirements, and broader guidance to audit committees, DLAC is satisfied with the performance and quality of the external audit, the audit firms and the lead partners for the year ended 30 June 2025.

The appointment of KPMG and Deloitte as joint auditors for the year ending 30 June 2026 will be tabled at the Annual General Meeting scheduled for November 2025.

GROUP INTERNAL AUDIT

The GIA function provides independent and objective assurance that the Group's governance processes – including professional ethics, risk management and systems of internal control - are adequate and effective. The Chief Audit Executive (CAE) reports functionally to the DLAC Chairperson and administratively to the Group CFO.

During the year, DLAC assessed the independence, effectiveness, and performance of the CAE and GIA function, as well as the adequacy of audit resources, and found them satisfactory. In assessing the quality and delivery of the internal audit plan, DLAC:

- Reviewed and approved the internal audit plan, challenging its focus, risk-based approach and relevance.
- Approved the Group-wide internal audit rating methodology, dispute resolution process and escalation protocol.
- Noted the results of the IFC and financial reporting controls (FRC) audits conducted by GIA.
- Reviewed significant issues raised by internal audit and the adequacy of corrective actions taken.
- Considered the external auditors' annual assessment of GIA under ISA 610, reaffirming the extent of reliance that could be placed on its work.
- Reviewed and approved the Internal Audit Charter in 2025, noting that the 2024 review was deferred to November 2024 pending implementation of the new Global Institute of Internal Audit Standards.

DLAC is satisfied that GIA continues to demonstrate high levels of professional objectivity and ethics in carrying out its mandate.

Report of the Discovery Limited Audit Committee continued

for the year ended 30 June 2025

OTHER MATTERS CONSIDERED

DLAC oversees the design and implementation of sound risk management and internal control systems. During the year DLAC considered assessments of the Group's internal control, governance, risk management and combined assurance processes and is satisfied that these systems were effective.

COMBINED ASSURANCE

The Group's Combined Assurance model provides an integrated approach across risk and compliance, external and internal audit, corporate finance functions and the actuarial committees. DLAC reviewed the model, which is applied throughout the Group and is satisfied that it appropriately addresses Discovery's risks. The model continues to mature, as reflected in more efficient planning, improved coordination between audit, compliance and risk functions and the delivery of more effective assurance outcomes. Management regards Combined Assurance as a key component of the Group's broader risk mitigation framework.

INTERNAL FINANCIAL CONTROLS AND FINANCIAL REPORTING CONTROLS

Discovery maintains a strong risk culture, supported by effective internal financial controls (IFCs) to ensure the integrity and reliability of its financial reporting. DLAC assists the Board in evaluating the adequacy and effectiveness of IFCs, accounting controls, and financial reporting controls (FRCs). In doing so, DLAC considers reports from external audit, GIA, and management, including GIA's formal documented review of the design, implementation, and effectiveness of IFCs and FRCs. In FY2025, GIA focused particularly on updating controls related to IFRS 17.

Discovery successfully completed the fifth year of the IFC attestation process under paragraph 3.84(k) of the JSE Listings Requirements. Deficiencies in the design or operating effectiveness of IFCs identified through the three lines of defence were reported to DLAC, which considered management's responses, including remediation, compensating controls and additional review procedures. DLAC noted and supported the positive attestations of the Group Chief Executive and Group CFO.

Based on these reviews, DLAC is satisfied that Discovery's IFCs and FRCs operated effectively and provided reliable financial information, resulting in a fair presentation of the Group's financial performance in the Annual Financial Statements.

KEY FOCUS AREAS FOR FY2026

DLAC has identified the following areas of focus for the forthcoming financial year:

- Reviewing financial reporting processes, including changes to the JSE Listings Requirements.
- Monitoring Discovery's response to forthcoming amendments to IFRS Accounting Standards, in particular IFRS 18
- Considering enhancements to shareholder value and return metrics
- Continuing to strengthen Discovery's ESG financial reporting practices and benchmarking, with particular focus on implementation of the IFRS Sustainability Disclosure Standards
- Placing greater thematic focus on automation in financial reporting, together with benchmarking best practice in model risk governance and IT general controls
- Overseeing the ongoing revision of the Combined Assurance model to improve Group-wide coordination, effectiveness, and efficiency of assurance activities.

CONCLUSION

DLAC is satisfied that it has complied with all statutory duties and those delegated by the Board under its Terms of Reference.

DLAC reviewed Discovery Limited's consolidated and separate financial statements for the year ended 30 June 2025 and, based on the information provided, is satisfied that Discovery complies, in all material respects, with the requirements of the Companies Act and IFRS Accounting Standards. DLAC recommended the Annual Financial Statements to the Board for approval and the Board subsequently approved them. The Annual Financial Statements will be presented for discussion at the forthcoming Annual General Meeting.

D Macready

Chairperson: Discovery Limited Audit Committee

10 September 2025







Independent auditors' report

for the year ended 30 June 2025

TO THE SHAREHOLDERS OF DISCOVERY LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL **STATEMENTS**

OPINION

We have audited the consolidated and separate financial statements of Discovery Limited (the group and company) set out on pages 17 to 285, which comprises of:

- the Group and Company statements of financial position as at 30 June 2025;
- the Group and Company income statements for the year then ended;
- the Group and Company statements of other comprehensive income for the year then ended;
- the Group and Company statements of cash flows for the year then ended;
- the Group and Company statements of changes in equity for the year then ended and
- the notes to the Group and Company financial statements (including Annexures A and C), including a summary of material accounting

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Discovery Limited as at 30 June 2025, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended, in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the South African Companies Act.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and Company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023 (EAR Rule) we report:

FINAL MATERIALITY

The audit was influenced by our application of materiality. We define materiality as the magnitude of a misstatement in the consolidated and separate financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the nature and extent of our audit work and in evaluating the effect of misstatements, both individually and in the aggregate, on the consolidated and separate financial statements as a whole.

Based on our professional judgement, we determined certain quantitative thresholds and overlaid qualitative considerations for materiality for the consolidated and separate financial statements as a whole as follows:

	Group	Company	
Overall materiality	R641 million	R248 million	
How we determined it	4.7% of profit before tax from continuing operations (PBT) 0.5% of total assets	0.5% of total assets	
Rationale for the materiality benchmark and percentage applied	We identified PBT as the most appropriate benchmark to determine materiality given that it is a key performance metric for users and a common benchmark for returns generated by listed entities.	We identified total assets as the most appropriate benchmark to determine materiality given that the Discovery is an investment holding entity.	
-	The percentages applied to the benchmarks were based on our professional judgement after consideration of qualitative factors that impact both the group and company.		

Independent auditors' report continued

for the year ended 30 June 2025

GROUP AUDIT SCOPE

We tailored the scope of our audit to enable us to provide an opinion on the consolidated financial statements as a whole, considering the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

We have performed risk assessment procedures to determine which of the Group's components are likely to include risks of material misstatement to the consolidated financial statements and we determined the type of work needed to be performed at those components to address the risks. Our judgements included assessing the size of the components, nature of assets, liabilities, and transactions within the components as well as specific risks.

In total we identified fifteen components requiring an audit response. Of those, we identified two components at which audit procedures were performed on the entire financial information of the component, either because audit evidence was needed to be obtained on all or a significant proportion of the component's financial information, or that the components included pervasive risks of material misstatement to the consolidated financial statements. For the remaining thirteen components, our audit procedures were focused on certain classes of transactions, account balances and / or disclosures in which we considered risks of material misstatement to have been identified. For the remaining financial information where audit procedures were not performed, we performed analytical procedures at the Group to assess the risk of a material misstatement in the remaining financial information.

In respect of the scoped in components where audit procedures were performed, fifteen components contributed 93.6% of the Group's operating profit before tax and 94.5% of total assets.

Based on our risk assessment procedures, we have determined that there is a less than reasonable possibility of a material misstatement in the remaining financial information not subject to further audit procedures.

We considered the scope of the audit, as communicated to the audit committee, to be an appropriate basis for our audit opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters below relate to the consolidated financial statements only. We have determined that there are no key audit matters to communicate in our report in respect of the separate financial statements.

In terms of the EAR Rule, we are required to report the outcome of audit procedures or key observations with respect to the key audit matters and these are included below.

Valuation of assets and liabilities arising from insurance contracts issued

Refer to policy 12 of Annexure B - Group accounting policies Section 02 and Section 07, note 7.5 in the notes to the Group financial

Kev audit matter

As at 30 June 2025, the Group held assets arising from insurance contracts issued to the value of R 48 047 million (2024: R37 339 million (restated)) and liabilities arising from insurance contracts issued to the value of R118 878 million (2024: R105 070 million).

Assets and liabilities arising from insurance contracts issued are measured in accordance with IFRS 17 Insurance Contracts (IFRS 17). Within these assets and liabilities arising from insurance contracts issued, the key audit matter relates to the following aggregated groups of insurance contracts where management's application of the significant judgements, inputs, assumptions and estimates is the most complex:

- SA Life (Risk) with a net asset of R23 002 million (2024: R17 846 million net asset (restated))
- SA Invest (Risk) with a net liability value of R23 580 million (2024: R24 565 million net liability (restated)),
- SA Invest (Participating) with a net liability value of R88 150 million (2024: R73 721 million net liability),
- UK Life (Risk) with a net asset value of R20 180 million (2024: R15 269 million net asset)

as disaggregated in note 2.2 within section 02 to the Group financial statements. These insurance contracts are underwritten by Discovery Life in South Africa and Vitality Life in the United Kingdom.

How the matter was addressed in our audit

The primary audit procedures performed to address the key audit matter, with support from our actuarial specialists, included the

- Gaining an understanding of the Group's actuarial internal control environment and governance, including the functioning of the Group's Actuarial Committee and testing the design and implementation of key controls.
- Performing a risk assessment of the key judgements and assumptions impacting the valuation of insurance contracts by assessing the level of complexity and judgement related to the respective actuarial estimates and assumptions
- Evaluating the appropriateness of the valuation methodologies applied by the Group to determine the value of assets and liabilities arising from insurance contracts. In doing so, we considered the principles and accuracy of the Group's models against the requirements of IFRS 17 and acceptable industry standards.
- For a sample of model changes impacting the fulfilment cashflows, assessing these changes against the requirements of IFRS 17 by interrogating the model logic and code.
- Assessing the appropriateness of the method applied in determining the RA as well as the release of the RA against the requirements of IFRS 17.
- For the CSM model specifically, comparing the output of our recalculations to management's calculations and obtaining an understanding of any differences.

Independent auditors' report continued

for the year ended 30 June 2025

Valuation of assets and liabilities arising from individual life insurance contracts issued

Refer to policy 12 of Annexure B - Group accounting policies, Section 02 and Section 07, note 7.3.3, in the notes to the group financial

Key audit matter

These balances include estimates and judgement in the determination of fulfilment cash flows (FCF), specifically the present value of future cash flows (PVFCF), as well as the risk adjustment for non-financial risk (RA). Also included in the balances are the Contractual Services Margin (CSM).

The most significant judgments, inputs, assumptions, and estimates made in determining the value of the assets and liabilities arising from insurance contracts relate to determining the FCF and the CSM. Changes to these significant judgements, inputs, assumptions and estimates may result in a material change to the valuation of the insurance contract assets and liabilities due to the long duration of the underlying contracts and the unpredictability of the insured events. The key assumptions include:

- mortality and morbidity rates;
- surrender and lapse rates:
- discount rates and investment returns:
- expense assumptions: and
- the coverage units used to determine the CSM recognised for services provided.

We refer to note 7.5.1 which provides detail of a restatement due to a coding error that required significant auditor attention during the audit.

We considered the valuation of assets and liabilities arising from insurance contracts issued including the restatement to be a key audit matter in our audit of the financial statements, as it involved complex and subjective judgements about future events, including policyholder behaviour and economic conditions that required judgement to be applied.

How the matter was addressed in our audit

- Challenging management with respect to the appropriateness of all significant assumptions adopted in the determination of the valuation of assets and liabilities arising from insurance contracts issued. This was performed by comparing these assumptions to the results of historical actuarial experience investigations conducted by management, including benchmarking these assumptions against life insurance industry trends to determine whether they are reasonable and supportable
- For a sample of management's experience investigations, assessing the reasonability of the past experience adjustments by tracing back to policyholder contracts and actual cash flows.
- For a sample of policyholder data, testing the completeness and accuracy of the underlying data inputs by agreeing the inputs to supporting documentation for use in determining the insurance contract assets/liabilities.
- We evaluated the appropriateness of the disclosures made in relation to the assets and liabilities arising from insurance contracts issued in section 02 to the Group financial statements in terms of the requirements of IFRS 17.

As it relates the restatement, we:

- Evaluated the correction of the code to ensure that the final code applied met the requirements of IFRS 17. Thereafter, we obtained the corrected data outputs produced using the final code and recalculated the CSM for all historic periods restated. We also evaluated the OCI and earnings impact for all historic periods restated against our expectations, and
- Evaluated the appropriateness of the disclosures impacted by the restatement.
- Based on the above procedures performed, we did not identify any matters requiring further consideration in concluding on the valuation of the assets and liabilities arising from insurance contracts issued and accompanying restatements.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled "Discovery Annual Financial Statements for the year ended 30 June 2025", which includes the Directors' Report, the Report of the Discovery Limited Audit Committee, and the Certificate by the Company Secretary, as required by the Companies Act of South Africa, which we obtained prior to the date of this auditors' report, and the document titled "Discovery Integrated Annual Report for the year ended 30 June 2025" which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditors' report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent auditors' report continued

for the year ended 30 June 2025

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements, in accordance with IFRS® Accounting Standards and the requirements of the South African Companies Act, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group and the Discovery's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and/or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report However, future events or conditions may cause the Group and/or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.





Independent auditors' report continued

for the year ended 30 June 2025

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that this is the second year KPMG Inc. and Deloitte & Touche have been the joint auditors of Discovery Limited.

Prior to the commencement of the joint audit relationship with Deloitte & Touche, KPMG Inc. audited Discovery Limited jointly with PricewaterhouseCoopers Inc. for two years.

KPMG Inc.

Registered Auditor

Per: Mark Danckwerts Chartered Accountant (SA) Registered Auditor Director

KPMG Crescent 85 Empire Road Parktown 2193

10 September 2025

Deloitte & Touche

Registered Auditors

Per: Stephen Munro Chartered Accountant (SA) Registered Auditor Partner

5 Magwa Crescent Waterfall City

10 September 2025

Directors' report

for the year ended 30 June 2025

NATURE OF BUSINESS

Discovery Limited (the Company) is listed on the JSE and is a global integrated financial services organisation specialising in health insurance, life assurance, wellness, investments and savings, short-term insurance, and banking.

Discovery's purpose and ambition are achieved through a pioneering business model that incentivises people to be healthier and enhances

Our unique and sophisticated Vitality Shared-value model delivers better health and value for clients, superior actuarial dynamics for the insurer, and a healthier society. It is a powerful platform of integrated assets and capabilities, which has positioned us well to respond to the following key trends:

- a focus on health, wellness and resilience (nature of risk)
- accelerated use of technology and increased digitisation (technology)
- increased importance of purpose and trust (social responsibility)
- rising healthcare costs and resources strain (demographics)

YEAR UNDER REVIEW

Discovery Group achieved strong growth across its operations in the year ended 30 June 2025, evidenced by a 29% growth in normalised operating profit to R15 210 million and significant growth in cash conversion, now at 77%. Headline earnings and normalised headline earnings both increased by 30%, to R9 625 million and R9 781 million, respectively, resulting in the normalised return on equity increasing to 15.4%, from 13.5% in the prior year.

The Group delivered a strong performance in an environment characterised by increased geopolitical complexities and uncertainty around global policy shifts and trade tensions. In the year under review, economic growth remained below potential in many regions in which the Group operates, although interest rate reductions provided a better backdrop for investment markets. Risks remain elevated, however the acceleration of technological and demographic trends underpin the relevance of the Group's Vitality Shared-value model and unique data, positioning the Group uniquely for continued growth.

SALIENT GROUP RESULTS FOR THE YEAR ENDED 30 JUNE 2025

	Unit	June 2025	June 2024	Change
Group earnings ¹				
Normalised profit from operations	R million	15 210	11 761	29%
Profit attributable to ordinary shareholders	R million	9 471	7 468	27%
Normalised headline earnings	R million	9 781	7 511	30%
Headline earnings	R million	9 625	7 384	30%
Basic earnings per share	Cents	1 402.2	1 110.3	26%
Basic headline earnings per share	Cents	1 447.0	1 117.0	30%
Basic normalised headline earnings per share	Cents	1 470.4	1 136.2	29%
Returns, cash conversion and dividends				
Normalised return on equity ¹	%	15.4	13.5	
Annualised return on opening embedded value (RoEV)	%	15.7	13.2	
Cash conversion ^{1,2}	%	77	65	
Growth drivers				
Income from non-insurance business lines ²	R million	6 643	5 906	12%
New business annualised premium income (API) $^{\rm 2}$	R million	26 486	26 958	(2)%
Financial position and embedded value				
Net asset value ¹	R million	65 699	54 451	21%
Embedded value	R million	126 554	110 354	15%
Basic embedded value per share	R	189.85	166.95	14%
Financial leverage ratio (FLR) ¹	%	16.8	20.3	

¹ Prior year restated refer to note 7.5.1.

² Refer to Annexure A of "Audited Results and cash dividend declaration for the year ended 30 June 2025; New business API increased 8% when excluding Sasolmed in prior

Directors' report continued

for the year ended 30 June 2025

STRONG IN-PERIOD PERFORMANCE FROM BOTH COMPOSITES AND FINANCIAL **RESILIENCE IN AN UNCERTAIN ENVIRONMENT**

Discovery has emerged strongly from its cycle of significant investment, which focused on creating new avenues for long-term growth. This has positioned the Group for a new distinct phase of scaled organic growth, with focused execution through its recently formed global composite, Vitality, and its domestic business, Discovery South Africa.

Over the year, the Group continued to execute its growth strategy, delivering 29% growth in normalised profit from operations. Headline and normalised headline earnings both increased by 30%, delivering a normalised return on equity of 15.4%, up from 13.5% in the prior year.

The Group's embedded value increased to R126.6 billion, a 15.7% RoEV. This included an increasing contribution from non-covered businesses and robust experience variances over the year, with positive contributions from each business, reflecting the competitive dynamics of the Shared-value Insurance model. The movement in exchange rates and economic basis assumptions were favourable in aggregate.

Total new business API declined 2%, but increased 8% when excluding the large Sasolmed take-on in the prior year, with stronger growth delivered in Vitality. The Group focused on deliberate and disciplined pricing strategies and back-book retention, both leveraging the Vitality Shared-value Insurance model to optimise margins and returns. This has impacted new business growth in some businesses, compounded by macroeconomic challenges.

Capital ratios remained strong across every regulated business and liquidity at each regulated entity, as well as at the centre, remained well in excess of the required buffers. Debt across the Group decreased over the year and the FLR reduced to 16.8%. Ping An Health Insurance (PAHI) paid its second consecutive annual dividend, at a 35% payout ratio (previously 30%), and the Group's cash conversion ratio increased to 77% of after-tax normalised operating profit, compared with 65% in the prior year, notwithstanding the strong growth in normalised profit from operations.

BUSINESS-UNIT PERFORMANCE

R million	Normalised profit from operations June 2025	% change (Current year vs prior year)	New business API June 2025	% change (Current year vs prior year)
Discovery Health	4 259	7%	9 573	(14%)
Discovery Life	5 525	14%	3 203	(10%)
Discovery Invest	1 987	29%	3 430	4%
Discovery Insure ¹	817	229%	1 361	(2%)
Discovery Bank	(68)	(85%)		
Other initiatives and central costs	(515)	91%	546	33%
Discovery SA	12 005	22%	18 113	(8%)
VitalityHealth	1 188	173%	2 851	3%
VitalityLife	637	70%	2 499	28%
Vitality Network	554	4%		
VHI – Ping An Health Insurance (PAHI)	1 206	7%	3 023	22%
VHI – Other	(291)	(25%)		
Other initiatives and central costs ²	(89)	(54%)		
Vitality (UK and VG) composite	3 205	70%	8 373	16%
Normalised profit from operations	15 210	29%		
New business API ³			26 486	(2%)

- 1 Includes Discovery Insure's share of equity accounted profits of its associates.
- In the prior year Vitality other initiatives and central costs include closure costs of VitalityInvest.
- 3 New business API increased 8% when excluding Sasolmed in prior period.

WITHIN THE COMPOSITES:

DISCOVERY SOUTH AFRICA

Discovery South Africa delivered 22% growth in normalised profit from operations, reflecting a compelling contribution from each business in the composite. Excellent levels of customer engagement drove strong claims experience and retention across the franchise. A resulting increased Vitality benefit utilisation, and successful launch of the new HealthyFood partner, added to various additional one-off costs at the centre, both of which are expected to ameliorate in FY2026.

- Discovery Bank continued to deliver high-quality growth. Total clients increased by 30%, advances by 39% and deposits by 26%, resulting in strong revenue growth, and its first profitable period during the second half of the financial year, ahead of plan.
- Discovery Health's operating profit increased 7%, with further investment into technology, innovation and AI to drive continued innovation around the Shared-value model and to deepen efficiencies.
- Discovery Life's normalised operating profit increased 14% mainly driven by an exceptional claims experience. New business declined 10% in total and 2% for Individual Life, maintaining its leading market share but in a soft affluent retail protection market.
- Discovery Invest delivered a 29% increase in normalised operating profit given strong growth in the value of assets under management and certain one-off benefits.
- Discovery Insure successfully executed pricing and claims management initiatives which, combined with benign weather conditions, resulted in significant improvement in the claims ratio and a 229% increase in operating profits.

Directors' report continued

for the year ended 30 June 2025

VITALITY

Vitality generated 70% growth in normalised profit from operations, reflecting the excellent progress made in restructuring all the global operations into a focused single business over the past nine months, and particularly strong growth in the UK.

- VitalityHealth's profits increased 173%, driven by effective pricing actions, a stabilising claims environment and rigorous claims and expense management.
- VitalityLife's operating profit recovered strongly, increasing 70%, with new business growing 28% driven by the effective execution of the
- Ping An Health Insurance (PAHI) delivered a strong operating and investment result, to generate a 22% increase in pre-tax profit, not withstanding a sizable COVID-19 reserve release in the prior year. Discovery's equity- accounted share, after tax and costs, increased by a lower 7%, following the prior year benefit of a tax gain.
- Vitality Network's model gained significant traction with integrated new business API by partners increasing 24% to almost US\$2 billion. Earnings growth was lower, at 4% (7% in US\$), reflecting lower solutions revenues and additional expenditure during the year.
- VHI-Other losses improved 25% to R291 million, following lower losses in Vitality USA and the successful integration of WellSpark Health.

SHARE CAPITAL

Details of the authorised and issued share capital, together with details of shares issued during the year, are set out in section 2 to the Company Annual Financial Statements.

OWNERSHIP

For details of shareholders, refer to Annexure D.

GROUP STRUCTURE

The Company is directly and indirectly the holding company of subsidiaries and investments as set out in Annexure A. In addition, Discovery is required to consolidate certain unit trusts that are deemed to be under the Group's control in terms of IFRS 10 Consolidated Financial Statements. These are also set out in Annexure A.

DIVIDENDS

Details of dividends paid and declared are set out in section 7.4.1 to the Annual Financial Statements.

CAPITAL

SOLVENCY AND LIQUIDITY TESTS

The directors have performed the requisite solvency and liquidity tests where required by the Companies Act as amended and concluded that Discovery meets the solvency and liquidity requirements.

STATUTORY CAPITAL REQUIREMENTS

With effect from 1 July 2018, the Insurance Act 18 of 2017 (Insurance Act) and the related Prudential Standards were implemented in South Africa. Discovery Life and Discovery Insure are regulated under the Insurance Act, while VitalityHealth and VitalityLife are regulated under the European Solvency II regulatory regime, which was implemented from 1 January 2016. The values below are estimated based on information extracted from the audited Annual Financial Statements.

	June 2025 Statutory capital requirements	Cover	June 2024 Statutory capital requirements	Cover
Discovery Life	R23 479 million	1.9 times	R22 365 million	1.8 times
Discovery Insure	R1 112 million	2.1 times	R1 222 million	1.6 times
VitalityHealth	£126 million	1.8 times	£116 million	1.6 times
-	(R3 072 million)		(R2 670 million)	
VitalityLife	£383 million	2.0 times	£350 million	2.0 times
-	(R9 322 million)		(R8 070 million)	

Discovery Bank's common equity tier 1 (CET1) ratio is 16.31% (FY2024: 17.63%). In addition, the Bank holds an internal management buffer to cater for future unexpected growth and volatility in risk weighted exposures, as well as an estimation risk buffer.

Directors' report continued

for the year ended 30 June 2025

DIRECTORS AND PRESCRIBED OFFICERS

The following were directors and prescribed officers of the Company during the current financial year:

Executive directors	Independent non-executive directors	
A Gore (Group Chief Executive)	ME Tucker (Chairperson)	M Schreuder
B Swartzberg	LM Chiume	BA van Kralingen
DM Viljoen (Group Chief Financial Officer)	WM Hlahla	
	FN Khanyile	
	D Macready	
	KC Ramon	

Prescribed officers	Non-executive directors
HD Kallner	R Farber
NS Koopowitz	

Mr TT Mboweni, an independent non-executive of Discovery, passed away on 12 October 2024.

Ms VN Fakude has been appointed as an independent non-executive director with effect from 1 September 2025.

DIRECTORS' INTERESTS

Details of the directors' emoluments, participation in share incentive schemes and interests in the Company are reflected in Annexure C.

No material contracts involving directors' interests were entered into in the current year. The directors had no interest in any third party or company responsible for managing any of the business activities of Discovery.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company entered into agreements to indemnify its directors to the extent permitted by law against all liabilities, including legal costs, incurred by the director in connection with or as a consequence of the director acting in any capacity, including as an authorised representative of a Group company. During the financial year, the Company paid insurance premiums in respect of a Directors and Officers Liability insurance contract, which insures directors and officers of the Company against certain liabilities arising in the course of their duties to the Company or Group companies. As such disclosure is prohibited under the terms of the contract, details of the nature of the liabilities covered and the amount of premium paid are not disclosed,

COMPANY SECRETARY

Ayanda Ceba is the Group Company Secretary

Registered office Postal address 1 Discovery Place PO Box 786722 Sandton Sandton

BORROWING POWERS

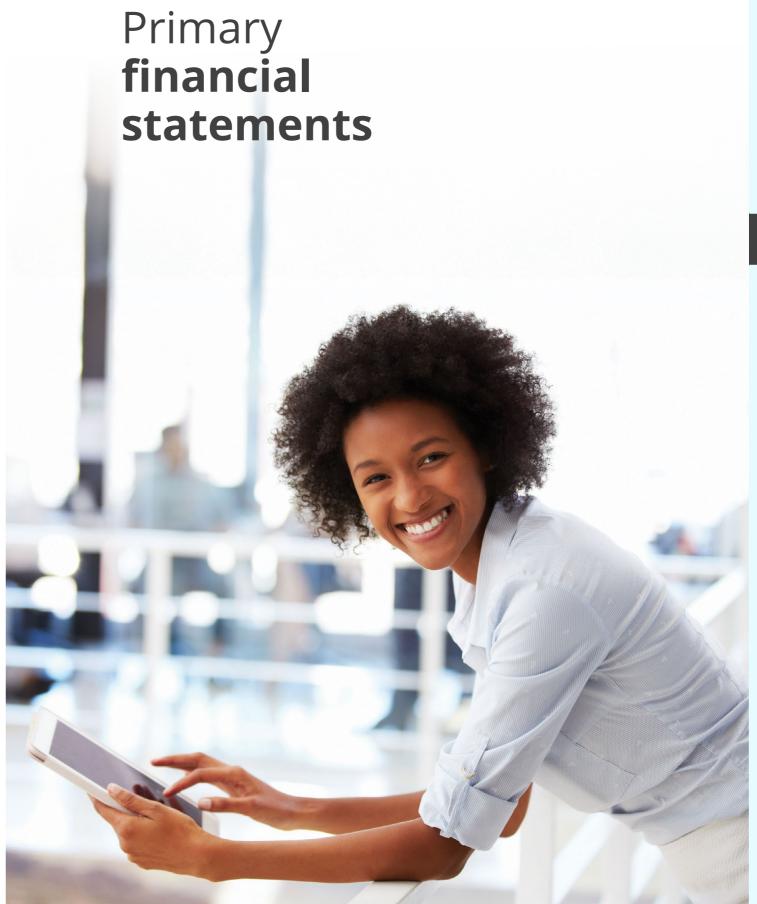
The directors may exercise all the powers of the Company to borrow money. In terms of the Memorandum of Incorporation, the borrowing powers of the Company are unlimited. In terms of the Insurance Act, both Discovery Life and Discovery Insure may not encumber assets or directly or indirectly borrow.

EVENTS AFTER THE REPORTING DATE

Refer to Group note 7.4 for a list of the events after reporting date.

AUDITORS

KPMG Inc. and Deloitte & Touche are current joint external auditors. The appointment of external auditors will be proposed at the Annual General Meeting of shareholders in accordance with section 90(1) of the Companies Act.



Group statement of financial position

as at 30 June 2025

			Restated	Restated
R million	Notes	Group 2025	Group 2024 ¹	Group 1 July 2023 ¹
Assets				
Goodwill	5.3	5 429	5 292	5 406
Intangible assets	5.4	7 542	7 239	7 064
Property and equipment	5.5	3 266	3 581	3 910
Assets arising from insurance contracts issued	2.2	48 047	37 339	30 224
Assets arising from reinsurance contracts held	2.2	962	837	604
Deferred tax asset	5.9.1	4 886	5 631	6 370
Assets arising from contracts with customers	5.6	3 722	2 598	2 221
Investment in equity-accounted investees	5.7	8 989	8 189	7 398
Financial assets				
 Loans and advances to customers at amortised cost 	3.3	8 513	6 028	4 702
 Investments at amortised cost 	3.3	12 812	11 100	9 910
 Investments at fair value through other comprehensive income 		14	-	-
 Investments at fair value through profit or loss 	3.3	193 776	165 671	152 515
- Derivative financial instruments at fair value through profit or loss	3.4	63	43	119
Contract receivables and other receivables	5.8	7 368	6 729	5 684
Non-current assets held for sale	5.5.1	62	136	-
Current tax asset		31	250	41
Cash and cash equivalents	3.6	21 968	18 971	19 171
TOTAL ASSETS		327 450	279 634	255 339
Equity				
Capital and reserves				
Ordinary share capital and share premium	4.3	11 358	10 667	10 351
Perpetual preference share capital	4.4	779	779	779
Other reserves		4 921	2 176	1 562
Retained earnings		48 646	40 829	34 546
Equity attributable to equity holders of the Company		65 704	54 451	47 238
Non-controlling interest		(5)	-	4
TOTAL EQUITY		65 699	54 451	47 242
Liabilities				
Liabilities arising from insurance contracts issued	2.2	118 878	105 070	94 660
Liabilities arising from reinsurance contracts held	2.2	9 121	5 396	4 819
Deferred tax liability	5.9.1	8 755	6 975	5 788
Contract liabilities to customers	5.6	1 516	512	656
Third-party interest in consolidated funds		35 932	31 456	28 346
Financial liabilities				
 Borrowings at amortised cost 	3.7	20 046	21 662	20 586
 Other financial payables at amortised cost 	3.9	9 148	8 007	8 568
 Deposits from customers 	3.10	23 326	18 467	14 333
- Investment contracts at fair value through profit or loss	3.8	32 188	25 710	28 903
- Derivative financial instruments at fair value through profit or loss	3.4	135	31	20
Provisions	5.10	-	449	187
Other payables	5.10	2 333	1 216	1 066
Current tax liability		373	232	165
TOTAL LIABILITIES		261 751	225 183	208 097
TOTAL EQUITY AND LIABILITIES		327 450	279 634	255 339

¹ The comparative information has been restated due to correction of a prior period error. Refer to note 7.5 for more detail.

Group income statement

		Croun	Restated
R million	Notes	Group 2025	Group 2024 ¹
Insurance revenue	2.12	57 713	52 130
Insurance service expenses	5.11.1	(49 028)	(46 117)
Net expenses from reinsurance contracts		(1 306)	(915)
Insurance service result		7 379	5 098
Net financial result from insurance finance income and expense		(13 088)	(7 293)
 Net finance expense from insurance contracts 	2.13	(12 665)	(6 950)
Net finance expense from reinsurance contracts	2.13	(423)	(343)
Investment income using the effective interest rate method		998	860
Net fair value gains on financial assets at fair value through profit or loss	3.11	25 818	16 245
Fair value adjustment to liabilities under investment contracts		(3 810)	(2 142)
Third party interest: fair value adjustment to liabilities under investment contracts		(4 394)	(2 873)
Other gains on financial instruments		(9)	5
Net insurance and investment results		12 894	9 900
Fee income from administration businesses	5.6.1	14 326	13 596
Vitality income	5.6.1	5 322	4 655
Net banking fee and commission income		1 695	1 398
- Banking fee and commission income	5.6.1	2 238	1 872
- Banking fee and commission expense		(543)	(474)
Net bank interest and similar income		966	779
- Bank interest and similar income using the effective interest rate		2 203	1 840
Bank interest and similar expense using the effective interest rate		(1 237)	(1 061)
Other income		1 832	1 380
Non-insurance revenue and income		24 141	21 808
Net income		37 035	31 708
Non-insurance acquisition costs		(384)	(491)
Expected credit losses		(279)	(183)
Marketing and administration expenses	5.11.3	(21 765)	(19 644)
Impairment of goodwill		(20)	
Operating profit		14 587	11 390
(Loss)/gain on dilution and disposal of equity-accounted investments		(32)	22
Share of net profits from equity-accounted investments		1 215	975
Profit before financing and income tax		15 770	12 387
Interest expenses on borrowings and lease liabilities	3.12	(2 087)	(2 036)
Foreign exchange losses	5.12	(36)	(87)
Profit before income tax		13 647	10 264
Income tax expense	5.9.2	(4 089)	(2 715)
Profit for the year		9 558	7 549
Profit attributable to:			
- Ordinary shareholders		9 471	7 468
- Preference shareholders		93	91
- Non-controlling interest		(6)	(10)
		9 558	7 549
Earnings per share for profit attributable to ordinary shareholders of the company			
during the year (cents):	1 2 2	1 402 2	1 110 2
- Basic - Diluted	1.2.2 1.2.2	1 402.2 1 394.9	1 110.3 1 103.7
- Diluteu	1,4,4	1 374.7	1 103.7

¹ The comparative information has been restated due to correction of a prior period error. Refer to note 7.5 for more detail.

Group statement of other comprehensive income

for the year ended 30 June 2025

R million	Group 2025	Restated Group 2024 ¹
Profit for the year	9 558	7 549
Income and expenses that will be reclassified to profit or loss when specific conditions are met:		
Currency translation differences	998	(823)
Unrealised gains/(losses)	1 032	(846)
Tax on unrealised (gains)/losses	(34)	23
Cash flow hedges	(104)	(61)
- Unrealised losses	(106)	(65)
- Gains reclassified to profit or loss	2	4
Net finance income/(expense) from insurance contracts issued	2 186	1 701
- Unrealised income/(expense)	2 961	2 265
- Tax on unrealised (income)/expense	(775)	(564)
Net finance (expense)/income from reinsurance contracts held	(282)	(221)
- Unrealised (expense)/income	(382)	(290)
- Tax on unrealised expense/(income)	100	69
Share of other comprehensive income from equity-accounted investments	(120)	(236)
- Change in fair value of debt instruments at fair value through other comprehensive income	16	45
- Currency translation differences	(136)	(281)
Total income and expenses that will be reclassified to profit or loss when specific conditions are met	2 678	360
Income and expenses that will not be reclassified to profit or loss: Equity instruments held at fair value through other comprehensive income	(2)	-
 Change in fair value of equity instruments at fair value through other comprehensive income Tax on change in fair value of equity instruments at fair value through other comprehensive income 	(2)	
Share of other comprehensive income from equity-accounted investments	23	17
- Change in fair value of equity instruments at fair value through other comprehensive income	23	17
Total income and expenses that will not be reclassified to profit or loss	21	17
Other comprehensive income for the year, net of tax	2 699	377
Total comprehensive income for the year	12 257	7 926
Attributable to:		
- Ordinary shareholders	12 169	7 839
- Preference shareholders	93	91
- Non-controlling interest	(5)	(4)
Total comprehensive income for the year	12 257	7 926

¹ The comparative information has been restated due to correction of a prior period error. Refer to note 7.5 for more detail.

* Amount is less than R500 000.

Group statement of cash flows

		Restated
	Group	Group
R million Notes	2025	20241
Cash flows from operating activities	8 667	2 733
Cash generated from operations 6.2.1	1 289	3 976
Interest received	2 955	2 325
Interest paid 6.2.4	(2 877)	(2 627)
Taxation paid 6.2.2	(1 867)	(1 522)
Net movement in operating assets and liabilities	9 167	581
- Increase in operating assets 6.2.1.1	(11 060)	(3 224)
- Increase in operating liabilities 6.2.1.2	20 227	3 805
Cash flows from investing activities	(1 823)	(1 886)
Purchase of property and equipment	(294)	(414)
Proceeds from disposal of property and equipment	3	29
Purchase of intangible assets	(1 682)	(1 789)
Acquisition of business and subsidiaries net of cash	(316)	-
Additional investment in equity-accounted investments	(24)	(17)
Dividends from equity-accounted investments	490	305
Cash flows from financing activities	(4 016)	(780)
Purchase of treasury shares	-	(131)
Dividends paid to ordinary shareholders	(1 614)	(1 178)
Dividends paid to preference shareholders	(93)	(91)
Proceeds from borrowings 6.2.3	3 264	2 005
Repayment of borrowings 6.2.3	(5 573)	(1 385)
Net increase in cash and cash equivalents	2 828	67
Cash and cash equivalents at beginning of the year	18 965	19 138
Effects of exchange rate changes on cash and cash equivalents	173	(240)
Cash and cash equivalents at end of the year 3.6	21 966	18 965
Reconciliation to statement of financial position		
Cash and cash equivalents	21 968	18 971
Bank overdraft included in borrowings at amortised cost	(2)	(6)
Cash and cash equivalents at end of the year 3.6	21 966	18 965

¹ The comparative information has been restated due to correction of a prior period error. Refer to note 7.5 for more detail.

Group statement of changes in equity

	Attribu	table to equity h	olders of the Com	pany		Attributable to e	quity holders of t	he Company			
R million	Share capital and share premium	Perpetual preference share capital	Share-based payment reserve	Investment reserve ¹	Insurance finance reserve	Foreign currency translation reserve	Hedging reserve	Retained earnings	Total	Non- controlling interest	Total Equity
Year ended 30 June 2025											
At beginning of the year	10 667	779	1 433	81	(4 832)	5 514	(20)	40 829	54 451	_	54 451
Total comprehensive income for the year	-	93	-	37	1 904	861	(104)	9 471	12 262	(5)	12 257
Profit for the year	_	93	-	-	-	-	-	9 471	9 564	(6)	9 558
Other comprehensive income	_	-	-	37	1 904	861	(104)	-	2 698	1	2 699
Transactions with owners	691	(93)	47	-	-	-	-	(1 654)	(1 009)	-	(1 009)
Share issue	626	-	-	-	-	-	-	(23)	603	_	603
Increase in treasury shares	(626)	-	-	-	-	-	-	-	(626)	-	(626)
Delivery of treasury shares	691	-	(674)	-	-	-	-	(17)	-	-	-
Employee share option schemes:											
 Value of employee services, net of tax 	-	-	721	-	-	-	-	-	721	-	721
Dividends paid to preference shareholders	-	(93)	-	-	-	-	-		(93)	-	(93)
Dividends paid to ordinary shareholders	_	-	-				-	(1 614)	(1 614)		(1 614)
At end of the year	11 358	779	1 480	118	(2 928)	6 375	(124)	48 646	65 704	(5)	65 699
Year ended 30 June 2024											
At beginning of the year	10 351	779	1 190	19	(3 184)	6 624	41	33 900	49 720	4	49 724
 Prior period error adjustments² 	-	-	-	-	(3 128)	-	_	646	(2 482)	_	(2 482)
Restated balance at beginning of the year	10 351	779	1 190	19	(6 312)	6 624	41	34 546	47 238	4	47 242
Total comprehensive income for the year	-	91	-	62	1 480	(1 110)	(61)	7 468	7 930	(4)	7 926
Profit for the year	_	91	_	_	_		_	7 468	7 559	(10)	7 549
Other comprehensive income	_	-	_	62	1 480	(1 110)	(61)	-	371	6	377
Transactions with owners	316	(91)	243	_	-	_		(1 185)	(717)	_	(717)
Share issue	432	_	_	_	_	_	_	_	432	_	432
Increase in treasury shares	(563)	_	_	_	_	_	_	_	(563)	_	(563)
Delivery of treasury shares	447	_	(440)	-	-	-	-	(7)	-	-	_
Employee share option schemes:											
 Value of employee services, net of tax 	_	-	683	-	-	-	-	-	683	-	683
Dividends paid to preference shareholders	-	(91)	-	-	-	-	-	-	(91)	-	(91)
Dividends paid to ordinary shareholders	_	-	-	-		-	-	(1 178)	(1 178)	-	(1 178)
At end of the year	10 667	779	1 433	81	(4 832)	5 514	(20)	40 829	54 451	_	54 451

This relates to fair value adjustments on those equity instruments designated at fair value through other comprehensive income (FVOCI) and those debt instruments measured at FVOCI, in terms of IFRS 9 Financial Instruments.
 The comparative information has been restated due to correction of a prior period error. Refer to note 7.5 for more detail.











Notes to the Group annual financial statements

for the year ended 30 June 2025

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Operating Segment and earnings

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- Earnings, headline earnings and normalised earnings

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- Management of insurance risk

SECTION 03

Financial instruments and management of financial risk

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SECTION 04

Equity, Share-based payments and related parties

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SECTION 06

Cash flows information

Introduction and overview

Cash flow information

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for the year ended 30 June 2025

SECTION 1: OPERATING SEGMENT AND EARNINGS

SEGMENT INFORMATION

Discovery's operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM has been identified as the Group Executive Committee who makes strategic decisions regarding these businesses.

An operating segment is a component of an entity:

- (a) That engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses relating to transactions with other components of the same entity.
- (b) Whose operating results are regularly reviewed by the entity's CODM to make decisions about resources to be allocated to the segment and assess its performance; and
- (c) For which discrete financial information is available.

An operating segment may engage in business activities for which it has yet to earn revenues, for example, start-up operations may be operating segments before earning revenues.

Discovery will report separately information about an operating segment that meets any of the following quantitative

- (a) Its reported revenue, including both sales to external customers and intersegment sales or transfers, is 10 percent or more of the combined revenue, internal and external, of all operating segments.
- (b) The absolute amount of its reported profit or loss is 10 percent or more of the greater, in absolute amount, of (i) the combined reported profit of all operating segments that did not report a loss and (ii) the combined reported loss of all operating segments that reported a loss; and
- (c) Its assets are 10 percent or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if management believes that information about the segment would be useful to users of the financial statements.

Discovery may combine information about operating segments that do not meet the quantitative thresholds with information about other operating segments that do not meet the quantitative thresholds to produce a reportable segment only if the operating segments have similar economic characteristics

The Group has identified its reportable segments based on a combination of products and services offered to customers and the location of the markets served

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 1: OPERATING SEGMENT AND EARNINGS continued

SEGMENT INFORMATION continued

The following summary describes the operations of each of the Group's reportable segments:



SA HEALTH

- Administers and provides managed care services to medical schemes in South Africa.
- Renders administration services to other business segments within the Group.
- Together with Medical Services Organisation International (MSO), a subsidiary company, delivers health insurance, healthcare risk management and third-party administration services within rest of Africa markets.
- Offers non-medical scheme-related products such as Gap Cover for unexpected medical costs and Flexicare - which provides quality, affordable access to primary healthcare for employees unable to access medical scheme benefits.

SA INVEST

Offers, through a range of investment fund choices, including Discovery managed unit trusts, a comprehensive and flexible range of investment choices. These products are sold through a number of investment wrappers, including Discovery Life policies, and are offered to individuals in South Africa.

SA LIFE

Offers a range of insurance and financial solutions to the Group's clients against the financial impact of lifestyle-changing events in South Africa. This segment also includes Corporate and Employee Benefits (CEB), which comprises the Group Risk, Umbrella and HealthyCompany offerings.

SA INSURE

Offers a range of personal line insurance (motor, building, household content and portable possessions) to the Group's SA clients against the financial impact of loss or damage. The segment also includes SA Insure's equity-accounted interests including Cambridge Mobile Telematics (CMT).

SA BANK

Offers retail banking solutions, including deposits and loans and advances, to clients in the South African market. The Bank is still in a start-up phase.



UK HEALTH

Offers consumer-engaged private medical insurance products to employer groups and individuals in the UK. All contracts in this segment are short-term insurance contracts.

UK LIFE

Offers a risk-only life assurance product. All contracts in this segment are long-term assurance contracts offered to both employer groups and individuals in the UK.



Includes those businesses that are not operating segments, as well as those operating segments that do not meet the qualitative thresholds for separate reporting. It includes:

■ Discovery SA:

- SA Vitality, which offers health and lifestyle benefits with selected partners to the Group's SA clients.
- SA Insure commercial: provides commercial short-term risk insurance products to the South African market. Discovery announced that it is exiting this business with all remaining covers terminated by 31 August 2024.
- SA Distribution: provides sales and distribution services in respect of all SA products.
- Discovery Central Services: performing various shared services, treasury and administrative functions to entities within the Discovery Group.
- Other new group initiatives: including Discovery Green, as well as unallocated central costs.

- Vitality Corporate Services (VCSL): provides administration, distribution and management services for entities within the UK Composite.
- Vitality Health International, leverages Discovery Health and Vitality's intellectual property to create strategic partnerships through equity-accounted interests in health insurance and health technology and solutions businesses, which includes the equity-accounted interests in Ping An Health Insurance
- Vitality Network: which provides a Vitality platform to international insurance businesses.
- Includes immaterial interests in equity-accounted interests, UK Invest (closed down), as well as unallocated central costs.

for the year ended 30 June 2025

SECTION 1: OPERATING SEGMENT AND EARNINGS continued

SEGMENT INFORMATION continued

The Group Executive Committee assesses the performance of the reportable segments based on normalised profit/loss from operations. Items that are excluded from normalised profit/loss from operations are separately disclosed in the segment information to reconcile to the segment results and Group income statement. The segment information is presented on the same basis as reported to the CODM.

The segment total is then adjusted for accounting reclassifications and entries required to produce results compliant with the IFRS Accounting Standards, i.e. IFRS reporting adjustments. These adjustments include the following:

- (a) Unit trusts that the Group controls in terms of IFRS 10 Consolidated Financial Statements 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.
- (b) The effects of eliminating intercompany transactions on consolidation and normalised operating profit adjustments; and
- (c) The effects of reclassifying items to align to the IFRS Group income statement.

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 1: OPERATING SEGMENT AND EARNINGS continued

SEGMENT INFORMATION continued

Changes from 1 July 2024

1. In response to the IFRIC decision on the presentation of material items of revenue and expenses for segment information, Discovery's internal enhancements to financial reporting, and observations from the JSE Proactive Monitoring process, Discovery Group has expanded its segment disclosure. In particular, the adjustments take into account the information reviewed by the CODM as well as the required disclosures of specified transactions included in the measurement of normalised profit from operations, in compliance with IFRS 8.23.

As a result, Discovery has implemented the following changes:

- To reflect material items of income and expense, marketing and administration expenses have been disaggregated to separately present staff costs, which represent a material component of these expenses. The staff costs shown in the segment are net of allocations to the insurance service expense. A separate note (1.1.2) has been included in the segment
- Discovery has included a separate note (1.1.1) to clearly present items of revenue and other income arising from internal transactions with other segments.

To implement the changes as disclosed in note 1.1.1. for internal transactions, Discovery has revised the presentation of intersegment charges, recoveries, revenues, and income:

- Prior to 1 July 2024 Intercompany recoveries, recharges, other income, and intercompany revenues were offset within marketing and administration expenses, with the net expense reflected in the segment.
- Effective from 1 July 2024 The presentation of these items within segment information now aligns more closely with the financial statements of the respective business lines.
- These changes have been enabled through the new financial reporting system and required significant development to ensure the accuracy of the information. As permitted by IFRS 8.29, prior-year segment information has not been restated due to the cost and effort required to reperform the changes for the prior period. Refer to Note 1.1.1 for further details, ensuring that the results for the year ended 30 June 2025 are comparable to those for the year ended 30 June 2024.
- 2. Prior to 1 July 2024, VCSL was included as part of the UK Health segment alongside Vitality Health. Effective from 1 July 2024 (with restatement of comparative information), VCSL, as the central services company within the UK, has been excluded from the UK Health segment and instead included in All other segments. This treatment aligns VCSL with the treatment of Discovery Central Services. This change, together with the other changes noted earlier, had no impact on the normalised profit from operations for the UK Health segment as well as no impact in All other segments.
- 3. The CODM has revised their view of SA Bank costs related to health and lifestyle benefits to align more closely with the treatment in Discovery Bank's separate statutory accounts. These costs were previously disclosed within marketing and administration expenses and are now included within the Net banking fee and commission income of SA Bank. The $comparative \ information \ has \ been \ restated \ accordingly \ to \ reflect \ this \ revised \ treatment \ resulting \ in \ a \ decrease \ of \ accordingly \ to \ reflect \ this \ revised \ treatment \ resulting \ in \ a \ decrease \ of \ accordingly \ to \ reflect \ this \ revised \ treatment \ resulting \ in \ a \ decrease \ of \ accordingly \ to \ reflect \ this \ revised \ treatment \ resulting \ in \ a \ decrease \ of \ accordingly \ to \ reflect \ this \ revised \ treatment \ resulting \ in \ a \ decrease \ of \ accordingly \ to \ reflect \ this \ revised \ treatment \ resulting \ in \ a \ decrease \ of \ accordingly \ to \ reflect \ this \ revised \ treatment \ resulting \ in \ a \ decrease \ of \ accordingly \ to \ reflect \ this \ revised \ treatment \ resulting \ in \ a \ decrease \ of \ accordingly \ this \ accordingly \$ R328 million in the Net banking and commission income, with an equal and opposite decrease in marketing and administration expenses. This change in management view had no resultant change in the Group income statement.
- 4. Prior to 1 July 2024, the Group Risk portfolio of the CEB business was included within the SA Life segment, while the remainder of the CEB business was reported under All other segments in the segment information. To reflect the operational and managerial alignment of CEB with SA Life's business activities and internal reporting structure, the remainder of CEB business was reclassified to the SA Life segment effective from 1 July 2024. The comparative information has been restated accordingly, resulting in a R67 million decrease in SA Life's normalised profit from operations, with a corresponding increase in All other segments. The change has no impact on the Group's normalised profit from operations.
- 5. Prior to 1 July 2024, Vitality Drive International (VDI) was included under All other segments. Effective from 1 July 2024 (with no restatement of comparative information), VDI has been reclassified to the SA Insure segment. This reflects the strategic integration of VDI within Discovery Insure's international expansion and incentive-based behaviour programme, aligning the reporting structure with operational responsibility and performance oversight. Discovery Insure's previously published normalised profit from operations has not been restated as the effect was immaterial in the prior period.
- 6. From 1 July 2024. SA Invest amended the presentation of specified income tax expenses within its business line to improve the usefulness of the information provided and to enhance comparability with peers in the market. Within its normalised profit from operations, SA Invest now includes tax expenses specific to policyholder tax funds that are directly chargeable to, or recoverable from, policyholders. These are also often referred to as 'policyholder taxes' or 'contract holder taxes'. The comparative information has been restated to reflect this revised presentation.

for the year ended 30 June 2025

SECTION 1: OPERATING SEGMENT AND EARNINGS continued

SEGMENT INFORMATION continued

R million	Notes	SA Health	SA Life	SA Invest	SA Insure	SA Bank	UK Health	UK Life	All other segments	Segment total	IFRS reporting adjustments	IFRS total
30 June 2025												
Income statement												
Insurance revenue		518	19 149	4 560	6 217	-	19 124	8 050	95	57 713	_	57 713
- Contracts measured under the General measurement model/Variable fee approach		-	15 419	4 560	-	-	-	8 050	-	28 029	-	28 029
- Contracts measured under Premium allocation approach		518	3 730	-	6 217	-	19 124	-	95	29 684	-	29 684
Insurance service expenses		(362)	(15 512)	(2 676)	(5 499)	-	(17 292)	(7 595)	(92)	(49 028)	-	(49 028)
- Claims and benefits		(216)	(11 375)	(608)	(3 000)	-	(11 300)	(3 681)	(51)	(30 231)	-	(30 231)
 Insurance service expense and other 		(66)	(1 795)	(1 057)	(1 597)	-	(3 981)	(879)	(37)	(9 412)	-	(9 412)
- Insurance acquisition cash flows		(80)	(2 342)	(1 011)	(902)	-	(2 011)	(3 035)	(4)	(9 385)	-	(9 385)
Tax specific to policyholder tax funds ¹		-	-	(97)	-	-	-	-	-	(97)	97	-
Insurance service result (pre-reinsurance)		156	3 637	1 787	718	-	1 832	455	3	8 588	97	8 685
Net expenses from reinsurance contracts		(1)	(1 021)	_	(112)	-	(3)	(165)	(4)	(1 306)	_	(1 306)
- Reinsurance expense		(2)	(3 838)	-	(130)	-	(5)	(8 839)	(34)	(12 848)	_	(12 848)
- Insurance claims recovered from reinsurers		1	2 817	_	18	-	2	8 674	30	11 542	_	11 542
Insurance service result		155	2 616	1 787	606	_	1 829	290	(1)	7 282	97	7 379
Net financial result from insurance finance income and expense		-	2 466	(15 831)	(20)	_	1 029	417	(1)	(12 968)	(120)	(13 088)
Net finance income/(expense) from insurance contracts		_	2 590	(15 831)	(20)			716		(12 545)	(120)	(12 665)
Net finance expense from reinsurance contracts		_	(124)	(13 631)	(20)	_	_	(299)	_	(423)	(120)	(423)
Investment income using the effective interest rate method		11	15	75	268		179	81	17	646	352	998
Net fair value gains on financial instruments at fair value through profit or loss		29	3 537	17 058	11	52	70	-	-	20 757	5 061	25 818
Fair value adjustments to liabilities under investment contracts ²		-	(2 961)	(905)		-	-		_	(3 866)	56	(3 810)
Third-party interest: fair value adjustments to liabilities under investment contracts		_	(2 301)	(505)						(3 800)	(4 394)	(4 394)
Intersegment funding		_	362	(362)	_	_	_	_	_	_	(4 394)	(4 394)
Other losses on financial instruments		_	302	(302)	_	(9)	_	_	_	(9)	_	(9)
Net insurance and investment results		195	6 035	1 822	865	43	2 078	788	16	11 842	1 052	12 894
Fee income from administration businesses	1.1.1	9 766	188	1 260	-	-	35	700	3 185	14 434	(108)	14 326
Vitality income	1.1.1	9700	100	1 200	_	_	31	267	5 575	5 873	(551)	5 322
Net banking fee and commission income		_	_		_	1 373	-	207	(77)	1 296	399	1 695
Banking fee and commission income						2 238			- (77)	2 238	-	2 238
Banking fee and commission income Banking fee and commission expense		_	_		_	(865)	_	_	(77)	(942)	399	(543)
Net banking interest and similar income						965			- (77)	965	1	966
Banking interest and similar income using the effective interest rate		_				2 203			_	2 203		2 203
Banking interest and similar income using the effective interest rate Banking interest and similar expense using the effective interest rate		_	_	_	_	(1 238)	_	_	_	(1 238)	1	(1 237)
Other income	1.1.1	1 838	119	1	79	69	19	_	14 591	16 716	(14 884)	1 832
Non-insurance revenue and income		11 604	307	1 261	79	2 407	85	267	23 274	39 284	(15 143)	24 141
Net income		11 799	6 342	3 083	944	2 450	2 163	1 055	23 290	51 126	(14 091)	37 035
Non-insurance acquisition costs		-	-	(395)	_	-		_	(294)	(689)	305	(384)
Expected credit losses		_	_	-	_	(279)	_	_	-	(279)	_	(279)
Marketing and administration expenses	1.1.2	(7 540)	(817)	(701)	(213)	(2 239)	(975)	(424)	(23 305)	(36 214)	14 449	(21 765)
Share of net profits from equity-accounted investments		-	-	-	86	-	-	6	1 174	1 266	(51)	1 215
Normalised profit/(loss) from operations	1.2	4 259	5 525	1 987	817	(68)	1 188	637	865	15 210	612	15 822
nvestment income earned on shareholder investments and cash		98	31	13	7	-	_	_	203	352	(352)	_
Intercompany investment income		_	-	_	_	_	_	_	1 351	1 351	(1 351)	_
Net fair value gains/(losses) on financial assets at fair value through profit or loss		_	51	54	_	_	_	_	_	105	(105)	_
Loss)/gain from dilution of equity accounted investments		_	-	_	(32)	_	_	_	_	(32)	` _	(32)
mpairment of goodwill		(20)	_	_	_	_	_	_	_	(20)	_	(20)
Amortisation of intangibles from business combinations		-	_	_	(51)	_	_	_	(71)	(122)		-
Market rentals related to Head Office building adjusted for finance costs and					. ,				, ,	, ,		
depreciation		-	-	-	-	-	-	-	(72)	(72)	72	-
Restructuring costs		-	-	-	-	-	-	-	(80)	(80)	80	-
nterest expenses on borrowings and lease liabilities		(2)	(1)	-	-	-	(18)	(201)	(1 588)	(1 810)	(277)	(2 087)
ntercompany finance expenses on borrowings		(447)	-	_	_	-	-	(444)	(460)	(1 351)		
Foreign exchange (losses)/gains		(5)	(14)	(5)	_	-	-	1	(13)	(36)	_	(36)
Profit/(loss) before income tax		3 883	5 592	2 049	741	(68)	1 170	(7)	135	13 495	152	13 647
Income tax expense		(1 046)	(1 508)	(793)	(216)	25	(311)	(62)	(26)	(3 937)	(152)	(4 089)
Profit/(loss) for the year		2 837	4 084	1 256	525	(43)	859	(69)	109	9 558	-	9 558
Profit attributable to:												
- Ordinary shareholders		2 843	4 084	1 256	525	(43)	859	(69)	16	9 471	_	9 471
- Preference shareholders		-	_	_	_	-	-	-	93	93	_	93
- Non-controlling interest		(6)					_		_	(6)	_	(6)

¹ Tax specific to policyholder tax funds is reallocated from the income tax expense line. This includes taxes that are directly chargeable to the policyholder under insurance contracts, with a corresponding change in the policyholder fund values, which are included within the insurance revenue line.
2 The value is reflected net of contract holder taxes, which are taxes directly chargeable to the contract holder. There is a corresponding change in the contract holder value measurement.

for the year ended 30 June 2025

SECTION 1: OPERATING SEGMENT AND EARNINGS continued

SEGMENT INFORMATION continued

											IFRS	
R million	Notes	SA Health	SA Life	SA Invest	SA Insure	SA Bank	UK Health	UK Life	All other segments	Segment total	reporting adjustments	IFRS total
30 June 2024 Restated ¹												
Income statement		425	47.522	4.260	F 707		16 474	6.004	600	F2 120		F2 420
Insurance revenue		435	17 522	4 360	5 737	_	16 474	6 904	698	52 130	_	52 130
- Contracts measured under the General measurement model/Variable fee approach		-	14 014	4 360	-	_	-	6 904	-	25 278	-	25 278
- Contracts measured under Premium allocation approach	L	435	3 508	-	5 737		16 474	-	698	26 852		26 852
Insurance service expenses		(341)	(15 207)	(2 671)	(5 471)		(15 456)	(6 217)	(754)	(46 117)		(46 117)
- Claims and benefits		(224)	(12 104)	(462)	(3 540)	-	(9 562)	(3 098)	(472)	(29 462)	-	(29 462)
- Insurance service expense and other		(54)	(1 096)	(1 148)	(1 069)	-	(4 127)	(509)	(135)	(8 138)	-	(8 138)
- Insurance acquisition cash flows		(63)	(2 007)	(1 061)	(862)		(1 767)	(2 610)	(147)	(8 517)		(8 517)
Tax specific to policyholder tax funds ²				(85)						(85)	85	-
Insurance service result (pre-reinsurance)		94	2 315	1 604	266	-	1 018	687	(56)	5 928	85	6 013
Net income/(expenses) from reinsurance contracts	_	(1)	(458)	_	(24)	_	(8)	(408)	(16)	(915)	-	(915)
- Reinsurance expense		(1)	(3 692)	-	(474)	-	(8)	(5 738)	(275)	(10 188)	-	(10 188)
 Insurance claims recovered from reinsurers 		_	3 234	-	450	_	_	5 330	259	9 273	_	9 273
Insurance service result		93	1 857	1 604	242	_	1 010	279	(72)	5 013	85	5 098
Net financial result from insurance finance income and expense		_	2 626	(9 850)	-	_	_	231	_	(6 993)	(300)	(7 293)
- Net finance income/(expense) from insurance contracts		-	2 821	(9 850)	_	-	-	379	-	(6 650)	(300)	(6 950)
- Net finance expense from reinsurance contracts		-	(195)	-	-	-	-	(148)	-	(343)	_	(343)
Investment income using the effective interest rate method		-	32	49	209	-	175	65	12	542	318	860
Net fair value (losses)/gains on financial instruments at fair value through profit or loss		(6)	2 420	10 098	1	1	60	_	(48)	12 526	3 719	16 245
Fair value adjustments to liabilities under investment contracts ³		-	(1 450)	(749)	-	_	-	_	46	(2 153)	11	(2 142)
Third-party interest: fair value adjustments to liabilities under investment contracts		-	_	-	-	_	-	_	_	_	(2 873)	(2 873)
Intersegment funding		(13)	(282)	282	13	-	-	_	_	_	_	_
Other gains and losses on financial instruments		-	_	-	-	5	-	_	_	5	-	5
Net investment and financial results		74	5 203	1 434	465	6	1 245	575	(62)	8 940	960	9 900
Fee income from administration businesses	1.1.1	9 233	155	1 215	-	-	31	-	2 962	13 596	-	13 596
Vitality income	1.1.1	-	-	-	-	-	23	264	4 368	4 655	-	4 655
Net banking fee and commission income		-	-	-	-	1 039	-	-	31	1 070	328	1 398
 Banking fee and commission income 		-	-	-	-	1 795	-	-	-	1 795	77	1 872
- Banking fee and commission expense		-	_	-	_	(756)	-	-	31	(725)	251	(474)
Net banking interest and similar income		-	-	-	-	779	-	-	-	779	-	779
 Banking interest and similar income using the effective interest rate 		-	-	-	-	1 840	-	-	-	1 840	-	1 840
 Banking interest and similar expense using the effective interest rate 		-	-	-	-	(1 061)	-	_	-	(1 061)	-	(1 061)
Other income	1.1.1	1 173	3	-	16	-	22	_	106	1 320	60	1 380
Non-insurance revenue and income		10 406	158	1 215	16	1 818	76	264	7 467	21 420	388	21 808
Net income		10 480	5 361	2 649	481	1 824	1 321	839	7 405	30 360	1 348	31 708
Non-insurance acquisition costs		-	-	(383)	-	-	-	-	(108)	(491)	-	(491)
Expected credit losses		-	-	-	_	(183)	-	-	-	(183)	-	(183)
Marketing and administration expenses	1.1.2	(6 508)	(523)	(727)	(282)	(2.095)	(886)	(470)	(7 459)	(18 950)	(694)	(19 644)
Share of net profits from equity-accounted investments		_	_	<u>-</u>	49	_	_	6	970	1 025	(50)	975 _
Normalised profit/(loss) from operations	1.2	3 972	4 838	1 539	248	(454)	435	375	808	11 761	604	12 365
Investment income earned on shareholder investments and cash		120	27	16	-	-	-	-	155	318	(318)	-
Intercompany investment income		-	-	-	_	-	-	-	1 046	1 046	(1 046)	-
Net fair value gains/(losses) on financial assets at fair value through profit or loss		-	87	75	-	-	-	_	-	162	(162)	-
Gain/(Loss) from dilution and disposal of equity accounted investments		-	-	-	22	-	-	_	-	22	-	22
Amortisation of intangibles from business combinations		-	-	-	(49)	-	-	-	(56)	(105)	105	-
Market rentals related to Head Office building adjusted for finance costs and depreciation		-	-	-	-	-	-	-	(105)	(105)	105	-
Restructuring costs		_	_	-	-	-			(48)	(48)	48	_
Interest expenses on borrowings and lease liabilities		(2)	(1)	-	-	-	(17)	(217)	(1 513)	(1 750)	(286)	(2 036)
Intercompany finance expenses on borrowings		(412)	_		-	-	-	(464)	(170)	(1 046)	1 046	
Foreign exchange gains/(losses)		(6)	(11)	(20)					(50)	(87)	_	(87)
Profit/(loss) before income tax		3 672	4 940	1 610	221	(454)	418	(306)	67	10 168	96	10 264
Income tax expense		(987)	(1 334)	(273)	(58)	171	(29)	25	(134)	(2 619)	(96)	(2 715)
Profit/(loss) for the year		2 685	3 606	1 337	163	(283)	389	(281)	(67)	7 549	_	7 549
Profit attributable to:												
- Ordinary shareholders		2 695	3 606	1 337	163	(283)	389	(281)	(158)	7 468	-	7 468
- Preference shareholders		_	-	-	-	-	-	-	91	91	-	91
- Non-controlling interest		(10)	-	-	-	-	-	-	-	(10)	-	(10)

The comparative information has been restated due to (1) correction of a prior period error as discussed in note 7.5 as well as (2) those changes noted in items 2 (VCSL Branch), 3 (SA Bank costs of specified benefits), 4 (CEB Business) and 6 (SA Invest specified income tax expenses) as discussed in the introduction to Segment information "Changes from 1 July 2024".
 Tax specific to policyholder tax funds is reallocated from the income tax expense line. This includes taxes that are directly chargeable to the policyholder under insurance contracts, with a corresponding change in the policyholder fund values, which are included within the insurance revenue line.
 The value is reflected net of contract holder taxes, which are taxes directly chargeable to the contract holder. There is a corresponding change in the contract holder value, which is included in the fair value measurement.

SECTION 1: OPERATING SEGMENT AND EARNINGS continued

SEGMENT INFORMATION continued

1.1.1 Revenues and income with other operating segments

The net income presented within each respective segment includes the following items of revenue and income derived from transactions with other operating segments of the Group:

R million	SA Health	SA Life	SA Invest	SA Insure	SA Bank	UK Health	UK Life	All other segments	Segment total
30 June 2025									
Fee income from administration businesses	_	-	-	-	-	-	-	94	94
Vitality income	_	-	-	-	-	-	-	551	551
Other income	235	130	1	64	69	94	-	14 784	15 377
Total	235	130	1	64	69	94	-	15 429	16 022

1.1.2 Material items of expenses

Additional information on material items of expenses included within the marketing and administration expenses:

R million	SA Health	SA Life	SA Invest	SA Insure	SA Bank	UK Health	UK Life	All other segments	Segment total
30 June 2025									
Depreciation and amortisation	(174)	(1)	(24)	(1)	(368)	-	(58)	(1 273)	(1 899)
Derecognition of intangible assets and property and equipment	_	(43)	-	(52)	_	-	(1)	(45)	(141)
Impairment of intangible assets and property and equipment	(20)	(28)	-	(18)	-	(79)	-	-	(145)
Staff costs	(3 038)	(284)	(262)	(95)	(984)	-	-	(8 062)	(12 725)
Other expenses ¹	(4 308)	(461)	(415)	(47)	(887)	(896)	(365)	(13 925)	(21 304)
Total: Marketing and administration expenses	(7 540)	(817)	(701)	(213)	(2 239)	(975)	(424)	(23 305)	(36 214)
30 June 2024									
Depreciation and amortisation	(171)	_	(17)	(43)	(339)	(5)	(49)	(1 276)	(1 900)
Derecognition of intangible assets and property and equipment		-	-	(16)	-	-	_	(39)	(55)
Impairment of intangible assets and property and equipment	-	-	-	_	_	(13)	_	(9)	(22)
Staff costs	(2 625)	(212)	(210)	(71)	(911)	-	_	(7 486)	(11 515)
Other expenses ¹	(3 712)	(311)	(500)	(152)	(845)	(868)	(421)	1 351	(5 458)
Total: Marketing and administration expenses	(6 508)	(523)	(727)	(282)	(2 095)	(886)	(470)	(7 459)	(18 950)

¹ Included in SA Health other expenses are IT systems and consumables of R1 576 million (2024: R1 488 million)

Changes since 1 July 2024: As noted earlier, Discovery changed the presentation of intercompany recoveries, recharges, other income and intercompany revenues. If the information for the year ended 30 June 2025 was presented on a similar basis to the results for the year ended 30 June 2024, the Total: Marketing and administration expenses' would have been reduced by the value equal to the 'Total' as disclosed in Note 1.1.1.

for the year ended 30 June 2025

SECTION 1: OPERATING SEGMENT AND EARNINGS continued

EARNINGS, HEADLINE EARNINGS AND NORMALISED HEADLINE EARNINGS continued

1.2.1 Normalised profit from operations

The following table shows the main components of the normalised profit from operations for the year ended 30 June 2025:

R million	Group 2025	Restated Group 2024 ¹	% Change
Discovery Health	4 259	3 972	7 %
Discovery Life	5 525	4 838	14 %
Discovery Invest	1 987	1 539	29 %
Discovery Insure – Personal lines	817	248	229 %
Discovery Bank	(68)	(454)	(85)%
Other initiatives and central costs*	(515)	(269)	91 %
Normalised profit from Discovery SA	12 005	9 874	22 %
VitalityHealth	1 188	435	173 %
VitalityLife	637	375	70 %
Closure costs of VitalityInvest*	-	(75)	(100)%
Vitality Health International – Ping An Health Insurance*	1 206	1 124	7 %
Vitality Health International – Other*	(291)	(386)	(25)%
Vitality Network*	554	533	4 %
Other initiatives and central costs*	(89)	(119)	(25)%
Normalised profit from Vitality	3 205	1 887	70 %
Normalised profit from operations	15 210	11 761	29 %

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 1: OPERATING SEGMENT AND EARNINGS continued

EARNINGS, HEADLINE EARNINGS AND NORMALISED HEADLINE EARNINGS continued

1.2.2 Earnings, Headline Earnings and Normalised Headline Earnings

Notes	Group 2025	Restated Group 2024 ¹
Number of shares used in calculation		
Weighted number of shares in issue ('000)	665 168	661 071
Diluted weighted number of shares ('000)	668 715	665 016
Earnings per share (cents):		
- basic	1 402.2	1 110.3
- diluted	1 394.9	1 103.7
Headline earnings per share (cents):		
- basic	1 447.0	1 117.0
- diluted	1 439.4	1 110.4
Normalised headline earnings per share (cents):		
- basic	1 470.4	1 136.2
- diluted	1 462.8	1 129.5
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES ('000)		
Issued ordinary shares at 1 July 4.3	661 021	658 424
Effect of share options exercised and vesting of share awards	4 147	2 647
Weighted average number of ordinary shares at 30 June (basic)	665 168	661 071
Effect of share options exercised and vesting of share awards	3 547	3 945
Weighted-average number of ordinary shares at 30 June (diluted)	668 715	665 016
EARNINGS RECONCILIATION (R million)		
Profit attributable to the ordinary shareholders	9 471	7 468
Adjusted for:		
- Profit attributable to non-forfeitable dividend share plan	(144)	(128)
Basic earnings attributable to the ordinary shareholders	9 327	7 340

¹ The comparative information has been restated due to correction of a prior period error. Refer to note 7.5 for more detail.

^{*} Presented in 'All other segments' on the Segment information disclosure note in section 1.1.

The comparative information has been restated due to correction of a prior period error. Refer to note 7.5 for more detail.

for the year ended 30 June 2025

SECTION 1: OPERATING SEGMENT AND EARNINGS continued

1.2 EARNINGS, HEADLINE EARNINGS AND NORMALISED HEADLINE EARNINGS

continued

1.2.2 Earnings, Headline Earnings and Normalised Headline Earnings *continued*

HEADLINE EARNINGS RECONCILIATION

Headline earnings per share is disclosed per the JSE Listings Requirements and is calculated in accordance with the circular titled Headline Earnings issued by SAICA, as amended from time to time. Headline earnings per share is based on the net profit after tax attributable to ordinary shareholders adjusted for items of a capital nature and the weighted average number of ordinary shares in issue.

	Gro	up 2025		Restated Group 2024 ¹				
R million	Gross	Tax	Net	Gross	Tax	Net		
Basic earnings attributable to the								
ordinary shareholders			9 327			7 340		
Adjusted for:								
IFRS 3: Goodwill impairment	20	-	20	_	_	_		
IFRS 5: Impairment - NCAHFS	79	-	79	-	-	_		
IAS 16: Gain on disposal of property								
and equipment	(1)	-	(1)	(1)	_	(1)		
IAS 16: Loss on derecognition								
of property and equipment	11	(3)	8	10	(3)	7		
IAS 16: Impairment of property								
and equipment	-	-	-	14	-	14		
IAS 38: Loss on derecognition								
of intangible assets	131	(19)	112	45	(10)	35		
IAS 38: Impairment of intangibles	65	(10)	55	8	(2)	6		
IAS 28: Loss/(gain) on dilution and								
disposal of equity-accounted								
investments	32	(7)	25	(22)	5	(17)		
Headline earnings								
(basic and diluted)			9 625			7 384		

¹ The comparative information has been restated due to correction of a prior period error. Refer to note 7.5 for more detail.

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 1: OPERATING SEGMENT AND EARNINGS continued

1.2 EARNINGS, HEADLINE EARNINGS AND NORMALISED HEADLINE EARNINGS continued

1.2.2 Earnings, Headline earnings and Normalised Headline Earnings

NORMALISED HEADLINE EARNINGS RECONCILIATION

Normalised headline earnings is calculated per Discovery's policy as set out in the Accounting Policies in Annexure B. Management considers that Normalised headline earnings is an appropriate alternative performance measure to enhance the comparability and understanding of the financial performance of the Group.

	Gro	Group 2025			Restated Group 2024 ¹			
R million	Gross	Tax	Net	Gross	Tax	Net		
Headline earnings			9 625			7 384		
Adjusted for:								
 Gain arising from the recognition 								
of deferred tax asset resulting								
from assessed loss: Initial								
recognition	-	(9)	(9)	-	-	_		
 Amortisation of intangible assets 								
arising from business								
combinations	71	(18)	53	56	(15)	41		
 Restructuring costs 	80	(19)	61	48	(11)	37		
Adjustments attributable to equity-								
accounted investments:								
 Amortisation of intangible assets 								
arising from business								
combinations	51	-	51	49	-	49		
Normalised headline earnings								
(basic and diluted)			9 781			7 511		

¹ The comparative information has been restated due to correction of a prior period error. Refer to note 7.5 for more detail.

Notes to the group annual financial statements continued for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT OF INSURANCE RISK

2.1 INTRODUCTION AND OVERVIEW

This section provides information on the group's core insurance business as well as disclosures that enable the assessment of the effect of insurance and reinsurance contracts held on the Group statement of financial position, Group income statement, Group statement of other comprehensive income and Group statement of cash flows. In addition to the disclosures in terms of IFRS 17 Insurance Contracts (IFRS 17), this section will also provide information on how the Group manages the risks arising

To assist the users of the financial statements in understanding the insurance and reinsurance disclosures, Section 2 disclosures have been re-presented for the following:

- 1. The Discovery SA Life and Invest (Risk) (GMM) portfolio has been split into two separate portfolios SA Life (Risk) (GMM) and SA Invest (Risk) (GMM). This change is purely a re-presentation of the information, with no impact on the total values reported in the SA Life and SA Invest disclosures.
- By presenting SA Life (Risk) (GMM) and SA Invest (Risk) (GMM) separately, the users of the financial statements can better understand the distinct performance and financial impact of each portfolio during the reporting period.
- 2. The net investment note has been updated to provide a granular breakdown of the key components driving the interest accretion as presented in profit or loss and OCI. The change is aimed at providing the users of the financial statements a better understanding of the detailed interest accretion components.
- 3. The comparative disclosures for the Discovery SA Life (Risk)(GMM) portfolio has been restated due to a correction of a prior period error, refer to note 7.5 for more detail. Refer to the index summary table for all the notes that have been restated.

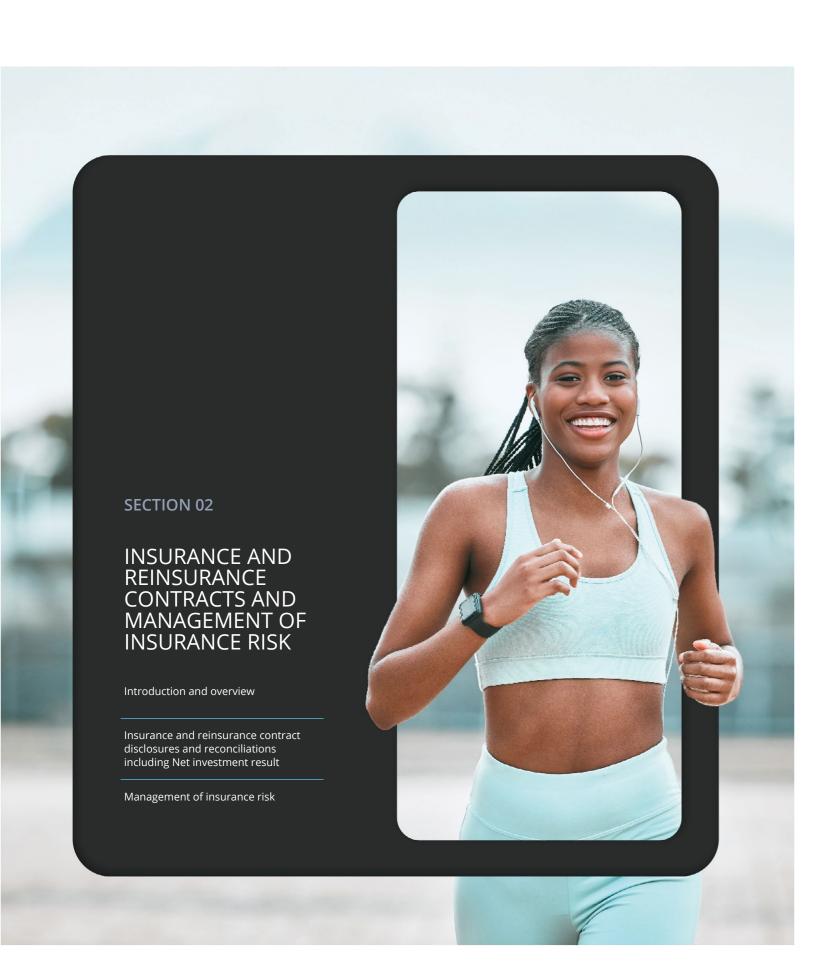
R million	Group June 2025	Restated Group June 2024 ³
Assets Assets arising from insurance contracts issued ³ Assets arising from reinsurance contracts held	48 047 962	37 339 837
Equity Other reserves ^{1,2,3}	(2 928)	(4 832)
Liabilities Liabilities arising from insurance contracts issued Liabilities arising from reinsurance contracts held	118 878 9 121	105 070 5 396

- The other reserves balance relates to the insurance finance reserve only.
- 2 The insurance finance reserve has a cumulative debit balance, and therefore represents a reduction of total equity.
- 3 The comparative information has been restated due to correction of a prior period error. Refer to note 7.5 for more detail.

R million	Group June 2025	Restated Group June 2024 ¹
Insurance revenue	57 713	52 130
Insurance service expenses	(49 028)	(46 117)
Net expenses from reinsurance contracts	(1 306)	(915)
Insurance service result	7 379	5 098

¹ The comparative information has been restated due to correction of a prior period error. Refer to note 7.5 for more detail.

Refer to section 2.19 for the detailed analysis of the insurance risk and management thereof.



for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** continued

INTRODUCTION AND OVERVIEW continued

The following disclosures enable the user to assess the effect of insurance contracts issued and reinsurance contracts held on Discovery's financial position, financial performance and cash flows. In addition to the disclosures on significant judgements and estimates above, the following disclosures provide a quantitative summary of the amount recognised in the financial statements.

IFRS 17 requires that in determining the level at which an aggregated group of insurance contracts can provide useful information to the user, Discovery considers:

- The type of contract which would consider the nature of the product and the measurement model.
- The geographical areas may expose the entity to different sets of risks, even for similar products.
- Reportable segments.

Having applied the guidance, Discovery has aggregated its portfolios for the disclosures as set out below.



SA Life (Risk) | GMM

(Life: Individual Life, Dollar LifePlan, Health Protection Plans, Standalone Global Educator)

SA Invest (Risk) | GMM

(Guaranteed endowments)

SA Invest (Participating) | VFA

(Unit-linked invest products, Unit-linked insurance products and Discovery Retirement Optimiser)

SA Life and Invest: Group Life and other | PAA (Group Risk, Funeral and other including Discovery Card Protector, Standalone Cancer Protector and LifeDrive)

SA Insure and other | PAA

(Personal and Commercial lines, GAP and Trauma Cover, Travel Cover and AfricaHealth)



UK Life (Risk) | GMM (Own Licence and PAC book)

UK Health | PAA (Private Medical Insurance)

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** continued

INTRODUCTION AND OVERVIEW continued

For the accounting policies relevant to the recognition and measurement of Insurance contracts issued and Reinsurance contracts held, refer Annexure B policy 12. The following index is a summary of all the quantitative disclosures set out in the

	Note	Description
nalysis of nancial osition	2.2 Summary of insurance contracts issued and reinsurance contracts held ^{1,2}	The note summarises the total value of insurance and reinsurance contracts held across the disclosed portfolios, showing separately those insurance and reinsurance contracts in a net liability or net asset position.
	2.3 Insurance acquisition assets	The note provides a movement in the Insurance acquisition assets, reflecting the movement in the capitalised initial acquisition cash flows of the VitalityHealth portfolio.
	Reconciliation of insurance contracts Analysis by remaining coverage and incurred claims 2.4 GMM 2.4.1 SA Life (Risk) ^{1,2} 2.4.2 SA Invest (Risk) ^{1,2} 2.4.3 UK Life (Risk) 2.6 VFA 2.6.1 SA Invest (Participating) 2.8 PAA 2.8.1 SA Life: Group Life and other 2.8.2 SA Insure and other 2.8.3 UK Health Reconciliation of reinsurance contracts Analysis by remaining coverage and incurred claims 2.9 GMM 2.9.1 SA Life (Risk) 2.9.2 UK Life (Risk) 2.11 PAA 2.11.1 SA Life: Group Life and other 2.11.2 SA Insure and other 2.11.3 UK Health	The notes provide a detailed reconciliation of disclosed portfolios showing the build-up of: The liability for remaining coverage (LRC) reflects Discovery's obligation for the unexpired portion of the coverage period. For contracts measured using the simplified approach, LRC includes the unearned premium. The liability of incurred claims (LIC) reflects Discovery's obligation to cover the insured events that have occurred.
	Reconciliation of insurance contracts Analysis by measurement component 2.5 GMM 2.5.1 SA Life (Risk) ^{1,2} 2.5.2 SA Invest (Risk) ^{1,2} 2.5.3 UK Life (Risk) 2.7 VFA 2.7.1 SA Invest (Participating) Reconciliation of reinsurance contracts Analysis by measurement component	The notes provide a detailed reconciliation of disclosed portfolios showing the build-up of the measurement components, namely: Estimates of the present value of expected fulfilment cash flows. The Risk adjustment. The Contractual service margin reflects unearned profit. The CSM is further separated to reflect how the CSM was calculated at transition, being modified retrospectively or fully retrospectively.

¹ The note has been re-presented for the split of the Discovery SA Life and Invest (Risk) (GMM) portfolio. Refer to item 1 noted in the introduction of Section 2.1.

2.10.2 UK Life (Risk)

² The comparative information has been restated due to correction of a prior period error. Refer to item 4 noted in the introduction of section 2.1.

for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT OF INSURANCE RISK continued

INTRODUCTION AND OVERVIEW continued

NIKODOC	TION AND OVERVIEW COMMING	ieu -					
	Note	Description					
Analysis of income	2.12 Insurance revenue ^{1,2}	The note provides a breakdown of the makeup of insurance revenue for each disclosed portfolio business unit.					
statement		For those contracts not measured using the PAA approach, the amount reflects the provision of services and the recovery of insurance acquisition cash flows. The provision of services is represented by the change in the LRC, namely:					
		 CSM recognised during the period for the service provided. The change in the Risk adjustment for non-financial risk. Expected claims and insurance services expenses. Experience adjustments. 					
	2.13 Net investment result ^{1,2,3}	The note provides a holistic view of the following:					
		 The investment returns on financial assets held. The insurance and reinsurance finance income and expenses, including the amounts recognised in profit or loss and other comprehensive income (OCI). 					
Additional information	2.14 Effect of contracts initially recognised in the year:	The notes provide a breakdown of the contracts initially recognised during the period for each disclosed portfolio					
	2.14.1 Effects of insurance contracts initially recognised in the year ¹ .	business unit.For insurance contracts, differentiate between profitable					
	2.14.2 Effect of reinsurance contracts initially recognised in the year ¹ .	 contracts recognised with CSM and onerous contracts. Reinsurance contracts reflect contracts originated with and without the loss-recovery component. 					
	2.15 Contractual service margin ^{1,3} .	The note provides, for each disclosed portfolio business unit, the expected recognition of CSM, with interest accretion over the lifetime of the group of insurance contracts.					
		The note also sets out the release of accumulated IFIE OCI balances into profit or loss.					
	2.16 OCI run-off ³	The note provides, for each disclosed portfolio business unit, the expected run-off of the IFIE reserve, with interest accretion over the lifetime of the group of insurance contracts.					
	2.17 Claims development	The note provides, for the annuity type benefits, the comparison between actual in-period claims and previous estimates of the claims amount.					
	2.18 Significant accounting estimates, judgements in applying accounting policies	The note provides the significant accounting estimates, judgements in applying accounting polices 12 on the insurance contracts.					
Insurance related disclosures	Claims and benefit	The note provides, for each disclosed portfolio business unit, the net claims and policyholder's benefit. Refer to note 5.11.4					
included in other notes	Expenses	The note provides an analysis of all expenses, highlighting those that are insurance related. Refer to note 5.11					

¹ The note has been re-presented for the split of the Discovery SA Life and Invest (Risk) (GMM) portfolio. Refer to item 1 noted in the introduction of section 2.1.

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** continued

INTRODUCTION AND OVERVIEW continued

Definitions and Abbreviations

The following abbreviations and terms are commonly used within the accounting policy:

Abbreviations	Meaning
CSM	Contractual Service Margin
DISCOVERY	Discovery Group
DPF	Direct Participation Features
DRO	Discovery Retirement Optimiser
EFCF	Expected Fulfilment Cash Flows
FINANCIAL RISK	The risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, currency exchange rate, index of prices or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.
GMM	General Measurement Model
IACF	Initial Acquisition Cash Flows
IFIE	Insurance finance income and expense comprises the change in the carrying amount of the group of insurance contracts arising from:
	the effect of the time value of money and changes in the time value of money, and the effect of financial risk and changes in financial risk
IFRS Accounting Standards	IFRS® Accounting Standards
IFRS 17	IFRS 17 Insurance Contracts (effective for Discovery post 1 July 2023)
IFRS 17 margins	IFRS 17 margins refers to the contractual service margin plus the risk adjustment
ISE	Insurance Service Expenses
LIC	Liability for Incurred Claims
LRC	Liability for Remaining Coverage
OCI	Other Comprehensive Income
PAA	Premium Allocation Approach
VFA	Variable Fee Approach

² The note has been re-presented to provide a granular breakdown of interest accretion components. Refer to item 3 noted in the introduction of section 2.1.

³ The comparative information has been restated due to correction of a prior period error. Refer to item 4 noted in the introduction of section 2.1.

for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** continued

SUMMARY OF INSURANCE CONTRACTS ISSUED AND REINSURANCE **CONTRACTS HELD**

		SA Life	SA Invest	UK Life	SA Invest	SA Life: Group Life	SA Insure	UK	
Group		Risk	Risk	Risk	pating		and other	Health	
R million (Assets)/Liabilities	Navigation	(GMM)	(GMM)	(GMM)	(VFA)	(PAA)	(PAA)	(PAA)	Total
Year ended 30 June 2025									
Insurance Contracts	A = D + E	(23 002)	23 580	(20 180)	88 150	6 414	734	(4 865)	70 831
Reinsurance Contracts	B = F	370	-	8 751	-	(865)	(84)	(13)	8 159
Total	C = A +B	(22 632)	23 580	(11 429)	88 150	5 549	650	(4 878)	78 990
Insurance contracts issued									
Assets arising from									
insurance contracts									
- Insurance contract balances		(23 002)	-	(20 180)	-	-	-	884	(42 298)
 Assets for insurance acquisition cash flows 								(E 740)	(E 740)
<u>'</u>	D	(22,002)		(20.190)			-	(5 749)	(5 749)
Total	D	(23 002)		(20 180)				(4 865)	(48 047)
Liabilities arising from insurance contracts									
 Insurance contract balances 		-	23 580	-	88 150	6 414	734	-	118 878
Total	E	-	23 580	-	88 150	6 414	734	-	118 878
Reinsurance contracts held									
Reinsurance contract assets		-	-	-	-	(865)	(84)	(13)	(962)
Reinsurance contract liabilities		370	-	8 751	-	-	_	-	9 121
Total	F	370	-	8 751	-	(865)	(84)	(13)	8 159
Year ended 30 June 2024									
Insurance Contracts		(17 846)	24 565	(15 269)	73 721	5 888	896	(4 224)	67 731
Reinsurance Contracts		126	-	5 270	-	(685)	(139)	(13)	4 559
Total		(17 720)	24 565	(9 999)	73 721	5 203	757	(4 237)	72 290
Insurance contracts issued Assets arising from insurance contracts									
 Insurance contract balances 		(17 846)	-	(15 269)	-	-	-	683	(32 432)
- Assets for insurance								(4.007)	(4.007)
acquisition cash flows		-		-	-		_	(4 907)	(4 907)
Total		(17 846)	_	(15 269)	_	_	_	(4 224)	(37 339)
Liabilities arising from insurance contracts									
- Insurance contract balances		-	24 565	-	73 721	5 888	896	-	105 070
		-	24 565	-	73 721	5 888	896	-	105 070
Reinsurance contracts held									
Reinsurance contract assets		-	-	-	-	(685)	(139)	(13)	(837)
Reinsurance contract liabilities		126	-	5 270	-	-	-	-	5 396
Total		126	-	5 270	-	(685)	(139)	(13)	4 559
Cross reference to related notes of insurance									
contracts issued – Analysis by remaining									
coverage and incurred claims		2.4.1	2.4.2	2.4.3	2.6.1	2.8.1	2.8.2	2.8.3	
- Analysis by measurement									
component - Assets for insurance		2.5.1	2.5.2	2.5.3	2.7.1				
acquisition cash flows								2.3	
Cross reference to related notes of reinsurance contracts held – Analysis by remaining									
coverage and incurred claims		2.9.1		2.9.2		2.11.1	2.11.2	2.11.3	
Analysis by measurement component		2.10.1		2.10.2					

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** continued

MOVEMENT IN ASSET FOR INSURANCE ACQUISITION CASH FLOWS

Group R million	UK Health (PAA)
Year ended 30 June 2025	
Balance at the beginning of the year	4 907
Amounts incurred during the year	1 786
Amounts derecognised and included in the measurement of insurance contracts	(1 235)
Effect of movements in exchange rates	291
Balance at the end of the year	5 749
Year ended 30 June 2024	
Balance at the beginning of the year	4 544
Amounts incurred during the year	1 659
Amounts derecognised and included in the measurement of insurance contracts	(1 111)
Effect of movements in exchange rates	(185)
Balance at the end of the year	4 907
Balance as at 30 June 2025	
Presented in assets arising from insurance contracts	5 749
Balance as at 30 June 2024	
Presented in assets arising from insurance contracts	4 907

The following table sets out when the Group expects to derecognise assets for insurance acquisition cash flows after the reporting date.

Group R million	UK Health (PAA)
30 June 2025	
Year 1	1 107
Years 1 to 2	921
Years 3 to 5	2 238
Years 6 to 10	1 483
> 10 years	-
	5 749
30 June 2024	
Year 1	950
Years 1 to 2	787
Years 3 to 5	1 912
Years 6 to 10	1 258
> 10 years	
	4 907

for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** continued

RECONCILIATION OF INSURANCE CONTRACTS - GMM

2.4.1 SA Life (Risk)

			202	.5		2024			
		Liabilities for Cover				Liabilities for I Covera	U		
Group		Excluding		Liabilities for				Liabilities for	
R million		loss	Loss	Incurred		Excluding	Loss	Incurred	
(Assets)/Liabilities	Navigation	component	component	Claims	Total	loss component	component	Claims	Total
Opening assets arising from insurance contracts issued		(26 406)	941	7 619	(17 846)	(22 596)	1 319	6 621	(14 656)
Net balance at beginning of the year	А	(26 406)	941	7 619	(17 846)	(22 596)	1 319	6 621	(14 656)
Changes in the income statement and OCI Insurance revenue transitional split Contracts under the modified									
retrospective approach		(382)	_	_	(382)	(381)	_	_	(381)
All other contracts		(15 037)	_	_	(15 037)	(13 633)	_	_	(13 633)
	В	(15 419)	_	_	(15 419)	(14 014)	_	_	(14 014)
Insurance service expenses									
Incurred claims and other insurance service expenses		-	-	10 120	10 120	-	-	10 559	10 559
Amortised assets for insurance acquisition cash flows Adjustment to liability for incurred		2 163	-	-	2 163	1 838	-	-	1 838
claims Losses and reversal of losses on		-	-	6	6	-	-	37	37
onerous contracts		-	143	-	143	-	(410)	-	(410)
	С	2 163	143	10 126	12 432	1 838	(410)	10 596	12 024
Investment components	D	-	-	-	-	-	-	-	_
Insurance service result	E = B + C + D	(13 256)	143	10 126	(2 987)	(12 176)	(410)	10 596	(1 990)
Net finance expenses from insurance contracts	F	(5 232)	24	437	(4 771)	(3 488)	32	416	(3 040)
Net changes to income statement and OCI	G = E + F	(18 488)	167	10 563	(7 758)	(15 664)	(378)	11 012	(5 030)
Cash Flows									
Premiums received		15 334	-	-	15 334	14 359	-	-	14 359
Insurance acquisition cash flows		(2 423)	-	-	(2 423)	(2 505)	-	-	(2 505)
Claims and other directly attributable expenses paid		-	-	(10 309)	(10 309)	-	-	(10 014)	(10 014)
Total cash flows	Н	12 911	-	(10 309)	2 602	11 854	-	(10 014)	1 840
Net balance at the end of the year	J = A + G + H	(31 983)	1 108	7 873	(23 002)	(26 406)	941	7 619	(17 846)
Closing assets arising from insurance contracts issued		(31 983)	1 108	7 873	(23 002)	(26 406)	941	7 619	(17 846)
Net balance at the end of the year		(31 983)	1 108	7 873	(23 002)	(26 406)	941	7 619	(17 846)

for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** continued

RECONCILIATION OF INSURANCE CONTRACTS – GMM continued

2.4.2 SA Invest (Risk)

			2025	5		2024			
		Liabilities for Cover				Liabilities for Cover	0		
Group R million (Assets)/Liabilities	Navigation	Excluding loss component	Loss component	Liabilities for Incurred Claims	Total	Excluding loss component	Loss component	Liabilities for Incurred Claims	Total
Opening liabilities arising from insurance contracts issued		24 370	195	-	24 565	22 236	185	-	22 421
Net balance at beginning of the year	А	24 370	195	-	24 565	22 236	185	-	22 421
Changes in the income statement and OCI Insurance revenue transitional split All other contracts		(1 203)	_	_	(1 203)	(1 031)	-	-	(1 031)
	В	(1 203)	-	-	(1 203)	(1 031)	-	-	(1 031)
Insurance service expenses Incurred claims and other insurance service expenses Amortised assets for insurance		-	-	607	607	-	-	450	450
acquisition cash flows Losses and reversal of losses on onerous contracts		225	(8)	-	225	304	21	_	304 21
	С	225	(8)	607	824	304	21	450	775
Investment components	D	(7 337)	-	7 337	_	(5 242)	_	5 242	
Insurance service result	E = B + C + D	(8 315)	(8)	7 944	(379)	(5 969)	21	5 692	(256)
Net finance expenses from insurance contracts	F	2 897	31	_	2 928	2 352	(11)	_	2 341
Net changes to income statement and OCI	G = E + F	(5 418)	23	7 944	2 549	(3 617)	10	5 692	2 085
Cash Flows Premiums received Insurance acquisition cash flows Claims and other directly attributable expenses paid		4 581 (171)	- -	- - (7 944)	4 581 (171) (7 944)	5 960 (209)	- -	- - (5 692)	5 960 (209) (5 692)
Total cash flows	Н	4 410	_	(7 944)	(3 534)	5 751	_	(5 692)	59
Net balance at the end of the year	J = A + G + H	23 362	218	-	23 580	24 370	195	-	24 565
Closing assets arising from insurance contracts issued	-	23 362	218	-	23 580	24 370	195	-	24 565
Net balance at the end of the year		23 362	218	-	23 580	24 370	195	-	24 565

for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** continued

RECONCILIATION OF INSURANCE CONTRACTS – GMM continued

2.4.3 UK Life (Risk)

		Liabilities for Covera				Liabilities for R Covera			
Group R million (Assets)/Liabilities	Navigation	Excluding loss component	Loss component	Liabilities for Incurred Claims	Total	Excluding loss component	Loss component	Liabilities for Incurred Claims	Total
Opening assets arising from insurance contracts issued		(22 202)	5 140	1 793	(15 269)	(19 017)	5 327	1 631	(12 059)
Net balance at beginning of the year	А	(22 202)	5 140	1 793	(15 269)	(19 017)	5 327	1 631	(12 059)
Changes in the income statement and OCI Insurance revenue transitional split All other contracts		(8 050)	_	_	(8 050)	(6 904)	_	_	(6 904)
	В	(8 050)	-	-	(8 050)	(6 904)	-	_	(6 904)
Insurance service expenses Incurred claims and other insurance service expenses Amortised assets for insurance		-	-	4 193	4 193	-	-	3 453	3 453
acquisition cash flows Losses and reversal of losses on		3 035	-	-	3 035	2 610	-	-	2 610
onerous contracts		-	367	-	367	-	154	-	154
	С	3 035	367	4 193	7 595	2 610	154	3 453	6 217
Investment components	D	496	-	(496)	-	46	_	(46)	
Insurance service result	E = B + C + D	(4 519)	367	3 697	(455)	(4 248)	154	3 407	(687)
Net finance expenses from insurance contracts	F	(1 737)	(182)	-	(1 919)	(2 625)	(137)	-	(2 762)
Net changes to income statement and OCI	G = E + F	(6 256)	185	3 697	(2 374)	(6 873)	17	3 407	(3 449)
Cash Flows Premiums received Insurance acquisition cash flows Claims and other directly attributable		8 263 (6 441)	-	- -	8 263 (6 441)	7 807 (4 929)	-	-	7 807 (4 929)
expenses paid		-	-	(3 375)	(3 375)	-	_	(3 178)	(3 178)
Total cash flows	Н	1 822	-	(3 375)	(1 553)	2 878	_	(3 178)	(300)
Effect of movements in exchange rates	I	(1 384)	289	111	(984)	810	(204)	(67)	539
Net balance at the end of the year	= A + G + H + I	(28 020)	5 614	2 226	(20 180)	(22 202)	5 140	1 793	(15 269)
Closing assets arising from insurance contracts issued		(28 020)	5 614	2 226	(20 180)	(22 202)	5 140	1 793	(15 269)
Net balance at the end of the year		(28 020)	5 614	2 226	(20 180)	(22 202)	5 140	1 793	(15 269)

for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** *continued*

RECONCILIATION OF INSURANCE CONTRACTS - GMM

2.5.1 SA Life (Risk)

			2025				2024		
Group			RA for	CSM			RA for	CSM	
R million		Estimates of	non- financial	Other		Estimates of	non-financial	Other	
(Assets)/Liabilities	Navigation	PVFCF	Risk	contracts	Total	PVFCF	Risk	contracts	Total
Opening assets arising from insurance									
contracts issued		(54 499)	7 811	28 842	(17 846)	(52 454)	6 960	30 838	(14 656)
Net balance at beginning of the	Δ.	(54.400)	7 811	28 842	(47.046)	(52.454)	6 960	30 838	(14.050)
year	A	(54 499)	/ 011	20 042	(17 846)	(52 454)	0 900	30 030	(14 656)
Changes in the income statement and OCI									
Changes that relate to current services									
CSM recognised for services provided		-	-	(1 862)	(1 862)	-	_	(1 800)	(1 800)
Change in Risk Adjustment for non-									
financial risk that relates to expired risk		_	(642)	_	(642)	_	(593)	_	(593)
Experience adjustments		(724)	(042)	_	(724)	656	(333)	_	656
Changes that relate to future services		,			,				
Contracts initially recognised in the									
period		(1 647)	395	1 286	34	(1 888)	402	1 522	36
Changes in estimates that adjust CSM		4 046	(362)	(3 684)	-	4 024	369	(4 393)	-
Changes in estimates that result in									
onerous contract losses or reversal of losses		202	(14)	_	188	(337)	(9)	(6)	(352)
Servicing expenses and commission			(1-1)		100	(557)	(3)	(0)	(332)
for onerous									
contracts		13	-	-	13	26	-	-	26
Changes that relate to past services									
Adjustment to liability for incurred			_		_				
claims			6	-	6	-	37	_	37
Insurance service result	В	1 890	(617)	(4 260)	(2 987)	2 481	206	(4 677)	(1 990)
Net finance expenses from insurance	С	(8 647)	1 163	2 713	(4 771)	(6 366)	645	2 681	(3 040)
contracts	C	(8 047)	1 103	2/13	(4 / / 1)	(0 300)	043	2 00 1	(3 040)
Net changes to income statement and OCI	D = B + C	(6 757)	546	(1 547)	(7 758)	(3 885)	851	(1 996)	(5 030)
Cash flows	Е	2 602	-	-	2 602	1 840	-	-	1 840
Net balance at the end of the year	G = A + D + E	(58 654)	8 357	27 295	(23 002)	(54 499)	7 811	28 842	(17 846)
Closing assets arising from insurance									
contracts issued		(58 654)	8 357	27 295	(23 002)	(54 499)	7 811	28 842	(17 846)
Net balance at the end of the year		(58 654)	8 357	27 295	(23 002)	(54 499)	7 811	28 842	(17 846)

for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** continued

RECONCILIATION OF INSURANCE CONTRACTS – GMM continued

2.5.2 SA Invest (Risk)

	2025			2024					
Group			RA for	CSM			RA for	CSM	
R million (Assets)/Liabilities	Navigation	Estimates of PVFCF	non- financial Risk	Other contracts	Total	Estimates of PVFCF	non-financial Risk	Other contracts	Total
Opening liabilities arising from insurance contracts issued		23 489	135	941	24 565	21 521	86	814	22 421
Net balance at beginning of the year	А	23 489	135	941	24 565	21 521	86	814	22 421
Changes in the income statement and OCI									
Changes that relate to current services									
CSM recognised for services provided Change in Risk Adjustment for non- financial risk that		-	-	(395)	(395)	-	-	(295)	(295)
relates to expired risk		-	(38)	-	(38)	-	(23)	-	(23)
Experience adjustments		32	-	-	32	7	-	-	7
Changes that relate to future services Contracts initially recognised in the period		(266)	25	245	4	(369)	27	365	23
Changes in estimates that adjust CSM Changes in estimates that result in		49	17	(66)	-	15	11	(26)	-
onerous contract losses or reversal of losses Servicing expenses and commission		(5)	23	-	18	22	10	-	32
for onerous contracts		-	-	-	-	-	-	-	-
Changes that relate to past services Adjustment to liability for incurred claims									
Insurance service result	В	(190)	27	(216)	(379)	(325)	25	44	(256)
Net finance expenses from insurance	D	(190)	21	(216)	(379)	(323)	25	44	(250)
contracts	С	2 805	28	95	2 928	2 234	24	83	2 341
Net changes to income statement and OCI	D = B + C	2 615	55	(121)	2 549	1 909	49	127	2 085
Cash flows	Е	(3 534)	-	-	(3 534)	59	-	-	59
Net balance at the end of the year	G = A + D + E	22 570	190	820	23 580	23 489	135	941	24 565
Closing liabilities arising from insurance contracts issued		22 570	190	820	23 580	23 489	135	941	24 565
Net balance at the end of the year		22 570	190	820	23 580	23 489	135	941	24 565

for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** continued

RECONCILIATION OF INSURANCE CONTRACTS – GMM continued

2.5.3 UK Life (Risk)

			2025				2024			
Group			RA for non-	CSM			RA for non-	CSM		
R million		Estimates of	financial	Other		Estimates of	financial	Other		
(Assets)/Liabilities	Navigation	PVFCF	Risk	contracts	Total	PVFCF	Risk	contracts	Total	
Opening assets arising from insurance										
contracts issued		(30 819)	2 239	13 311	(15 269)	(27 886)	2 020	13 807	(12 059)	
Net balance at beginning of the										
year	A	(30 819)	2 239	13 311	(15 269)	(27 886)	2 020	13 807	(12 059)	
Changes in the income statement and OCI										
Changes that relate to current services										
CSM recognised for services provided Change in Risk Adjustment for non-		-	-	(1 332)	(1 332)	-	-	(1 242)	(1 242)	
financial risk that										
relates to expired risk		-	(246)	-	(246)	-	(209)	-	(209)	
Experience adjustments		362	-	-	362	224	-	-	224	
Changes that relate to future services										
Contracts initially recognised in										
the period		(2 192)	471	2 128	407	(1 573)	368	1 482	277	
Changes in estimates that adjust CSM		(164)	(2)	166	-	447	(3)	(444)	-	
Changes in estimates that result in										
onerous contract losses or reversal of losses		345	9	_	354	224	39	_	263	
Insurance service result										
	В	(1 649)	232	962	(455)	(678)	195	(204)	(687)	
Net finance expenses from insurance	-	(0.470)	(20)		(4.040)	(2.400)	407	222	(2.762)	
contracts	С	(2 178)	(39)	298	(1 919)	(3 108)	107	239	(2 762)	
Net changes to income statement	D D . C	(2.007)	400	4.000	(0.074)	(2.705)	202	25	(2.440)	
and OCI	D = B + C	(3 827)	193	1 260	(2 374)	(3 786)	302	35	(3 449)	
Cash flows	E	(1 553)	-	-	(1 553)	(300)	-	-	(300)	
Effect of movements in exchange rates	F	(1 892)	130	778	(984)	1 153	(83)	(531)	539	
Net balance at the end of the year	G = A + D + E + F	(38 091)	2 562	15 349	(20 180)	(30 819)	2 239	13 311	(15 269)	
Closing assets arising from insurance										
contracts issued		(38 091)	2 562	15 349	(20 180)	(30 819)	2 239	13 311	(15 269)	
Net balance at the end of the year		(38 091)	2 562	15 349	(20 180)	(30.819)	2 239	13 311	(15 269)	

for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** continued

87 999

151

RECONCILIATION OF INSURANCE CONTRACTS - VFA

2.6.1 SA Invest (Participating)

ANALYSIS BY REMAINING COVERAGE AND INCURRED CLAIMS

			202	5		2024					
		Liabilities for Remaining Coverage (LRC)				Liabilities for					
				Liabilities for		Coverage	(LRC)	Liabilities for			
Group		Excluding		Incurred				Incurred			
R million		loss	Loss	Claims		Excluding	Loss	Claims			
(Assets)/Liabilities	Navigation	component	component	(LIC)	Total	loss component	component	(LIC)	Total		
Opening liabilities arising from											
insurance contracts issued		73 598	123	-	73 721	66 236	72	-	66 308		
Net balance at beginning of the											
year	A	73 598	123	-	73 721	66 236	72		66 308		
Changes in the income statement and OCI											
Insurance revenue transitional split											
Contracts under the modified		(2.600)			(2.600)	(3 157)			(3 157)		
retrospective approach		(2 690)	-	-	(2 690)		-	-	(3 157)		
Other contracts	_	(667)		-	(667)	(172)		_			
	В	(3 357)		-	(3 357)	(3 329)			(3 329)		
Insurance service expenses											
Incurred claims and other insurance											
service expenses		-	-	1 056	1 056	-	-	999	999		
Experience adjustments adjusting CSM		(16)	(2)	-	(18)	86	46	-	132		
Amortised assets for insurance											
acquisition cash flows		781	-	-	781	758	-	-	758		
Losses and reversal of losses on											
onerous contracts		-	30	-	30	-	5		5		
	С	765	28	1 056	1 849	844	51	999	1 894		
Investment components	D	(12 062)	-	12 062	-	(11 577)	-	11 577	-		
Insurance service result	E = B + C + D	(14 654)	28	13 118	(1 508)	(14 062)	51	12 576	(1 435)		
Net finance expenses from insurance											
contracts	F	13 024	-	-	13 024	7 810	_	-	7 810		
Net changes to income statement											
and OCI	G = E + F	(1 630)	28	13 118	11 516	(6 252)	51	12 576	6 375		
Cash Flows											
Premiums received		16 829	-	-	16 829	14 294	-	-	14 294		
Insurance acquisition cash flows		(798)	-	-	(798)	(680)	-	-	(680)		
Claims and other directly attributable											
expenses paid		-	-	(13 118)	(13 118)	-		(12 576)	(12 576)		
Total cash flows	Н	16 031	-	(13 118)	2 913	13 614	-	(12 576)	1 038		
Net balance at the end of the year	J = A + G + H	87 999	151	-	88 150	73 598	123	_	73 721		
Closing liabilities arising from											
insurance contracts issued		87 999	151	-	88 150	73 598	123	-	73 721		

88 150

73 598

123

73 721

Net balance at the end of the year

for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** continued

RECONCILIATION OF INSURANCE CONTRACTS - VFA

2.7.1 SA Invest (Participating)

				2025					2024											
				CSM	И		-			CSM										
Group R million (Assets)/Liabilities	Navigation	Navigation	Navigation	Navigation	Navigation	Navigation	Navigation	Navigation	Navigation	Estimates of PVFCF	RA for non- financial Risk	Transition: Modified retro- spective	Other contracts	Total		Estimates of PVFCF	RA for non- financial Risk	Transition: Modified retro- spective	Other contracts	Total
Opening liabilities arising from insurance contracts issued		66 642	773	5 275	1 031	73 721		59 328	912	5 430	638	66 308								
Net balance at beginning of the year	А	66 642	773	5 275	1 031	73 721		59 328	912	5 430	638	66 308								
Changes in the income statement and OCI																				
Changes that relate to current services CSM recognised for services provided Change in Risk Adjustment for		-	-	(1 058)	(266)	(1 324)		-	-	(1 080)	(142)	(1 222)								
non-financial risk that relates to expired risk Experience adjustments		- (96)	(186)	- 56	- (22)	(186) (62)		- (93)	(212)	- 63	- 1	(212) (29)								
Changes that relate to future services Contracts initially recognised in																				
the period Changes in estimates that adjust CSM Changes in estimates that result in onerous contract losses or reversal		(764) (357)	89 99	202	732 56	57 -		(510) 289	70 (83)	(122)	490 (84)	50 -								
of losses		6	1	-	-	7		(23)	1	_	-	(22)								
Insurance service result	В	(1 211)	3	(800)	500	(1 508)		(337)	(224)	(1 139)	265	(1 435)								
Net finance expenses from insurance contracts	С	11 855	67	902	200	13 024		6 613	85	984	128	7 810								
Net changes to income statement and OCI	D = B + C	10 644	70	102	700	11 516		6 276	(139)	(155)	393	6 375								
Cash flows	E	2 913	-	-	-	2 913		1 038	_	_	_	1 038								
Net balance at the end of the year	G = A + D + E	80 199	843	5 377	1 731	88 150		66 642	773	5 275	1 031	73 721								
Closing liabilities arising from insurance contracts issued		80 199	843	5 377	1 731	88 150		66 642	773	5 275	1 031	73 721								
Net balance at the end of the year		80 199	843	5 377	1 731	88 150		66 642	773	5 275	1 031	73 721								

for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** continued

RECONCILIATION OF INSURANCE CONTRACTS - PAA

2.8.1 SA Life: Group risk and other

			2025			2024				
		Liabilities for Incurred Claims					Liabilities for Incurred Claims			
Group R million (Assets)/Liabilities	Navigation	Liabilities for Remaining Coverage	Estimates of PVFCF	RA for non- financial risk	Total	Liabilities for Remaining Coverage	Estimates of	RA for non- financial risk	Total	
Opening liabilities arising from insurance contracts issued		(142)	5 932	98	5 888	(162	5 167	104	5 109	
Net balance at beginning of the year	А	(142)	5 932	98	5 888	(162	5 167	104	5 109	
Insurance revenue	В	(3 738)	-	-	(3 738)	(3 517			(3 517)	
Insurance service expenses Incurred claims and other insurance service expenses		_	2 914	(11)	2 903	_	3 028	(32)	2 996	
Gross claims and insurance service expenses Salvages			2 914 -	(11)	2 903 -	-	3 028	(32)	2 996	
Amortisation of assets for insurance acquisition cash flows Adjustment to liability for incurred claims		180	-	-	180	169	-	- 19	169	
ciaiiis	С	180	2 914	(11)	3 083	169		(13)	3 184	
Insurance service result	D = B + C	(3 558)	2 914	(11)	(655)	(3 348		(13)	(333)	
Net finance expenses from insurance contracts issued	E	-	401	21	422	-	329	7	336	
Net changes to statement of profit or loss and OCI	F = D +E	(3 558)	3 315	10	(233)	(3 348	3 357	(6)	3	
Cash flows Premiums received Insurance acquisition cash flows Claims and other directly attributable		3 768 (179)	- -	<u>-</u>	3 768 (179)	3 537 (169		- -	3 537 (169)	
expenses paid			(2 830)	-	(2 830)	_	(2 592)	-	(2 592)	
Gross claims and insurance service expenses paid Salvages			(2 830) -	- -	(2 830) -	- -	(2 592)	-	(2 592)	
Total cash flows	G	3 589	(2 830)	-	759	3 368	(2 592)	-	776	
Net balance at the end of year	K = A + F + G	(111)	6 417	108	6 414	(142	5 932	98	5 888	
Closing liabilities arising from insurance contracts issued		(111)	6 417	108	6 414	(142	5 932	98	5 888	
Net balance at the end of year		(111)	6 417	108	6 414	(142	5 932	98	5 888	





for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** continued

RECONCILIATION OF INSURANCE CONTRACTS – PAA continued

2.8.2 SA Insure and other

		2025				2024				
			Liabilities for Incurred Claims				Liabilities for Incu	ırred Claims		
Group R million (Assets)/Liabilities	Navigation	Liabilities for Remaining Coverage	Estimates of PVFCF	RA for non- financial risk	Total	Liabilities for Remaining Coverage	Estimates of PVFCF	RA for non- financial risk	Total	
Opening liabilities arising from nsurance contracts issued		19	863	14	896	52	758	12	822	
Net balance at beginning of the year	А	19	863	14	896	52	758	12	822	
nsurance revenue	В	(6 822)	_	_	(6 822)	(6 861)	_	_	(6 861	
Insurance service expenses ncurred claims and other insurance service expenses			4 976	9	4 985	_	5 445	5	5 450	
Gross claims and insurance service expenses Salvages			5 407 (431)	9 -	5 416 (431)	- - -	5 904 (459)	5 -	5 909 (459	
Amortisation of assets for insurance acquisition cash flows ¹ Adjustment to liability for incurred		986	-	-	986	1 053	-	-	1 053	
claims	-	-	(11)	(8)	(19)	1.052	61	7	63	
	C	986	4 965	1	5 952	1 053	5 506		6 566	
nsurance service result Net finance expenses from insurance contracts issues	D = B + C	(5 836)	4 965 19	1	(870)	(5 808)	5 506	7	(295	
Net changes to statement of profit or loss and OCI	F = D+E	(5 836)	4 984	2	(850)	(5 808)	5 506	7	(295	
Cash flows Premiums received Insurance acquisition cash flows Claims and other directly attributable expenses paid		6 893 (986)	- (17) (5 205)		6 893 (1 003) (5 205)	6 827 (1 053)	- (21) (5 378)	- - (5)	6 827 (1 074	
Gross claims and insurance service expenses paid Salvages			(5 670) 465	- -	(5 670) 465	- -	(5 825) 447	(5) -	(5 830 447	
Total cash flows	G	5 907	(5 222)	_	685	5 774	(5 399)	(5)	370	
Effect of movements in exchange rates	Н	2	1	-	3	1	(2)	-	(1	
Net balance at the end of year	K=A+F+G+H	92	626	16	734	19	863	14	896	
Closing liabilities arising from insurance contracts issued		92	626	16	734	19	863	14	896	
Net halance at the end of year		02	626	16	72/	10	863	1/	90	

for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** continued

RECONCILIATION OF INSURANCE CONTRACTS – PAA continued

UK Health

			2025				2024		
			Liabilities for Inc	urred Claims			Liabilities for Incu	irred Claims	
Group R million (Assets)/Liabilities	Navigation	Liabilities for Remaining Coverage	Estimates of PVFCF	RA for non- financial risk	Total	Liabilities for Remaining Coverage	Estimates of PVFCF	RA for non- financial risk	Total
Opening assets arising from insurance contracts issued		(426)	1 080	29	683	(372)	1 350	57	1 035
Net balance at beginning of the year	А	(426)	1 080	29	683	(372)	1 350	57	1 035
Insurance revenue	В	(19 124)	-	-	(19 124)	(16 474)	-	-	(16 474)
Insurance service expenses Incurred claims and other insurance service expenses		_	15 280	1	15 281	-	13 713	(26)	13 687
Gross claims and insurance service expenses Salvages			15 280 -	1 -	15 281 -	- -	13 713 -	(26)	13 687
Amortisation of assets for insurance acquisition cash flows Losses and reversal of losses on onerous contracts		2 011	-	-	2 011	1 767	-	-	1 767
Offerous Contracts	C	2 011	15 280		17 292	1 767	13 713	(26)	15 454
Insurance service result	D = B + C	(17 113)	15 280	<u> </u>	(1 832)	(14 707)	13 713	(26)	(1 020)
Net changes to statement of profit or loss and OCI	F = D	(17 113)	15 280	1	(1 832)	(14 707)	13 713	(26)	(1 020)
Cash flows Premiums received Insurance acquisition cash flows Claims and other directly attributable expenses paid		19 306 (906)	- - (15 175)	-	19 306 (906) (15 175)	16 502 (755)	- - (13 936)		16 502 (755) (13 936)
Gross claims and insurance service expenses paid Salvages			(15 175)	- -	(15 175)	- -	(13 936)	- -	(13 936)
Total cash flows	G	18 400	(15 175)	-	3 225	15 747	(13 936)	-	1 811
Allocation from assets for insurance acquisition cash flows to group of insurance contracts	Н	(1 235)	-	-	(1 235)	(1 111)	-	-	(1 111)
Effect of movements in exchange rates	I	(22)	62	3	43	17	(47)	(2)	(32)
Net balance at the end of year	K = A + F + G + H + I	(396)	1 247	33	884	(426)	1 080	29	683
Closing assets arising from insurance contracts issued		(396)	1 247	33	884	(426)	1 080	29	683
Net balance at the end of year		(396)	1 247	33	884	(426)	1 080	29	683

for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** continued

RECONCILIATION OF REINSURANCE CONTRACTS - GMM

2.9.1 SA Life (Risk)

			2025					2024	1	
		Assets for F Coverag				_	Assets for R Coverage			
Group R million (Assets)/Liabilities	Navigation	Excluding loss recovery component	Loss recovery component	Assets for Incurred Claims (AIC)	Total		Excluding loss recovery component	Loss recovery component	Assets for Incurred Claims (AIC)	Total
Opening liabilities arising from reinsurance contracts held		2 649	(168)	(2 355)	126		3 027	(202)	(2 258)	567
Net balance at beginning of the year	А	2 649	(168)	(2 355)	126		3 027	(202)	(2 258)	567
Changes in the income statement and OCI Allocation of reinsurance premiums paid		3 549	_	_	3 549		3 387	_	-	3 387
Amounts recoverable from reinsurers Recoveries of incurred claims and other insurance service expenses		-	-	(2 526)	(2 526)		-	-	(3 002)	(3 002)
Recoveries and reversals of recoveries of losses on onerous underlying contracts Adjustments to assets for		-	(7)	-	(7)		-	39	-	39
incurred claims		-	-	(1)	(1)		-		(10)	(10)
	В	3 549	(7)	(2 527)	1 015		3 387	39	(3 012)	414
Net expenses from reinsurance contracts	C = B	3 549	(7)	(2 527)	1 015		3 387	39	(3 012)	414
Net finance expenses from reinsurance contracts	D	531	1	(123)	409		177	(5)	(106)	66
Net changes to income statement and OCI	E = B + D	4 080	(6)	(2 650)	1 424		3 564	34	(3 118)	480
Cash Flows Premiums paid Claims recovered		(3 970)	-	- 2 790	(3 970) 2 790		(3 942)		- 3 021	(3 942) 3 021
Total cash flows	F	(3 970)	-	2 790	(1 180)		(3 942)	-	3 021	(921)
Net balance at the end of the year	G = A +E + F	2 759	(174)	(2 215)	370		2 649	(168)	(2 355)	126
Closing liabilities arising from reinsurance contracts held		2 759	(174)	(2 215)	370		2 649	(168)	(2 355)	126
Net balance at the end of the year		2 759	(174)	(2 215)	370		2 649	(168)	(2 355)	126



for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** continued

RECONCILIATION OF REINSURANCE CONTRACTS – GMM continued

2.9.2 UK Life (Risk)

			202	5		2024					
		Assets for F Coverag					or Remaining rage (ARC)				
Group R million (Assets)/Liabilities	Navigation	Excluding loss recovery component	Loss recovery component	Assets for Incurred Claims (AIC)	Total	Excluding los recover componer	y Loss recovery	Assets for Incurred Claims (AIC)	Total		
Opening liabilities arising from reinsurance contracts held		9 280	(2 189)	(1 821)	5 270	7 86	2 (2 348)) (1 262)	4 252		
Net balance at beginning of the year	А	9 280	(2 189)	(1 821)	5 270	7 86	2 (2 348)) (1 262)	4 252		
Changes in the income statement and OCI Allocation of reinsurance premiums paid		8 839	-	-	8 839	5 73	8 -	-	5 738		
Amounts recoverable from reinsurers Recoveries of incurred claims and other insurance service expenses Recoveries and reversals of recoveries of losses on onerous underlying		-	-	(8 474)	(8 474)			(5 349)	(5 349)		
contracts Adjustments to assets for incurred claims		-	(200)	-	(200)		- 18 		18		
	В	8 839	(200)	(8 474)	165	5 73	8 18	(5 349)	407		
Net expenses from reinsurance contracts	C = B	8 839	(200)	(8 474)	165	5 73	8 18	(5 349)	407		
Net finance expenses from reinsurance contracts	D	408	44	_	452	56	4 52	-	616		
Net changes to income statement and OCI	E = B + D	9 247	(156)	(8 474)	617	6 30	2 70	(5 349)	1 023		
Cash Flows Premiums paid Claims recovered		(5 102) -	-	- 7 562	(5 102) 7 562	(4 54	7)	. ===	(4 547) 4 730		
Total cash flows	F	(5 102)	-	7 562	2 460	(4 54	7) –	4 730	183		
Effect of movements in exchange rates	G	664	(128)	(132)	404	(33	7) 89	60	(188)		
Net balance at the end of the year	H= A +E +F + G	14 089	(2 473)	(2 865)	8 751	9 28	0 (2 189)) (1 821)	5 270		
Closing liabilities arising from reinsurance contracts held		14 089	(2 473)	(2 865)	8 751	9 28	0 (2 189)) (1 821)	5 270		
Net balance at the end of the year		14 089	(2 473)	(2 865)	8 751	9 28	0 (2 189)) (1 821)	5 270		

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Directors' report

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Group Compa cial Financi Statem

Annexures

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT OF INSURANCE RISK continued

2.10 RECONCILIATION OF REINSURANCE CONTRACTS – GMM

2.10.1 SA Life (Risk)

ANALYSIS BY MEASUREMENT COMPONENT

				2025					2024		
				CSN	Л				CSM		
Group R million (Assets)/Liabilities	Navigation	Estimates of PVFCF	RA for non- financial Risk	Transition: Modified retro- spective	Other contracts	Total	Estimates of PVFCF	RA for non- financial Risk	Transition: Modified retro- spective	Other contracts	Total
Opening liabilities arising from reinsurance contracts held		5 899	(703)	(100)	(4 970)	126	6 094	(698)	(80)	(4 749)	567
Net balance at beginning of the year	А	5 899	(703)	(100)	(4 970)	126	6 094	(698)	(80)	(4 749)	567
Changes in the income statement and OCI											
Changes that relate to current services CSM recognised for services provided		_		6	319	325		_	6	338	344
Change in Risk Adjustment for non-financial risk that relates		_	_	Ü	319				O	336	
to expired risk Experience adjustments		624	73 -	-	-	73 624	(12)	71 -	-	-	71 (12)
Changes that relate to future services Contracts initially recognised in						-	(,				-
the period Changes in estimates that adjust CSM Changes in estimates that relate to losses and reversal of losses on		187 (897)	(21) 76	3	(172) 839	(6) 21	202 16	(22)	(16)	(186) 40	(6) 40
underlying contracts		(19)	(2)	-	-	(21)	(17)	4	-	-	(13)
Changes that relate to past services Adjustment to assets for incurred claims		_	(1)	_	_	(1)	_	(10)	_	_	(10)
Net expenses from reinsurance contracts held	В	(105)	125	9	986	1 015	189	43	(10)	192	414
Net finance income from reinsurance contracts	С	1 035	(93)	(13)	(520)	409	537	(48)	(10)	(413)	66
Net changes to income statement and OCI	D = B + C	930	32	(4)	466	1 424	726	(5)	(20)	(221)	480
Cash flows Effect of movements in exchange rates	E F	(1 180) -	-	-	-	(1 180) -	(921)	-	-	-	(921) -
Net balance at the end of the year	G = A + D + E + F	5 649	(671)	(104)	(4 504)	370	5 899	(703)	(100)	(4 970)	126
Closing liabilities arising from reinsurance contracts held		5 649	(671)	(104)	(4 504)	370	5 899	(703)	(100)	(4 970)	126
Net balance at the end of the year		5 649	(671)	(104)	(4 504)	370	5 899	(703)	(100)	(4 970)	126

for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** continued

2.10. RECONCILIATION OF REINSURANCE CONTRACTS – GMM *continued*

2.10.2 UK Life (Risk)

ANALYSIS BY MEASUREMENT COMPONENT

			2025				2024		
				CSM				CSM	
Group R million (Assets)/Liabilities	Navigation	Estimates of PVFCF	RA for non- financial Risk	Other contracts	Total	Estimates of PVFCF	RA for non-financial Risk	Other contracts	Total
Opening liabilities arising from reinsurance contracts held		11 460	(471)	(5 719)	5 270	9 701	(429)	(5 020)	4 252
Net balance at beginning of the year	А	11 460	(471)	(5 719)	5 270	9 701	(429)	(5 020)	4 252
Changes in the income statement and OCI									
Changes that relate to current services CSM recognised for services provided Change in Risk Adjustment for		-	-	636	636	-	-	495	495
non-financial risk that relates to expired risk Experience adjustments		- (130)	25 -	- -	25 (130)	- 22	24	- -	24 22
Changes that relate to future services Contracts initially recognised in the period Changes in estimates that adjust CSM Changes in estimates that relate to losses and reversal of losses on		1 574 333	(76) (2)	(1 782) (331)	(284)	1 193 (30)	(65) (2)	(1 318) 33	(190) 1
underlying contracts Net expenses from reinsurance		(81)	(4)	<u>-</u>	(85)	63	(8)		55
Net finance income from reinsurance contracts	С	1 696 598	(57)	(1 477)	162 452		(51)	(790)	616
Net changes to income statement and OCI	D = B + C	2 294	(23)	(1 657)	614	1 991	(59)	(909)	1 023
Cash flows Effect of movements in exchange rates	E F	2 460 809	- (27)	- (375)	2 460 407	183 (415)	- 17	- 210	183 (188)
Net balance at the end of the year	G = A + D + E + F	17 023	(521)	(7 751)	8 751	- 11 460	(471)	(5 719)	5 270
Closing liabilities arising from reinsurance contracts held		17 023	(521)	(7 751)	8 751	11 460	(471)	(5 719)	5 270
Net balance at the end of the year		17 023	(521)	(7 751)	8 751	11 460	(471)	(5 719)	5 270

for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** continued

2.11 RECONCILIATION OF REINSURANCE CONTRACTS - PAA

2.11.1 SA Life: Group Life and other

			202	5			202	4	
			Asset for Incu	rred Claims			Asset for Incui	rred Claims	
Group R million (Assets)/Liabilities	Navigation	Asset for Remaining Coverage	Estimates of PVFCF	RA for non-financial risk	Total	Asset for Remaining Coverage	Estimates of PVFCF	RA for non-financial risk	Total
Opening assets arising from reinsurance contracts held		159	(830)	(14)	(685)	398	(910)	(17)	(529)
Net balance at beginning of the year	А	159	(830)	(14)	(685)	398	(910)	(17)	(529)
Changes in the statement of profit or loss and OCI Reinsurance premiums expense Claims recovered from reinsurer Net finance income from reinsurance contracts held		290 - -	- (286) (53)	- 3 (3)	290 (283) (56)	305 - -	- (265) (48)	- 4 (1)	305 (261) (49)
Net changes to statement of profit or loss and OCI	В	290	(339)	-	(49)	305	(313)	3	(5)
Cash Flows Premiums paid net of commissions Reinsurance recoveries Total cash flows	С	(388)	- 257 257	- - -	(388) 257 (131)	(544) - (544)	- 393 393	- - -	(544) 393 (151)
Net balance at end of the year	D = A + B + C	61	(912)	(14)	(865)	159	(830)	(14)	(685)
Closing assets arising from reinsurance contracts held		61	(912)	(14)	(865)	159	(830)	(14)	(685)
Net balance at end of the year		61	(912)	(14)	(865)	159	(830)	(14)	(685)





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SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** continued

2.11 RECONCILIATION OF REINSURANCE CONTRACTS – PAA continued

2.11.2 SA Insure and other

			2025				2024		
			Asset for Incurr	ed Claims			Asset for Incurr	ed Claims	
Group R million (Assets)/Liabilities	Navigation	Asset for Remaining Coverage	Estimates of PVFCF	RA for non- financial risk	Total	Asset for Remaining Coverage	Estimates of PVFCF	RA for non- financial risk	Total
Opening assets arising from reinsurance contracts held		916	(1 053)	(2)	(139)	776	(845)	(2)	(71)
Net balance at beginning of the year	А	916	(1 053)	(2)	(139)	776	(845)	(2)	(71)
Changes in the statement of profit or loss and OCI Net expenses from reinsurance contracts held Reinsurance premiums expense Recoveries and reversals of recoveries of losses on onerous underlying contracts Claims recovered from reinsurer		- 162 - -	- - - (49)	- - - 2	- 162 - (47)	- 732 - -	- - - (706)	- - - -	- 732 - (706)
Net changes to statement of profit or loss and OCI	В	162	(49)	2	115	732	(706)	-	26
Cash Flows Premiums paid net of commissions Other attributable expenses Reinsurance recoveries		(1 045)	- 985	-	(1 045) - 985	(592) - -	- - 498	- - -	(592) - 498
Total cash flows	С	(1 045)	985	-	(60)	(592)	498	-	(94)
Net balance at end of the year	D = A +B + C	33	(117)	-	(84)	916	(1 053)	(2)	(139)
Closing assets arising from reinsurance contracts held		33	(117)	-	(84)	916	(1 053)	(2)	(139)
Net balance at end of the year		33	(117)	-	(84)	916	(1 053)	(2)	(139)

for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** continued

2.11 RECONCILIATION OF REINSURANCE CONTRACTS – PAA continued

2.11.3 UK Health

			2025			2024
			Asset for Incur	red Claims		Asset for Incurred Claims
Group R million (Assets)/Liabilities	Navigation	Asset for Remaining Coverage	Estimates of PVFCF	RA for non- financial risk	Total	Asset for RA for non- Remaining Estimates of financial Coverage PVFCF risk Tot
Opening assets arising from reinsurance contracts held		(4)	(7)	(2)	(13)	8 (9) (3)
Net balance at beginning of the year	А	(4)	(7)	(2)	(13)	8 (9) (3)
Changes in the statement of profit or loss and OCI Reinsurance premiums expense Claims recovered from reinsurer		5 -	- (3)	- 1	5 (2)	(2) - 2 1
Net changes to statement of profit or loss and OCI	В	5	(3)	1	3	(2) 2 1
Cash Flows Premiums paid net of commissions Reinsurance recoveries		(4)	- 1	-	(4) 1	(10) (1
Total cash flows	С	(4)	1	-	(3)	(10) (1
Net balance at end of the year	D = A +B + C	(3)	(9)	(1)	(13)	(4) (7) (2) (1
Closing assets arising from reinsurance contracts held		(3)	(9)	(1)	(13)	(4) (7) (2) (1
Net balance at end of the year		(3)	(9)	(1)	(13)	(4) (7) (2) (1

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SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT OF INSURANCE RISK continued

2.12 INSURANCE REVENUE

The following tables present an analysis of the insurance revenue recognised in the period.

Group R million Income/(expense)	SA Life Risk (GMM)	SA Invest Risk (GMM)	SA Invest Participating (VFA)	SA Life: Group life and other (PAA)	SA Insure and other (PAA)	UK Life Risk (GMM)1	UK Health (PAA)	Total
Year ended 30 June 2025 Contracts not measured under the PAA								
Amounts relating to changes in liabilities for remaining coverage	13 257	975	2 574	-	-	5 014	-	21 820
- CSM recognised for services provided	1 862	395	1 324	-	-	1 332	-	4 913
- Change in risk adjustment for non-financial risk for risk expired	640	36	167	-	-	239	-	1 082
 Expected incurred claims and other insurance service expenses Experience adjustments 	10 712 43	502 42	986 97	_	-	3 565 (122)	-	15 765 60
	2 162	228	783			3 036		6 209
Recovery of insurance acquisition cash flows Contracts not measured under the PAA	15 419	1 203	3 357	-	-	8 050	-	
					-		-	28 029
Contracts measured under the PAA	-	-	-	3 738	6 822	-	19 124	29 684
Total insurance revenue	15 419	1 203	3 357	3 738	6 822	8 050	19 124	57 713
Year ended 30 June 2024 Contracts not measured under the PAA								
Amounts relating to changes in liabilities for remaining coverage	12 176	727	2 572	-	_	4 294	-	19 769
- CSM recognised for services provided	1 800	295	1 222	-	_	1 241	_	4 558
- Change in risk adjustment for non-financial risk for risk expired	589	22	201	-	-	201	-	1 013
 Expected incurred claims and other insurance service expenses 	9 880	370	1 074	-	-	3 146	-	14 470
- Experience adjustments	(93)	40	75	_	-	(294)	-	(272)
Recovery of insurance acquisition cash flows	1 838	304	757	-	-	2 610	-	5 509
Contracts not measured under the PAA	14 014	1 031	3 329	-	-	6 904	-	25 278
Contracts measured under the PAA	-	-	-	3 517	6 861	-	16 474	26 852
Total insurance revenue	14 014	1 031	3 329	3 517	6 861	6 904	16 474	52 130

for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT OF INSURANCE RISK continued

2.13 NET INVESTMENT RESULT

The following table analyses the Group's net investment result in profit or loss and OCI.

Group			SA Invest	SA Life: Group Life	SA Insure and other				
R million	SA Life Risk	SA Invest P	articipating	and other	immaterial	UK Life Risk	UK Health	Other	
Income/(expense)	(GMM)	Risk (GMM)	(VFA)	(PAA)	(PAA)	(GMM)	(PAA)	businesses	Total
Year ended 30 June 2025									
Investment return									
Interest revenue from financial assets not measured at FVTPL	3	-	-	-	5	76	154	760	998
Net gains on FVTPL investments	29	2 986	13 130	503	-	-	70	9 100	25 818
Total investment return	32	2 986	13 130	503	5	76	224	9 860	26 816
Movement in investment contract liabilities Movement in third party interests in consolidated funds								(3 810) (4 394)	(3 810) (4 394)
Finance income/(expenses) from insurance contracts									
Amounts recognised in profit or loss	3 087	(2 928)	(13 024)	(496)	(20)	716	-	-	(12 665)
- Changes in fair value of underlying items of direct participation contracts	_	-	(13 024)	-	-	-	-	-	(13 024)
 Interest accreted to the CSM 	(3 475)	(95)	(1 101)	-	-	(258)	-	-	(4 929)
 Interest on FCF and other finance (income)/expenses 	6 562	(1 838)	1 101	(496)	(20)	974	-	-	6 283
- Effect of changes in interest rates and other financial assumptions	-	(995)	-	-	-	-	-	-	(995)
- Effect of movements in exchange rates	_		_	-	_		-	_	-
Amounts recognised in OCI	1 684	-	-	74	_	1 203	_	-	2 961
- Interest accreted to the CSM	731	-	-	-	-	(40)	-	-	691
- Interest on FCF and other finance (income)/expenses	(2 465)	-	-	81	-	1 061	-	-	(1 323)
- Effect of changes in interest rates and other financial assumptions	2 309	-	-	(10)	-	125	-	-	2 424
- Effect of changing FCF at current rates when adjusting the CSM at rates on initial recognition	1 151	-	-	-	-	57	-	-	1 208
- Effect of movements in exchange rates	(42)	-		3		-	<u>-</u>	-	(39)
Net finance expenses from insurance contracts	4 771	(2 928)	(13 024)	(422)	(20)	1 919	_	-	(9 704)
Finance income/(expenses) from reinsurance contracts									
Amounts recognised in profit or loss	(188)	-	-	64	-	(299)	_	-	(423)
 Interest accreted to the CSM 	509	-	-	-	-	156	-	-	665
- Interest on FCF and other finance (income)/expenses	(697)	-	-	64	-	(455)	-	-	(1 088)
- Effect of changes in interest rates and other financial assumptions	-	-	-	-	-	-	-	-	-
- Effect of movements in exchange rates	_	-	-		-	-		-	-
Amounts recognised in OCI	(221)	-	-	(8)	-	(153)	-	-	(382)
- Interest accreted to the CSM	(44)	-	-	-	-	24	-	-	(20)
- Interest on FCF and other finance (income)/expenses	291	-	-	(8)	-	(260)	-	-	23
- Effect of changes in interest rates and other financial assumptions	(229)		-	3	-	12	-	-	(214)
- Effect of changing FCF at current rates when adjusting the CSM at rates on initial recognition	(242)	-	-	-	-	71	-	-	(171)
- Effect of movements in exchange rates	3	-	-	(3)				-	-
Net finance Income from reinsurance contracts	(409)	_	_	56	-	(452)	_	-	(805)

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SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** continued

2.13 NET INVESTMENT RESULT *continued*

The following table analyses the Group's net investment result in profit or loss and OCI.

Group R million Income/(expense)	SA Life Risk (GMM)	SA Invest Risk (GMM)	SA Invest Participating (VFA)	SA Life: Group Life and other (PAA)	SA Insure and other immaterial (PAA)	UK Life Risk (GMM)	UK Health (PAA)	Other businesses	Total
Year ended 30 June 2024									
Investment return	22				22.4	50	160	206	0.60
Interest revenue from financial assets not measured at FVTPL	22 (113)	2 356	7 843	506	234	58	160 60	386 5 592	860 16 245
Net gains on FVTPL investments					<u>'</u>				
Total investment return	(91)	2 356	7 843	506	235	58	220	5 978	17 105
Movement in investment contract liabilities Movement in third party interests in consolidated funds								(2 142) (2 873)	(2 142) (2 873)
Finance income/(expenses) from insurance contracts									
Amounts recognised in profit or loss	3 278	(2 341)	(7 810)	(458)	_	379	_	_	(6 952)
- Changes in fair value of underlying items of direct participation contracts	_	_	(7 789)	_	-	_	_	-	(7 789)
- Interest accreted to the CSM	(3 397)	(83)	(1 112)	-	-	(208)	-	-	(4 800)
 Interest on FCF and other finance (income)/expenses 	6 675	(1 876)	1 091	(458)	-	587	-	-	6 019
- Effect of changes in interest rates and other financial assumptions	-	(382)	-	-	-	-	-	-	(382)
- Effect of movements in exchange rates	_		-	_	_	_			-
Amounts recognised in OCI	(238)	-	-	122	-	2 383	-	-	2 267
- Interest accreted to the CSM	662	-	-	-	-	(31)	-	-	631
- Interest on FCF and other finance (income)/expenses	(2 478)	-	-	77	-	1 056	-	-	(1 345)
- Effect of changes in interest rates and other financial assumptions	381	_	-	40	-	1 402	-	-	1 823
- Effect of changing FCF at current rates when adjusting the CSM at rates on initial recognition	1 242	_	-	-	_	(44)	_	_	1 198
- Effect of movements in exchange rates	(45)			5					(40)
Net finance expenses from insurance contracts	3 040	(2 341)	(7 810)	(336)	_	2 762	_	-	(4 685)
Finance income/(expenses) from reinsurance contracts									
Amounts recognised in profit or loss	(259)	-	-	64	_	(148)	_	-	(343)
- Interest accreted to the CSM	477	-	_	-	_	100	_	-	577
 Interest on FCF and other finance (income)/expenses 	(736)	-	-	64	_	(248)	-	-	(920)
 Effect of changes in interest rates and other financial assumptions 	-	-	-	-	-	-	-	-	-
- Effect of movements in exchange rates	_	-	-	-	-	-	-	-	-
Amounts recognised in OCI	193	-	-	(15)	-	(468)	-	-	(290)
- Interest accreted to the CSM	(48)	_	_	-	_	18	_	-	(30)
 Interest on FCF and other finance (income)/expenses 	206	-	-	(12)	_	(346)	-	-	(152)
- Effect of changes in interest rates and other financial assumptions	(88)	-	-	2	-	(166)	-	-	(252)
 Effect of changing FCF at current rates when adjusting the CSM at rates on initial recognition 	121	-	-	-	-	26	-	-	147
- Effect of movements in exchange rates	2	_	_	(5)	_	_	_	_	(3)
Net finance Income from reinsurance contracts	(66)	_	_	49	_	(616)	_	_	(633)

for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT OF INSURANCE RISK continued

2.14 EFFECTS OF CONTRACT INITIALLY RECOGNISED IN THE YEAR

2.14.1 Effect of insurance contracts initially recognised in the year

		Profitable con	tracts issued			Onerous cont	racts issued		
Group R million Assets/(Liabilities)	SA Life Risk (GMM)		SA Invest Participating (VFA)		SA Life Risk (GMM)		SA Invest Participating (VFA)	UK Life Risk (GMM)	Total
Year ended 30 June 2025 Insurance acquisition cash flows Claims and other insurance service expenses payable	(1 465) (2 050)	(160) (3 640)	(567) (9 543)	(4 956) (7 284)	(112) (180)	(11) (215)	(87) (840)	(1 276) (2 918)	(8 634) (26 670)
Estimates of present value of cash outflows Estimates of present value of cash inflows	(3 515) 5 176	(3 800) 4 063	(10 110) 10 913	(12 240) 14 760	(292) 278	(226) 229	(927) 888	(4 194) 3 866	(35 304) 40 173
Risk adjustment for non-financial risk CSM	(375) (1 286)	(18) (245)	. ,	(392) (2 128)	(20) -	(7)	(18) -	(79) -	(980) (4 391)
Losses recognised on initial recognition	-	-	-	-	(34)	(4)	(57)	(407)	(502)
Year ended 30 June 2024 Insurance acquisition cash flows Claims and other insurance service expenses payable	(1 290) (2 564)	(192) (4 652)	, ,	(3 766) (4 994)	(111) (268)	(16) (377)	(113) (1 834)	(1 022) (2 090)	(6 931) (22 752)
Estimates of present value of cash outflows Estimates of present value of cash inflows Risk adjustment for non-financial risk	(3 854) 5 758 (382)	(4 844) 5 226 (16)	6 940	(8 760) 10 549 (307)	(379) 363 (21)	(393) 380 (11)	(1 947) 1 911 (14)	(3 112) 2 897 (62)	(29 683) 34 024 (868)
CSM	(1 522)	(366)	(490)	(1 482)	(21)	(11)	(14)	(62)	(3 860)
Losses recognised on initial recognition	-	-	-	-	(37)	(24)	(50)	(277)	(387)

2.14.2 Effect of reinsurance contracts initially recognised in the year

Group	Group of contracts with a net cost on initial recognition ¹				
R million Assets/(Liabilities)	SA Life Risk (GMM)	UK Life Risk (GMM)	Total		
Year ended 30 June 2025					
Estimates of present value of cash outflows	(1 032)	(13 919)	(14 951)		
Estimates of present value of cash inflows	845	12 345	13 190		
Risk adjustment for non-financial Risk	21	76	97		
Income recognised on initial recognition (for offset)	(6)	(284)	(290)		
CSM	(172)	(1 782)	(1 954)		
Year ended 30 June 2024					
Estimates of present value of cash outflows	(1 134)	(9 103)	(10 237)		
Estimates of present value of cash inflows	932	7 910	8 842		
Risk adjustment for non-financial Risk	22	65	87		
Income recognised on initial recognition (for offset)	(6)	(190)	(196)		
CSM	(186)	(1 318)	(1 504)		

¹ Group of contracts with a net cost on initial recognition refers to those reinsurance contracts with a CSM on initial recognition, that will reflect as a future cost relative to the insurance contract CSM that will release as future revenue.

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SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** continued

2.15 CONTRACTUAL SERVICE MARGIN

The following table sets out when the Group expects to recognise the remaining CSM in profit or loss after the reporting date for contracts not measured under the PAA. The CSM release remains stable, aligning with the service provided to policyholders. As the expected services are delivered in a relatively linear fashion, the aggregated time bands for the CSM maturity analysis reflects a broadly linear release pattern.

Group	Year of expected release of the CSM						
R million Assets/(Liabilities)	< 1 year	1 to 2 years	3 to 5 years	6 to 10 years	10 to 20 years	>20 years	Total
Assets arising from insurance contract issued							
Year ended 30 June 2025 SA Life Risk (GMM)							
Balance at beginning of the period Accretion of interest	27 295 2 686	28 001 2 874	28 905 9 926	32 815 21 822	43 215 66 824	74 434 325 941	27 295 430 073
Recognised in income statement	(1 980)	(1 970)	(6 016)	(11 422)	(35 605)	(400 375)	(457 368)
Balance at end of the period	28 001	28 905	32 815	43 215	74 434	-	-
SA Invest Risk (GMM) Balance at beginning of the period Accretion of interest	820 76	576 58	363 84	113 90	139 245	176 278	820 831
Recognised in income statement	(320)	(271)	(334)	(64)	(208)	(454)	(1 651)
Balance at end of the period	576	363	113	139	176	-	-
SA Invest Participating (VFA) Balance at beginning of the period Accretion of interest Recognised in income statement	7 108 1 041 (1 442)	6 707 1 075 (1 459)	6 323 3 357 (4 062)	5 618 7 048 (7 029)	5 637 13 139 (14 727)	4 049 1 054 (5 103)	7 108 26 714 (33 822)
Balance at end of the period	6 707	6 323	5 618	5 637	4 049	-	-
UK Life Risk (GMM) Balance at beginning of the period Accretion of interest	15 349 330	14 265 302	13 276 782	10 738 1 014	7 381 1 190	2 911 676	15 349 4 294
Recognised in income statement	(1 414)	(1 291)	(3 320)	(4 371)	(5 660)	(3 587)	(19 643)
Balance at end of the period	14 265	13 276	10 738	7 381	2 911	-	-
Total balance at beginning of year	50 572						

Notes to the group annual financial statements continued

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SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** continued

2.15 CONTRACTUAL SERVICE MARGIN continued

Group		Year of	expected rel	ease of the C	SM			
R million		1 to 2	3 to 5	6 to 10	10 to 20			
Assets/(Liabilities)	< 1 year	years	years	years	years	>20 years	Total	
Assets arising from insurance contract issued								
Year ended 30 June 2024								
SA Life Risk (GMM)								
Balance at beginning of the								
period	28 842	29 596	30 570	34 772	46 035	81 593	28 842	
Accretion of interest	2 699	2 892	10 027	22 331	71 111	393 524	502 584	
Recognised in income statement	(1 945)	(1 918)	(5 825)	(11 068)	(35 553)	(475 117)	(531 426	
Balance at end of the period	29 596	30 570	34 772	46 035	81 593	-	_	
SA Invest Risk (GMM)								
Balance at beginning of								
the period	941	635	423	110	136	173	941	
Accretion of interest	86	61	93	89	240	244	813	
Recognised in income statement	(392)	(273)	(406)	(62)	(204)	(417)	(1 754	
Balance at end of the period	635	423	110	137	172	-	-	
SA Invest Risk (VFA) ¹								
Balance at beginning of								
the period	6 306	6 048	5 770	5 627	6 227	5 072	6 306	
Accretion of interest	1 057	1 088	3 912	8 349	16 006	1 660	32 072	
Recognised in income statement	(1 315)	(1 366)	(4 055)	(7 749)	(17 161)	(6 732)	(38 378	
Balance at end of the period	6 048	5 770	5 627	6 227	5 072	_	-	
UK Life Risk (GMM)								
Balance at beginning of								
the period	13 312	12 347	11 471	9 232	6 276	2 367	13 312	
Accretion of interest	249	227	586	749	827	411	3 049	
Recognised in income statement	(1 214)	(1 103)	(2 825)	(3 705)	(4 736)	(2 778)	(16 361	
Balance at end of the period	12 347	11 471	9 232	6 276	2 367	-	_	
Total balance at beginning								
of year	49 401							

¹ The CSM run-off note has been restated to address an issue with part of the reserve which was previously recognised entirely in Year 1. There is no impact on overall CSM values, but the timing of recognition has been updated to provide an accurate allocation of CSM release over the appropriate service periods.

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SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** continued

2.15 CONTRACTUAL SERVICE MARGIN *continued*

The following table sets out when the Group expects to recognise the remaining CSM in profit or loss after the reporting date for contracts not measured under the PAA.

Group		Year of	expected rel	ease of the	CSM		
R million		1 to 2	3 to 5	6 to 10	10 to 20		
(Assets)/Liabilities	< 1 year	years	years	years	years	>20 years	Total
Liabilities arising from reinsurance contracts held							
Year ended 30 June 2025 SA Life Risk (GMM)							
Balance at beginning of the period	4 608	4 704	4 839	5 353	6 388	8 992	4 608
Accretion of interest	428	449	1 498	3 031	8 084	32 536	46 026
Recognised in income	(220)	(04.0)	(00.4)	(4.005)	(F. 400)	(44 500)	(50.604)
Statement Balance at end of the period	(332) 4 704	(314) 4 839	(984) 5 353	(1 996) 6 388	(5 480) 8 992	(41 528)	(50 634)
UK Life Risk (GMM)	4 /04	4 839	5 353	6 388	8 992		
Balance at beginning of							
the period	7 751	7 246	6 781	5 589	4 002	1 732	7 751
Accretion of interest	211	191	491	649	818	477	2 837
Recognised in income statement	(716)	(656)	(1 683)	(2 236)	(3 088)	(2 209)	(10 588)
Balance at end of the period	7 246	6 781	5 589	4 002	1 732	(2 203)	(10 300)
Total balance at beginning	7 2-10	0701	3 303	4 002	1732		
of year	12 359						
Year ended 30 June 2024							
SA Life Risk (GMM)							
Balance at beginning of							
the period	5 070	5 169	5 298	5 861	7 051	10 273	5 070
Accretion of interest Recognised in income	457	480	1 601	3 269	8 974	40 606	55 387
statement	(358)	(351)	(1 038)	(2 079)	(5 752)	(50 879)	(60 457)
Balance at end of the period	5 169	5 298	5 861	7 051	10 273	-	-
UK Life Risk (GMM)							
Balance at beginning of							
the period	5 719	5 337	4 986	4 084	2 882	1 193	5 719
Accretion of interest Recognised in income	141	126	317	408	489	268	1 749
statement	(523)	(477)	(1 219)	(1 610)	(2 178)	(1 461)	(7 468)
Balance at end of the period	5 337	4 986	4 084	2 882	1 193	-	_
Total balance at beginning							
of year	10 789						

Notes to the group annual financial statements continued for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** continued

2.16 INSURANCE FINANCE RESERVE – EXPECTED RUN-OFF PROFILE

The following table sets out when the Group expects to recognise the remaining insurance finance income and expense reserve after the reporting date for contracts not measured under the PAA and the long-term claims in the Group Life business.

Group R million		Year of exp	ected run-of	f of the IFIE	reserve		
Cumulative debit balance/		1 to 2	3 to 5	6 to 10	10 to 20		
(Cumulative credit balance)	< 1 year	years	years	years	years	>20 years	Total
Assets/liabilities arising from insurance contract issued							
Year ended 30 June 2025 SA Life Risk (GMM)							
Balance at beginning of the period	9 464	11 588	13 788	20 747	27 038	7 549	9 464
Movement in IFIE reserve	2 124	2 200	6 959	6 291	(19 489)	(7 549)	(9 464)
Balance at end of the period	11 588	13 788	20 747	27 038	7 549	-	_
SA Life: Group Life and other (PAA) Balance at beginning of the period	(411)	(522)	(626)	(934)	(1 184)	(321)	(411)
Movement in IFIE reserve	(111)	(104)	(308)	(250)	863	321	411
Balance at end of the period	(522)	(626)	(934)	(1 184)	(321)	-	-
UK Life Risk (GMM)							
Balance at beginning of	(2.764)	(4.454)	(4.204)	(F 004)	(F. 7F0)	(4.005)	(2.764)
the period Movement in IFIE reserve	(3 764) (390)	(4 154) (227)	(4 381) (623)	(5 004) (746)	(5 750) 854	(4 896) 4 896	(3 764) 3 764
Balance at end of the period	(4 154)	(4 381)	(5 004)	(5 750)	(4 896)		-
Total balance at beginning	(1.101)	(1001)	(0 00 1)	(0 100)	(1000)		
of year	5 289						
Year ended 30 June 2024							
SA Life Risk (GMM)							
Balance at beginning of	44 447	12.000	15 150	20.200	24.000	(10.001)	11 117
the period Movement in IFIE reserve	11 147 1 921	13 068 2 082	15 150 5 056	20 206 1 784	21 989 (32 981)	(10 991) 10 991	11 147 (11 147)
Balance at end of the period	13 068	15 150	20 206	21 990	(10 992)	10 991	(11 147)
SA Life: Group Life and other	13 000	13 130	20 200	21 330	(10 332)		
(PAA)							
Balance at beginning of	(227)	(466)	(604)	(025)	(4.220)	(46)	(227)
the period Movement in IFIE reserve	(337)	(466)	(601)	(935)	(1 229) 1 183	(46) 46	(337) 337
	(129)	(135)	(334)	(294)			337
Balance at end of the period	(466)	(601)	(935)	(1 229)	(46)	-	
UK Life Risk (GMM) Balance at beginning of							
the period	(2 385)	(3 010)	(3 378)	(3 877)	(4 145)	(3 276)	(2 385)
Movement in IFIE reserve	(625)	(368)	(499)	(268)	869	3 276	2 385
Balance at end of the period	(3 010)	(3 378)	(3 877)	(4 145)	(3 276)	_	_
Total balance at beginning	<u> </u>						
of year	8 425						

Notes to the group annual financial statements continued for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** continued

2.16 INSURANCE FINANCE RESERVE – EXPECTED RUN-OFF PROFILE continued

The following table sets out when the Group expects to recognise the remaining reinsurance finance income and expense reserve after the reporting date for contracts not measured under the PAA and the long-term claims in the Group Life business.

Group R million		Year of expe	ected run-of	f of the IFIE	reserve		
Cumulative credit balance/ (Cumulative debit balance)	< 1 year	1 to 2 years	3 to 5 years	6 to 10 years	10 to 20 years	>20 years	Total
Liabilities arising from reinsurance contracts from reinsurance contracts held							
Year ended 30 June 2025 SA Life Risk (GMM) Balance at beginning of							
the period	1 330	1 476	1 617	2 014	2 200	536	1 330
Movement in IFIE reserve	146	141	397	186	(1 664)	(536)	(1 330)
Balance at end of the period	1 476	1 617	2 014	2 200	536	-	-
SA Life Group Risk (PAA) Balance at beginning of the period	(52)	(64)	(74)	(102)	(117)	(24)	(52)
Movement in IFIE reserve	(12)	(10)	(28)	(15)	93	24	52
Balance at end of the period	(64)	(74)	(102)	(117)	(24)	-	-
UK Life Risk (GMM) Balance at beginning of							
the period	39	(8)	6	(20)	(154)	(250)	39
Movement in IFIE reserve	(47)	14	(26)	(134)	(96)	250	(39)
Balance at end of the period	(8)	6	(20)	(154)	(250)		
Total balance at beginning of year	1 317						
Year ended 30 June 2024 SA Life Risk (GMM) Balance at beginning of							
the period	1 552	1 739	1 935	2 350	2 452	66	1 552
Movement in IFIE reserve	187	196	415	102	(2 386)	(66)	(1 552)
Balance at end of the period	1 739	1 935	2 350	2 452	66	_	_
SA Life Group Risk (PAA) Balance at beginning of							
the period Movement in IFIE reserve	(44) (17)	(61) (18)	(79)	(123) (39)	(162) 155	(7) 7	(44) 44
Balance at end of the period	(61)	(79)	(44)	(162)	(7)		- 44
•	(01)	(79)	(123)	(102)	(7)		
UK Life Risk (GMM) Balance at beginning of	187	6	(6.1)	(102)	(1.42)	(152)	187
the period Movement in IFIE reserve	(181)	(70)	(64) (39)	(103) (39)	(143) (10)	(153) 153	(186)
Balance at end of the period	6	(64)	(103)	(142)	(153)	-	1
Total balance at beginning of year	1 695	()	(120)	()	(:-5)		

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** continued

2.17 CLAIMS DEVELOPMENT

Given the insurance risks underwritten by the Group and the timely settlement of valid claims, uncertain claims which extend beyond 12 months are limited to certain annuity payments only.

Some insurance claims, such as Income Continuation Benefits (ICB), are settled through regular annuity benefit payments that may span several years. The initial claim for ICB contracts is established at the date of the disability event, however, the full extent of the annuity payments remains subject to ongoing insurance events, such as future mortality, and may also vary due to morbidity outcomes. Nevertheless, once the insured event has occurred, the future benefit payments for these products can be estimated with a high degree of certainty,

Total claims and benefits for the financial year ended 30 June 2025 was R30 231 million (30 June 2024: R29 462 million). Total ICB annuity claims and benefits for the same period was R1 136 million or 3.8% of total claims and benefits (30 June 2024: R1 401 million or 4.8% of total claims). Due to the uncertainty in claims development being immaterial, no further information is

The following table outlines the total ICB for incurred claims reconciled with the aggregate carrying amount of the groups of

	Estimate of cumu	llative claims
Group R million	Expected gross of reinsurance claim payments	Expected net of reinsurance claim payments
Year ended 30 June 2025		
Total annuity ICB for incurred claims	18 513	15 067
Effect of discounting	(8 980)	(7 338
Risk adjustment	126	100
Other claims settled within 1 year	4 738	3 429
Total liabilities for incurred claims in the Statement of financial position	14 397	11 258
Included in the LIC balance for the following portfolios:		
SA Life (Risk) GMM	7 873	5 658
SA Life: Group Life and Other PAA	6 524	5 600
Year ended 30 June 2024		
Total annuity ICB for incurred claims	18 840	15 269
Effect of discounting	(9 920)	(8 062
Risk adjustment	121	94
Other claims settled within 1 year	4 608	3 149
Total liabilities for incurred claims in the Statement of financial position	13 649	10 450
Included in the LIC balance for the following portfolios:		
SA Life (Risk) GMM	7 619	5 264
SA Life: Group Life and Other PAA	6 030	5 186

for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** continued

2.18 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING **ACCOUNTING POLICIES**

In preparing the Annual Financial Statements, estimates, assumptions, and judgements are made that could materially affect the reported amounts of assets and liabilities within the next financial year. Accounting estimates and judgements are regularly reviewed and are based on historical experience, current best estimates, and expectations of future outcomes as well as anticipated changes in the environment. The following represents the most material key assumptions applied by management in preparing these Annual Financial Statements.

I. INSURANCE CONTRACTS SCOPE AND GROUPING

DEFINITION AND CLASSIFICATION

a. Definition

IFRS 17 does not specify what significant insurance risk is. Discovery's policy defines significant insurance risk as follows: The possibility that the present value of losses arising on the insurance contract exceeds 10% of the present value of income and receipts collected when applying a worst-case scenario upon the inception of the insurance contract.

Eligibility for VFA

Within Discovery, the unit-linked insurance products offered by Discovery Life are examples of insurance contracts with direct participation features. The VFA is used to measure insurance contracts with direct participating features.

Discovery exercises judgement in determining whether the VFA eligibility criteria are met at initial recognition. Judgement is applied for the following eligibility criteria to use VFA:

- Discovery expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items and
- Discovery expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

Within Discovery, a "substantial share" and "substantial proportion" is deemed to represent a proportion that exceeds 50% as a rebuttable presumption.

UNIT OF ACCOUNT, AGGREGATION AND RECOGNITION OF INSURANCE AND REINSURANCE CONTRACTS

Discovery uses judgement to determine at what level of granularity Discovery has reasonable and supportable information that is sufficient to conclude that all contracts within a set are sufficiently homogeneous.

For GMM and VFA business Discovery assesses the profitability of each contract at initial recognition for allocation of that contract to either the profitable, profitable-at-risk or onerous group of insurance contracts. For reinsurance contracts, the profitability at initial recognition is either profitable, profitable-at-risk or net gain on reinsurance contracts.

Discovery performs stress testing on portfolios measured using GMM/VFA. The stresses are modelled at the policy inception date and may differ between portfolios but will correspond to the most significant non-financial stresses currently run as part of the risk appetite work. If any policy that was originally determined to be profitable becomes onerous under any of the three additional stresses calculated, that policy is classified as profitable-at-risk.

JUDGEMENTS TO DETERMINE THE CONTRACT BOUNDARIES OF POLICIES WITHIN THE PAC ARRANGEMENT The PAC arrangement is designed for UK Life to assume full economic exposure, including returns and insurance risk, of the underlying insurance contracts. Accordingly, as UK Life has taken on this risk, it was granted full control over underwriting decisions for underlying new contracts written under the arrangement. Based on the legal rights and obligations, UK Life has exposure to monthly insurance contracts under this arrangement with PAC i.e. although new underlying life insurance contracts could be sold at any time, policy inception occurred only on a monthly basis, consistent with Discovery's other life insurance business lines. Exercising judgement under IFRS 17, the contract with PAC has been modelled using groups of contracts comprising annual groups of insurance contracts written.

II. CONTRACTS MEASURED UNDER THE GMM AND VFA

Discovery provides detailed qualitative information about the inputs, assumptions, and estimation techniques that are considered significant and material for measuring insurance and reinsurance contracts. Where applicable, Discovery also provides quantitative information. However, detailed disclosure of quantitative information is not provided when it is impracticable to do so. This impracticality may arise due to one or a combination of the following reasons:

- The assumptions are set at a highly granular level to support the unique dynamic underwriting approach used in the product design. The quantitative inputs are therefore extensive.
- The dynamic underwriting approach leads to assumptions which are interdependent therefore the quantitative inputs in one category may be misleading or misinterpreted if not considered together with other assumptions and inputs.
- The assumptions are partly derived from internal data which is commercially sensitive and impacts Discovery's

III. EXPECTED FULFILMENT CASH FLOWS (EFCF)

In line with the requirements of IFRS 17, Discovery applies judgement to determine which cash flows within the boundary of insurance contracts relate directly to the fulfilment of the contracts, including the extent to which fixed and variable overheads are directly attributable to fulfilling insurance contracts.

Notes to the group annual financial statements continued for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** continued

2.18 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING **ACCOUNTING POLICIES** continued

Discovery primarily uses deterministic projections to estimate the present value of future cash flows. The following assumptions were used when estimating future cash flows:

The assumptions used are best estimate assumptions, with the addition of a margin for risk in the assumption being allowed for in the risk adjustment.

A. MORTALITY AND MORBIDITY

Assumptions of future mortality and morbidity experience are derived from reinsurers and industry data and compared to actual past experience. Where appropriate, the assumptions are adjusted to reflect actual past experience or for expected

The assumptions are modified for each policy based on actual data from underwriting performed on the policy and compared against standard industry tables for reasonability. The key mortality and morbidity assumptions are reviewed and benchmarked against the industry to ensure the reasonability of assumptions for Discovery Life. An adjustment to the standard mortality and morbidity assumptions is made to reflect the expected impact of engagement in the Vitality programme. It has been observed that higher rates of engagement result in lower mortality and morbidity claims.

For VitalityLife the mortality assumptions are set using mortality tables published by the Continuous Mortality Investigation (CMI), a subsidiary of the Institute and Faculty of Actuaries, and using the CMI projection model to allow for future mortality improvements. Where appropriate, the assumptions are adjusted to reflect actual past experience or for expected changes in future experience. Morbidity assumptions are derived from reinsurer and industry data where available and adjusted for actual past experience where appropriate. An adjustment to the standard mortality and morbidity assumptions is made to reflect the expected impact of engagement in the Vitality programme and the policyholder's level of physical activity.

A possible increase in mortality rates increases estimates of future cash outflows and thus decreases the CSM. For a sensitivity analysis, refer to Section 2.19.3.

The sensitivity of the policyholder liabilities due to changes in mortality and morbidity assumptions are set out in section 2.19.3.1 and 2.19.3.2.

B. ASSUMPTIONS ON LAPSE AND SURRENDER RATES

Lapse and surrender rates are based on actual past experience where available. The lapse analysis is done by considering the in-force duration of policies. For durations longer than actual data, lapse rates are set based on expectations of future experience based on internal and external expert advice as well as available industry benchmarking. The lapse experience investigation covers at least the last two years of lapse experience to identify trends.

Lapse and surrender assumptions are varied between different types of policies where the lapse experience is expected to differ significantly. Allowance is made for the estimated impact of the economic environment. For Discovery Life and VitalityLife, an adjustment is made to the lapse assumptions to reflect the expected impact of engagement in the Vitality programme because it has been observed that higher rates of engagement result in lower lapses.

Possible increases in lapse and surrender rates could increase or decrease estimates of future cash outflows and thus decrease or increase the CSM, depending on the product specifics.

The lapse and surrender rates are assumed to range between 2.8% and 17.6% for the SA Life Risk (GMM) portfolio (2024: 2.5% to 18.4%), up to 3.0% for the SA Invest Risk (GMM) portfolio (2024: up to 3.0%), between 2.3% and 11.0% for the SA Invest Participating (VFA) portfolios (2024: 2.2% to 11.9%), and between 1.4% and 11.0% for the UK Life Risk (GMM) portfolio (2024: 1.6% to 11.9%). The disclosed ranges for the GMM portfolios represent the API-weighted average assumptions and for the VFA portfolio represent asset-weighted assumptions. Both are based on the in-force book exposure over the past 12 months and reflect the key attributes considered in setting assumptions. The ranges exclude funeral business, policies cancelled from inception, policy alterations, and, for the VFA portfolio, paid-up assumptions.

The sensitivity of the policyholder assets and liabilities due to changes in lapse rate assumptions are set out in section 2.19.3.1 and 2.19.3.2.

for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** continued

2.18 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING **ACCOUNTING POLICIES** continued

C. DISCOUNT RATES AND INVESTMENT RETURNS

Discount rate

The bottom-up approach was used to derive the discount rate for the cash flows of portfolios with no tangible asset backing. Under this approach, the discount rate is determined as the risk-free yield, adjusted for differences in liquidity characteristics of the insurance contracts sold, where applicable.

The adjustment for the liquidity should reflect the contract's liquidity from the policyholder's perspective, i.e., it should consider both the explicit and implicit impediments for the policyholder to terminate the contract.

From Discovery's perspective, there is an immaterial liquidity risk on the life insurance portfolio given that the products:

- do not charge a surrender penalty on lapse. There is no direct impediment for the policyholder to lapse their contract.
- most policyholders select age-based premium escalation patterns this provides a broad match between the increase in premium and the escalating risk over time, leading to a significantly lower implicit impediment to lapse their contract as value does not accumulate to the extent it would in a level-premium contract for example.

For Discovery, the risk-free yield curve will be 'current' and reflect the risk-free yield curve derived on the last day of the reporting period. The nominal risk-free yield curve is used to discount nominal cash flows, while real cash flows are discounted using the real risk-free yield curve.

Risk-free rates are determined by reference to the market interest rates in the currency of the underlying cash flows for the groups of contracts.

The yield curves that were used to discount the estimates of future cash flows that do not vary based on the returns of the underlying items are as follows:

R million	< 1 year	1 to 2 years	3 to 5 years	6 to 10 years	10 to 20	>20 years
KIIIIIIOII	1 year	years	years	years	years	>20 years
30 June 2025						
Insurance contract cash flows						
SA Life (Risk) GMM	7.6 %	7.9 %	8.6 %	10.2 %	12.6 %	12.2 %
SA Invest (Risk) GMM	7.6 %	7.9 %	8.6 %	10.2 %	12.6 %	12.2 %
SA Invest (Participating) VFA	7.6 %	7.9 %	8.6 %	10.2 %	12.6 %	12.2 %
UK Life (Risk) GMM	3.8 %	3.7 %	3.6 %	3.8 %	4.3 %	4.1 %
SA Life: Group Life PAA	7.6 %	7.9 %	8.6 %	10.2 %	12.6 %	12.2 %
Reinsurance contract cash flows						
SA Life (Risk) GMM	7.6 %	7.9 %	8.6 %	10.2 %	12.6 %	12.2 %
SA Invest (Risk) GMM	7.6 %	7.9 %	8.6 %	10.2 %	12.6 %	12.2 %
SA Invest (Participating) VFA	7.6 %	7.9 %	8.6 %	10.2 %	12.6 %	12.2 %
UK Life (Risk) GMM	3.8 %	3.7 %	3.6 %	3.8 %	4.3 %	4.1 %
SA Life: Group Life PAA	7.6 %	7.9 %	8.6 %	10.2 %	12.6 %	12.2 %
30 June 2024						
Insurance contract cash flows						
SA Life (Risk) GMM	8.5%	8.6%	9.5%	11.3%	13.4%	12.6%
SA Invest (Risk) GMM	8.5%	8.6%	9.5%	11.3%	13.4%	12.6%
SA Invest (Participating) VFA	8.5%	8.6%	9.5%	11.3%	13.4%	12.6%
UK Life (Risk) GMM	4.9%	4.7%	4.2%	3.9%	4.0%	3.6%
SA Life: Group Life PAA	8.5%	8.6%	9.5%	11.3%	13.4%	12.6%
Reinsurance contract cash flows						
SA Life (Risk) GMM	8.5%	8.6%	9.5%	11.3%	13.4%	12.6%
SA Invest (Risk) GMM	8.5%	8.6%	9.5%	11.3%	13.4%	12.6%
SA Invest (Participating) VFA	8.5%	8.6%	9.5%	11.3%	13.4%	12.6%
UK Life (Risk) GMM	4.9%	4.7%	4.2%	3.9%	4.0%	3.6%
SA Life: Group Life PAA	8.5%	8.6%	9.5%	11.3%	13.4%	12.6%

Notes to the group annual financial statements continued for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** continued

2.18 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING **ACCOUNTING POLICIES** continued

Discovery Life

To determine the risk-free rate in South Africa, the daily nominal and real yield curves produced and published daily by the Discovery Bank Treasury function. These curves are consistent with the current market value of South African Government Bond issuances, and consistent with observable current market prices.

Discovery Life considers for inclusion all bonds included in the GOVI index while applying exclusion criteria designed to only include homogeneous bonds within the curve construction. Negotiable Certificates of Deposit are also used making appropriate adjustments to allow for credit risk.

The South African Government does not issue bonds across all maturities which implicitly creates the need to interpolate between various securities and extrapolate beyond the last liquid bond used in the construction of the yield curve.

The sensitivity of the policyholder liabilities due to changes in real curve assumptions are set outset out in section 2.4.3.1 and

To determine the risk-free rate in the UK, the nominal and yield curves are produced and published daily by the European Insurance and Occupational Pensions Authority (EIOPA).

D. EXPENSE ASSUMPTIONS

IFRS 17 does not specify a methodology for attributing directly attributable fixed overhead expenses to the respective groups of insurance contracts and to individual policies. It requires that the methods used be systematic and rational. Discovery has applied judgement in developing its methodology and has consistently applied this methodology period-to-

Estimates of future expenses relating to fulfilment of contracts in the scope of IFRS 17 are based on the results of the latest expense and budget information. Expenses comprise expenses directly attributable to the groups of contracts including an allocation of fixed and variable overheads.

Expenses are considered non-recurring when they relate to the start-up of a new business area or when they are material and are specific to an event that is not expected to occur in the future.

The allocation of expenses between initial and renewal is based on the latest expense analysis, where expenses are directly allocated based on the function performed. Where an expense could relate to both initial and renewal functions, the expenses are allocated proportionately based on estimates of the functions performed.

Per Discovery's policy, expenses are projected to increase in line with consumer price inflation. Non-recurring expenses are excluded from the expense analysis used to derive the assumption.

The sensitivity of the policyholder liabilities due to changes in expense assumptions are set out in section 2.4.3.1 and

for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** continued

2.18 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING **ACCOUNTING POLICIES** continued

CONTRACTUAL SERVICE MARGIN

The CSM is a component of the asset or liability for the group of insurance contracts that represents the future unearned profit. The CSM of a group of contracts is recognised in profit or loss to reflect services provided in each year based on the number of coverage units provided in the year.

The determination of coverage units requires significant judgements due to consideration of the quantity of the benefits provided, the expected coverage period and time value of money for each contract. The coverage units are reviewed and updated at each reporting date.

The quantity of services provided by insurance contracts may include insurance coverage, investment-return services and investment-related services, as applicable. Discovery determines the quantity of the benefits provided under each contract as

			I
Portfolio	Benefit type	Measurement model	Risk Management
Insurance contracts			
SA Life (Risk), SA Invest (Risk) and UK life (Risk)	Lump sum benefits paid on death, disability or disablement and survival	GMM	For contracts where coverage for an insured event is provided, the quantity of benefits is considered to be the maximum amount payable under each insurance contract at each point in time. For contracts where the company provides investment-return services on insurance contracts in Invest without direct participation features, it is assumed that the company provides an equal service to all policyholders in the generation of an investment return for each policyholder.
	Annuity-type payment on death of disability		The expected maximum amount at risk at each point in time.
SA Invest (Participating)	Investment linked insurance contracts.	VFA	The coverage unit should allow for the coverage provided for the insured event as well as the management of the underlying items on behalf of the policyholder. On VFA contracts, the determination of the coverage unit is primarily dependent on the investment services provided under the contract given this constitutes the majority of the service provided to policyholders over the lifetime of the contract.
Reinsurance contracts			
SA Life (Risk) and UK life (Risk)	Quota share reinsurance	GMM	Same basis as underlying insurance contract
	Excess of loss and stop loss reinsurance	GivilVI	Expected amount of underlying claims to be covered in each period

Notes to the group annual financial statements continued for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** continued

2.18 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING **ACCOUNTING POLICIES** continued

For GMM contracts, Discovery has elected to allow for the real time value of money in the equal allocation of CSM to coverage

- For Discovery Life and VitalityLife's life insurance policies this is allowed for implicitly by assuming that the same coverage is provided in real terms over time. Practically this is achieved by projecting benefits with a 0% CPI rate solely for the determination of the coverage units.
- For Discovery Life's guaranteed endowment and annuity business modelled using the GMM approach, this is allowed for by explicitly discounting the coverage units at the real rate of return.

For VFA contracts, Discovery's chosen approach is to allow for the nominal time value of money in the equal allocation of CSM to coverage units.

RISK ADJUSTMENT

When applying a confidence level technique, the first step in the process is to calculate the best estimate reserve, where there is an equal chance that the actual amount needed to pay future claims will be higher or lower than the calculated best estimate. The risk adjustment is then calculated such that there is a specified percentage probability that the reserves will be sufficient to cover future claims. For Discovery, the determination of specified percentage is set out in Accounting policy 12.2. and 12.3.3.

III. CONTRACTS MEASURED UNDER THE PAA

INSURANCE ACQUISITION CASH FLOWS

Discovery uses judgement in determining the initial and renewal periods for which the insurance acquisition cash flows are attributed to groups. For VitalityHealth, the initial and subsequent renewal period is set at ten years.

In the current and prior year, Discovery did not identify any facts and circumstances indicating that the assets for insurance acquisition cash flows may be impaired.

RISK ADIUSTMENT

For contracts measured under the PAA, the explicit risk adjustment for non-financial risk is estimated to measure the LIC. The risk adjustment will be determined by applying a confidence level technique. For Discovery, the determination of specified percentage is set out in Accounting policy 12.2. and 12.4.1.

REINSURANCE

All prospective liabilities are valued gross of reinsurance and then adjusted for the expected effect of reinsurance. For liabilities arising from insurance contracts, a specific allowance is made for reinsurance recoveries.

The Global Linkage Benefit is fully reinsured. The cost of the future reinsurance is dependent on the cost at which the reinsurer can buy assets to match the liability under this benefit. Assumptions are made around the cost at which the reinsurer can purchase these benefits based on the current and historical costs of these assets.

for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT OF INSURANCE RISK continued

2.19 MANAGEMENT OF INSURANCE RISK

Discovery's accounting policy to recognise and measure insurance contracts can be viewed in Annexure B, Accounting policy 12.

Discovery issues both short-term and long-term contracts that transfer significant insurance risk. Such contracts may also transfer financial risk. An insurance contract is a contract in which Discovery as the issuer and/or insurer accepts significant insurance risk from the policyholder by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.

The insurance risk includes mortality and morbidity risk for life insurance contracts, as well as non-life risk from events such as fire or accident arising under general insurance contracts. As such, Discovery is exposed to the uncertainty surrounding the timing and severity of such claims.

Discovery has aggregated groups of insurance and reinsurance contracts into portfolios, first based on geographical areas and subsequently based on measurement models and materiality. Based on the aggregation bases steps, Discovery will aggregate insurance and reinsurance contracts in the following manner:

Contracts measured under the GMM and VFA

- Individual life insurance: These contracts insure against a comprehensive spectrum of risks, including life cover, severe illness, disability and income continuation cover.
- Investment products with insurance risk: These contracts attract insurance risk arising from additional benefits offered which mostly insure against mortality or morbidity risks.

Contracts measured under PAA

- Health insurance: These contracts insure policyholders against healthcare-related claims.
- Short-term insurance: These monthly contracts insure policyholders against a comprehensive spectrum of short-term risks including, but not limited to, motor vehicle, household, business, property and liability cover.
- Group life insurance: These contracts insure against a comprehensive spectrum of protection benefits on a group basis. Life cover, severe illness, disability and income continuation benefits are offered.

Discovery issues insurance contracts, insurance linked investment contracts and unit-linked insurance contracts that provide investors with interests in collective investment schemes managed by the Group. The nature and extent of the underwriting and financial risks arising from these contracts are determined by the contract design. The risks are evaluated for risk management purposes in conjunction with the risks mitigated by related reinsurance contracts and the risks arising from financial assets held to fund the settlement of the liabilities.

Risk management objectives and policies for mitigating insurance risk

The Group manages insurance risk through the following mechanisms:

- Reinsurance, which is used to limit Discovery's exposure to large single claims and catastrophes. When selecting a reinsurer, consideration is given to those companies that provide high security using rating information from both public and private
- An agreed risk preference for all risk types, including those relating to insurance.
- The diversification of business over several classes of insurance and large numbers of uncorrelated individual risks, by which the Group seeks to reduce variability in loss experience.
- The maintenance and use of information management systems, which provide current data on the risks to which the business is exposed and the quantification of such risks.
- Actuarial models, which use the above information to calculate premiums and monitor decrements and claims patterns.
- Past experience and statistical methods are used.
- Guidelines for concluding insurance contracts and assuming insurance risks. These include underwriting principles and product pricing procedures.
- Discovery manages its exposure to risks arising from insurance contracts in terms of its risk management framework and holds regulatory and economic capital for protection against adverse experience.

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT OF INSURANCE RISK continued

2.19 MANAGEMENT OF INSURANCE RISK continued

The following summarises the risk associated with the various insurance contracts offered by Discovery, and how Discovery manages these risks.

Type of risk	Nature of risk	How Discovery manages the risk
Lapse and surrender risk	Policyholders have the option to discontinue or reduce contributions at any time. Accordingly, there is a risk of financial loss due to the withdrawal rate, lapses or premium reductions (with associated reduced cover) being higher than expected. Contracts not measured under the PAA model SA Life and Invest (Risk) and UK Life (Risk) Future earnings on individual life plans are dependent on the number of policies remaining in future years and thus future earnings are dependent on the lapse rate. SA Life and Invest (Participating) Future earnings arising from Invest plans are dependent on the value of assets under management and thus future earnings are dependent on the withdrawal and surrender rate. For investment products with insurance risk there is a risk that the surrender value may exceed the policy value, net of expenses, at early durations. Contracts measured under the PAA approach there is a risk of reduced profits arising from higher than expected withdrawals at early durations of policies, resulting in acquisition costs not being recovered.	Product design Products are designed to be sustainable in the long term. New product offerings are made available to existing policyholders as far as possible to prevent lapse and re-entry risk. Integration between different product offerings across Discovery enhances the value proposition of the overall package of products from Discovery. Commission claw back Discovery predominantly distributes via independent brokers, intermediaries and tied agents. Commissions are clawed back from intermediaries where a policy lapses within a specified timeframe since inception. Experience monitoring Lapse experience is monitored on a monthly basis and data is analysed to establish possible trends for which management action can be taken. Proactive conservation Targeted conservation campaigns are run proactively. For example, financial advisors are notified of clients that do not have certain features on their policies that are correlated with good persistency. Financial advisors are thus encouraged to add such features.
Modelling and data risk	Actuarial liabilities are calculated using complex discounted cash flow models. There is a risk that the models do not accurately project the policy cash flows in the future. The models rely on data from the administration system, and there is thus a further risk that the data does not accurately reflect the policies being valued. Contracts that are short-term have simplified models, reducing modelling risk.	The risk is controlled using specialist actuarial software that is widely used and accepted in the life insurance industry throughout the world. This is tailored for Discovery. A detailed analysis of change is completed on key metrics and serves as a control on models, data and assumption changes. Any material unexplained variances are investigated and resolved where necessary. The original actuarial models were tested and verified using an independent but identical parallel model. Any changes made are externally and independently reviewed. The data for the model is extracted from modern administration systems and subjected to detailed checks together with high-level reasonability checks. Data is checked at each valuation date.







for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** continued

2.19 MANAGEMENT OF INSURANCE RISK continued

Insurance risk	Description	How Discovery manages the risk
Capital adequacy Requirements and protection against adverse experiences	There is a risk that future premiums, investment returns and estimates used to calculate liabilities are insufficient to provide for variations in actual future experience.	Insurance liabilities are calculated using best estimates plus the addition of various margins to avoid premature recognition of profits and to provide for a buffer against future adverse experiences. In addition, Discovery maintains shareholder capital to meet substantial deviations in experience beyond those provided for in the liability calculations. For discussion on how Discovery manages its capital adequacy requirements, refer to note 2.19.6
Liquidity risk	Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with insurance liabilities due to insufficient cash being available to meet commitments as and when they become due. This is exacerbated by timing mismatches between assets and liabilities.	For discussion on how Discovery manages its liquidity risk related to insurance contracts, refer to note 2.3.1
Concentration risk	Claims experience risk There is a risk that a concentration of risk can lead to worse than expected experience. The concentration risk is the highest in group business, since assured lives live in the same geographical location and generally work in the same industry or at the same location.	Discovery has a well-diversified book of business by source of new business and spread across brokers and agents. Furthermore, the claims experience risk is mitigated through catastrophe reinsurance.
	Withdrawal concentration risk There is a financial risk of the withdrawal of a block of policies written by a single independent intermediary.	
Policy wording/ legal risk	There is a risk that Discovery could be financially exposed to obligations that differ from expectations and are not adequately provided for. The risk could also arise from legal proceedings.	The risk is managed when new products are developed, and all policy wording is reviewed by legal advisors and external advice is obtained where necessary to ensure that terms and conditions are clearly defined and unambiguous.

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** continued

2.19 MANAGEMENT OF INSURANCE RISK continued

Insurance risk	Description	How Discovery manages the risk
Regulatory risk	The risk of not complying with laws, regulations, rules, related self-regulatory organisation standards and investment management mandates. This also includes regulatory change risk and the impact of implementing the required regulatory changes. Although Discovery endeavours to design insurance and financial solutions which meet the requirements of the current regulations in force, the risk does exist that changes in the regulations or the interpretation of the regulations, over time may result in the current products not fully complying with the regulations in force in future.	This risk is managed through constantly seeking legal advice on new product developments. Further, all insurance products issued by Discovery have to be approved, including approval from a market conduct perspective. Depending on the business line, these are approved either by the Head of the Actuarial Function or Actuarial Committee. Discovery is a member of industry-wide bodies that engage in discussions with policymakers and regulators. Discovery's compliance department enhances regulatory compliance through audits and by monitoring developments in the regulatory environment
Tax risk	Tax risk is the risk that the actual future tax liability is different from what is currently expected, resulting in contracts being incorrectly priced. Tax risk also represents potential changes in the interpretation or application of prevailing tax legislation applicable to either policyholders or shareholders, resulting in higher taxes reducing profitability, or increasing shareholder tax burdens.	The group's internal tax resources monitor the impact of changes in tax legislation, participate in discussions with the tax legislator to comment on changes in legislation and are involved in the development of new products. External tax advice is obtained as required.
Expense risk	Expense risk is the risk of actual expenses and expense inflation being higher than expected. It covers the risk of loss or adverse change in insurance liabilities due to adverse variation in the expenses incurred in servicing insurance and reinsurance contracts.	Expenses are monitored monthly against budgeted expenses. Any deviation from the budget is investigated, reported and where necessary, remedial action is taken.

for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** continued

2.19 MANAGEMENT OF INSURANCE RISK continued

Insurance risk	Description	How Discovery manages the risk
Reputational risk	Reputational risk is the risk of negative market reaction towards Discovery practices, associations and market conduct. Discovery Life offers policies that integrate with the product offerings within the Discovery Group. The reputational risk to Discovery Life is thus extended to the reputational risk of the entire Discovery	Reputational risk is carefully monitored. Decisions to repudiate claims are reviewed by a review committee comprising of a senior underwriter and claims assessor, representatives of the legal department and the medical team, as well as a compliance officer.
	Group.	Marketing material and policy wording are reviewed and designed to be clear and unambiguous to avoid creating unreasonable policyholder expectations.
		All products are approved prior to launch, by either the Head of the Actuarial Function or Actuarial Committee, depending on the business line. Approval is obtained prior to launch from a market conduct perspective.
Mismatching and market risk	Mismatching is the risk that insurance related cash outflows (for example, benefit payments, administration expenses) do not match expected future cash inflows (predominately future premiums).	For assets arising from insurance contracts, Discovery covers the insurance related outflows by expected future cash inflows (predominately future premiums).
	Mismatching risk can also arise when movements in assets and liabilities are out of line given changes in market risk, meaning equity price risk, interest rate risk or currency risk.	For liabilities arising from insurance contracts, the insurance related cash outflows are matched with a combination of a release of policyholder assets (net of retained fees), investment return on these assets and cash inflows.
		For further discussion on how Discovery manages this risk, refer to the following notes: For mismatching risk, refer note 2.19.1 For interest rate risk, refer note 2.19.4; and For currency risk, refer note 2.19.5

Notes to the group annual financial statements continued for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** continued

2.19 MANAGEMENT OF INSURANCE RISK continued

Insurance risk	Description	How Discovery manages the risk
Contracts measured	not under the PAA approach	
Underwriting risk	The risk that the actual experience relating to mortality, longevity, disability and medical (morbidity) will deviate negatively from the expected experience used in the pricing of solutions and valuation of policy liabilities.	Financial underwriting is applied to ensure that the policyholder can justify the amount of cover applied for. Premium loadings and exclusions are applied where high risks are identified. Monthly internal quality assurance audits are performed on underwriting to minimise the risk of incorrect underwriting decisions.
Underwriting risk	Mortality and Morbidity risk	Experience monitoring
- mortality and morbidity risk	There is a risk that actual mortality and morbidity experience is higher than expected. This could arise as a result of the number of claims or the value of claims being higher than expected. Mortality risk refers to the death of policyholder earlier than expected and morbidity risk is the risk of a critical illness diagnosis earlier than expected.	Experience investigations are conducted and corrective action is taken where adverse experience is noted. Experience monitoring is done on at least a quarterly basis, and in some business lines monthly. **Reinsurance** Reinsurance protects against volatility in claims experience and against an accumulation of risk. Reinsurance is further utilised on a facultative basis if uncertainty exists over the terms that should be offered to a particular risk. In addition, reinsurers provide specialist advice when designing new products.
Underwriting risk	Selection risk is the risk that worse risks	Product design and pricing
- selection risk	than expected are attracted, and these risks are then charged inadequate premiums.	Products are carefully designed to minimise adverse selection. Rating factors are applied to standard premium rates to differentiate between different levels of risk.
	Selection risk could also lead to higher- than-expected mortality and morbidity experience on individual life plans or lower mortality on guaranteed annuity policies.	Product integration between the different product offerings in Discovery helps to attract healthier lives than average in the market, leading to positive selection. The product integration incentivises engagement in the Vitality programme, which has a positive impact on risk experience.
		Discovery and VitalityLife is unique due to its Vitality programme as policyholders are provided access to several services and benefits that encourage healthy lifestyle choices and are awarded Vitality points, which ultimately determine their Vitality status. The claims, lapse and premium assumptions within the valuation of insurance contract assets and liabilities are specifically impacted by the Vitality status of the policyholder. However, because of the shared value design the business is hedged to a large extent against extreme adverse financial impacts resulting from policyholder behaviour change.

for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT OF INSURANCE RISK continued

2.19 MANAGEMENT OF INSURANCE RISK continued

Insurance risk	Description	How Discovery manages the risk
Contracts measure	d under the PAA approach	
Underwriting -	The principal risk is that the frequency	Experience monitoring
Insurance risk	and/or severity of claims are greater than expected. Insurance events are, by their nature, random and the actual number and size of events during any one year may vary from those estimated and experienced in prior	Across both premiums and claims, recent actual experience is compared against financial forecasts, with any deviations investigated. The results provide a feedback loop into the overall pricing approach, enabling Discovery to react quickly to any changes in behaviour.
	periods.	Product design and pricing
		Group Life business is reviewed on a contract-by- contract basis, with the review period never exceeding two years.
		Discovery Life predominantly operates in the high end of the South African insurance market where the risk of HIV AIDS is lower than for the South African market as a whole. The impact of HIV/AIDS is considered and allowed for during the product development and pricing. The HIV risk is implicitly allowed for based on rates which are set guided by overall claims experience and reinsurer input (including HIV but also other claim causes).
		For VitalityHealth new business is written in accordance with approved pricing assumptions. Underwriting criteria is defined and aligned to the approved pricing assumptions.
		Existing business is managed through the annual repricing of policies at renewal on a risk-related basis.
		Discovery Insure aims to manage risk through diversifying the pool of insured risks by establishing a balanced portfolio of insurance risks over a wide geographical area. Short-term insurance risks are priced on an individual basis; therefore, a minimal cross-subsid exists between risks.
		Discovery Insure uses telematic devices to manage risks related to motor vehicle cover.
Underwriting - Exposure relating to catastrophe events	Natural and non-natural disasters could result in increased claims experience which could result in underwriting losses.	The Group sets out the total aggregate exposure that it it prepared to accept in certain territories to a range of events, such as natural catastrophes. The aggregate position is reviewed annually. The Group uses a number of modelling tools to monitor aggregation and to simulat catastrophe losses in order to measure the effectiveness of the reinsurance programmes and the net exposure of the Group.
Underwriting - Reinsurance risk	Reinsurance risk is the risk that the reinsurance cover placed is inadequate and/or inefficient relative to the Group's risk management strategy and objectives.	Discovery Insure mitigates its insurance risk through its reinsurance programme, which is structured to protect the company against material losses to either a single insured risk or a group of insured risks in the case of a catastrophe where there would tend to be a concentration of insured risks.

Notes to the group annual financial statements continued for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** continued

2.19 MANAGEMENT OF INSURANCE RISK continued

2.19.1 Liquidity Risk

2.19.1.1 CONTRACTS WITH LONG-TERM EXPOSURES

Currently, Discovery Life's and VitalityLife's expected outflows are mostly long-term, and the main liquidity requirement is to fund acquisition expenses on new business and unexpected fluctuations in benefit payments. As discussed in note 3.13.4.3, Discovery invests primarily in liquid financial assets.

For Discovery Life, large sums assured above a defined retention level are reinsured, providing stability in claims experienced and further reducing liquidity risk.

There is a need to meet liquidity requirements arising from Discovery Invest's Guaranteed Plan book. Liquidity requirements are managed to ensure a liquidity buffer is maintained to meet potential outflows if exit rates are higher than expected. The liquidity risk on the existing portfolio is thus relatively small.

VitalityLife also receives partial financing for new business strain from financing reinsurance treaties with reinsurers.

for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT OF INSURANCE RISK continued

2.19 MANAGEMENT OF INSURANCE RISK continued

2.19.1 Liquidity Risk *continued*

2.19.1.2 CONTRACTS NOT MEASURED UNDER THE PAA MODEL

2.19.1.2.1 MATURITY ANALYSIS

The following table shows a maturity analysis of discounted cash flows for participating insurance contracts and risk insurance and reinsurance contracts, which reflects the dates on which the cash flows are expected to occur. This analysis does not include the liability for remaining coverage for contracts measured under the PAA. The maturity analysis for insurance-linked investment contracts and unit-linked insurance contracts reflects the contractual maturity dates. The majority of insurance-linked investment contracts and unit-linked insurance contracts are open ended and have no fixed maturity date. These contracts are included in the one year or less category.

R million (Assets)/Liabilities	Total	< 1 year	Years 1 to 2	Years 2 to 3	Years 3 to 4	Years 4 to 5	Years 6 to 10	Years 10 to 20	>20 years
30 June 2025									
Insurance contract cash flows									
Assets arising from insurance contracts	(96 747)	(3 935)	(7 839)	(7 075)	(6 242)	(5 657)	(24 571)	(26 469)	(14 959)
- SA Life (Risk)	(58 655)	17	(3 392)	(3 275)	(2 883)	(2 642)	(13 477)	(17 793)	(15 210)
- UK Life (Risk)	(38 092)	(3 952)	(4 447)	(3 800)	(3 359)	(3 015)	(11 094)	(8 676)	251
Liabilities arising from insurance contracts	109 113	13 203	11 504	10 717	10 973	10 157	21 488	22 298	8 773
- SA Invest (Risk)	22 570	5 223	3 634	3 566	3 925	2 627	1 729	1 419	447
- SA Invest (Participating)	80 126	5 911	7 076	6 503	6 508	7 079	18 436	20 319	8 294
 SA Life Group Risk and Other (PAA) 	6 417	2 069	794	648	540	451	1 323	560	32
Reinsurance contract cash flows									
Assets arising from insurance contracts	(913)	(368)	(110)	(87)	(71)	(58)	(159)	(57)	(3)
 SA Life Group Risk and Other (PAA) 	(913)	(368)	(110)	(87)	(71)	(58)	(159)	(57)	(3)
Liabilities arising from insurance contracts	22 672	2 812	3 456	2 954	2 578	2 168	5 233	2 603	868
- SA Life (Risk)	5 650	(132)	516	502	482	468	1 653	1 420	741
- UK Life (Risk)	17 022	2 944	2 940	2 452	2 096	1 700	3 580	1 183	127
30 June 2024									
Insurance contract cash flows									
Assets arising from insurance contracts	(85 317)	(1 760)	(6 643)	(6 123)	(5 639)	(4 960)	(21 237)	(23 795)	(15 160)
- SA Life (Risk)	(54 498)	864	(3 113)	(3 115)	(2 987)	(2 554)	(12 174)	(16 297)	(15 122)
- UK Life (Risk) ¹	(30 819)	(2 624)	(3 530)	(3 008)	(2 652)	(2 406)	(9 063)	(7 498)	(38)
Liabilities arising from insurance contracts	96 107	13 723	10 732	8 561	8 543	8 852	18 497	19 640	7 559
- SA Invest (Risk) ²	23 488	7 482	4 475	2 939	2 835	3 097	1 298	1 028	334
 SA Invest (Participating)² 	66 687	4 3 1 6	5 514	5 016	5 206	5 341	15 996	18 103	7 195
 SA Life Group Risk and Other (PAA) 	5 932	1 925	743	606	502	414	1 203	509	30
Reinsurance contract cash flows									
Assets arising from insurance contracts	(830)	(315)	(108)	(85)	(68)	(54)	(147)	(51)	(2)
- SA Life Group Risk and Other (PAA)	(830)	(315)	(108)	(85)	(68)	(54)	(147)	(51)	(2)
Liabilities arising from insurance contracts	17 358	1 727	3 086	2 008	1 717	1 474	3 851	2 439	1 056
- SA Life (Risk)	5 898	(366)	522	495	491	465	1 803	1 518	970
- UK Life (Risk) ¹	11 460	2 093	2 564	1 513	1 226	1 009	2 048	921	86

¹ The comparative information has been restated to exclude non-cash flow items (risk adjustment and CSM) and present maturity analysis of the expected cash flows.

The comparative information has been restated to exceed mirecash flow within the correct maturity time bands. The correction did not affect the measurement of insurance contract liabilities or profit and loss.

for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** continued

2.19 MANAGEMENT OF INSURANCE RISK continued

2.19.1 Liquidity Risk continued

2.19.1.2 CONTRACTS NOT MEASURED UNDER THE PAA MODEL continued

2.19.1.2.1 MATURITY ANALYSIS continued

The amounts from insurance contract liabilities noted in the maturity table above include amounts payable on demand. The amounts that are payable on demand are set out below.

For the unit-linked and similar investment-linked insurance contracts where the policyholder has the option to terminate or transfer their contracts at any time and the policyholder receives money back, the money payable to the policyholder is referred to as the amounts payable on demand. The termination or transfer of the insurance contract will be at the discretion of the

Amounts payable on demand excludes the amounts payable on a valid claim event. The SA Life and Invest (Risk) and UK Life (Risk) insurance contracts have no amounts payable on demand.

	2025	2024
R million	Amount payable on demand	Amount payable on demand
SA Invest (Participating)	91 235	78 071

2.19.1.3 CONTRACTS MEASURED UNDER THE PAA MODEL SA INSURE AND OTHER

Discovery Insure holds the majority of working and solvency capital in cash or near cash instruments to minimise liquidity risk. Large sums assured above a defined retention level are reinsured, providing stability in claims experience and further reducing the liquidity risk. Catastrophe reinsurance further reduces this risk.

VitalityHealth maintains sufficient liquid assets to meet short-term liabilities and to allow for the initial cash flow strain when writing new business. Currently, VitalityHealth's expected liabilities are mostly short-term, and the main liquidity requirement is to fund acquisition expenses on new business, with the existing book mature enough to generate sufficient liquidity to cover cash flow strain of writing consistent levels of new business.

2.19.2 Concentration of insurance risk

Discovery manages concentration risk through various mechanisms and monitors the opportunities for mitigating actions. Such mechanisms include

- underwriting principles and product pricing procedures.
- reinsurance.
- the diversification of business over several classes of insurance and large numbers of uncorrelated individual risks.

SA LIFE AND INVEST (RISK AND GROUP LIFE)

Discovery Life maintains a well-diversified portfolio of policies. Reinsurance is further used to protect against the concentration of risk. Catastrophe reinsurance protects against the accumulation of claims from a single event, within a period of time and area of a limited radius, for example, an airplane crash. The catastrophe reinsurance for Discovery Life covers single event disasters for up to R1 100 million, where the net of reinsurance impact is greater than R55 million. For its biggest four group schemes, a further layer of catastrophe reinsurance cover of R4 200 million in excess of R1 155 million is in place.

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** continued

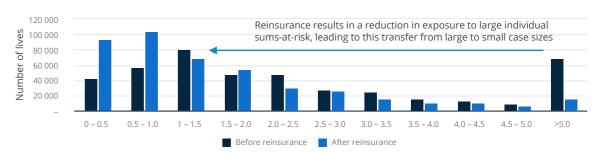
2.19 MANAGEMENT OF INSURANCE RISK continued

2.19.2 Concentration of insurance risk continued

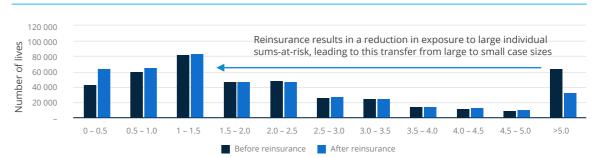
2.19.2.1 SA LIFE RISK (GMM)

Reinsurance removes the exposure to large individual claims. The following graph demonstrates that the distribution of policies by sum assured is shifted towards lower sum assured due to the reinsurance cover.

2025 Distribution of Sums Retained: Before and after reinsurance (Sum retained - Rm)

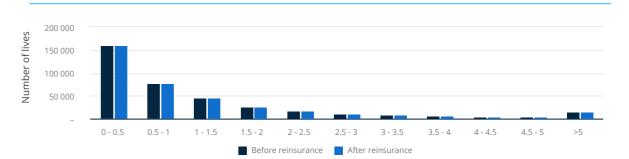


2024 Distribution of Sums Retained: Before and after reinsurance (Sum retained - Rm)

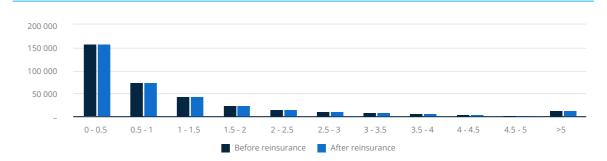


2.19.2.2 SA LIFE AND INVEST: GROUP RISK AND OTHER (PAA)

2025 Distribution of Sums Retained: Before and after reinsurance (Sum retained - Rm)



2024 Distribution of Sums Retained: Before and after reinsurance (Sum retained - Rm)



for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** continued

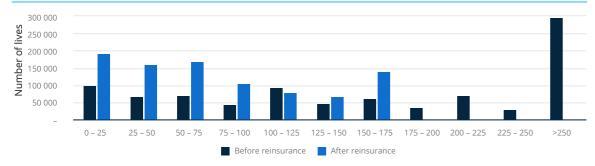
2.19 MANAGEMENT OF INSURANCE RISK continued

2.19.2 Concentration of insurance risk *continued*

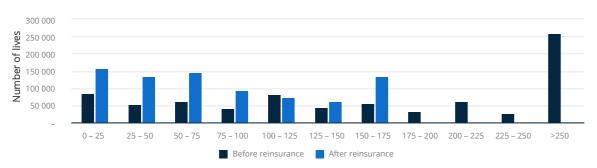
2.19.2.3 UK LIFE (RISK) (GMM)

VitalityLife maintains a well-diversified portfolio of policies. Reinsurance removes the exposure to large individual claims. The following graph demonstrates that the distribution of policies by sum assured is shifted towards lower sum assured due to the reinsurance cover. The profile is largely the same as the prior period, although a shift towards higher sums assured due to annual benefit increases and inflationary impacts on new business was observed as expected.

2025 Distribution of Sums Retained: Before and after reinsurance (Sum retained - GBP'000)



2024 Distribution of Sums Retained: Before and after reinsurance (Sum retained - GBP'000)



UK HEALTH (PAA)

VitalityHealth has the risk of single large medical expense claims arising abroad or multiple small travel claims due to a single event, which could cause losses. To manage these risks, VitalityHealth holds a reinsurance policy specifically on travel benefits, which can help cover the concentration risks from these events. The threshold for a potential claim on the reinsurance for either of these reasons is GBP250 000.

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** continued

2.19 MANAGEMENT OF INSURANCE RISK continued

2.19.2 Concentration of insurance risk continued

SA INSURE AND OTHER (PAA)

There is a risk that a concentration of risk can lead to a worse-than-expected claims experience. To manage this concentration of insurance risk, Discovery has entered a catastrophe excess of loss reinsurance treaty that would limit the loss of the Group to pre-determined levels following the occurrence of a localised catastrophe in that area.

Discovery Insure has a concentration of policyholders in the main metropolitan areas such as Johannesburg, Pretoria, Cape Town and Durban. A catastrophic flood, hail, fire or earthquake would result in disproportionate losses in these areas, given the accumulation of risk. Catastrophe reinsurance is used to limit the size of such losses and their impact on the underwriting result.

2.19.3 Underwriting risk-sensitivity analysis

The financial impact of the key risks that Discovery is exposed to can be demonstrated by considering the sensitivity of the financial results to a hypothetical change in the underlying assumptions or prevailing market conditions.

Although the sensitivities demonstrate the impact of a change in assumption, the results generally cannot be extrapolated to demonstrate the impact on future earnings and earnings forecasts.

For each sensitivity illustrated, all other assumptions have been left unchanged. No allowance has been made for any management action, for example, premium increases, to react to the worse-than-expected experience.

The sensitivities shown below consider a change in the long-term assumption used in the projection model. The following sensitivities are provided under insurance risk:

- Lapse and surrender rates: The lapse, surrender and withdrawal rates are increased or decreased across all policies and investment plans;
- Long-term investment return and inflation: A parallel shift is assumed in the yield curve. The investment return, inflation, renewal expense inflation, and inflation-linked premium increases are adjusted consistently;
- Renewal expenses: Renewal expense per policy is increased or decreased across all policies and investment plans;
- Mortality and morbidity: The mortality rate, disability rate and severe illness rates are increased and decreased across all policies and investment plans; and
- Real rate returns: The assumed real rate curve is increased or decreased across all policies and investment plans.

for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT OF INSURANCE RISK continued

2.19 MANAGEMENT OF INSURANCE RISK continued

2.19.3 Underwriting risk-sensitivity analysis *continued*

2.19.3.1 SENSITIVITY ANALYSIS – ASSETS ARISING FROM INSURANCE CONTRACTS

The sensitivity analysis below considers how the CSM, profit or loss and equity would have increased (decreased) given illustrative changes to key assumptions. This analysis presents the sensitivities both before and after risk mitigation by reinsurance and assumes that all other variables remain constant. The results do not include the impact of any management actions which may be taken under these scenarios.

For portfolios where Discovery has elected to disaggregate insurance finance income or expenses between profit or loss and other comprehensive income (OCI), the movement in equity under each scenario is not necessarily equivalent to the change in profit or loss, with the difference between the two being reflected in a change in the OCI balance. Consideration also needs to be given to items of asymmetry. Positive and negative assumption changes may have non-linear impacts on profit and loss due to the impact on items such as the loss component on onerous contracts.

		SA Life	(Risk)		SA Life	(Risk)			UK Life	(Risk)		
	CSM		Profit or	loss	Equ	ity	CSM	Л	Profit o	r loss	Equi	ty
R million	Gross of	Net of	Gross of	Net of	Gross of	Net of	Gross of	Net of	Gross of	Net of	Gross of	Net of
(Decrease)/Increase	reinsurance i	einsurance	reinsurance r	einsurance	reinsurance							
Base: June 2025 assumptions												
Lapse and surrender rates +10% (e.g. from x% to 1.1x%) ¹	(6 837)	(6 645)	(1 367)	(1 304)	464	497	(1 622)	(1 262)	412	294	122	(33)
Lapse and surrender rates -10% (e.g. from x% to 0.9x%)	9 244	8 991	660	630	(1 412)	(1 405)	1 723	1 402	(587)	(494)	(134)	(27)
Investment return and inflation -1% (e.g. from 5% to 4%)	-	-	(2)	(1)	1 510	1 365	. ,	- 102	(115)	(128)	(543)	(921)
Investment return and inflation +1% (from 5% to 6%)	_	_	3	2	(1 395)		_	_	(16)	(13)	132	487
Expense assumption +10%	(467)	(473)	(72)	(67)	(54)	(49)	(416)	(415)	(313)	(313)	(173)	(172)
Expense assumption -10%	472	478	71	65	50	45	427	470	308	275	164	130
Mortality and morbidity +10%	(7 800)	(5 914)	(2 638)	(1 859)	(818)	(527)	(4 025)	(1 289)	(2 117)	(811)	(981)	(591)
Mortality and morbidity -10%	10 215	7 991	877	692	(651)	(508)	4 215	1 327	2 056	789	867	572
Real curve -1% and inflation +1%	_	_	6	5	3 668	3 462	_	_	(17)	(16)	554	490
Real curve +1% and inflation –1%	-	-	(2)	(2)	(2 942)	(2 766)	-	-	(112)	(125)	(697)	(642)
Base: June 2024 assumptions												
Lapse and surrender rates +10% (e.g. from x% to 1.1x%) ¹	(7 095)	(6 808)	(1 070)	(1 048)	1 132	1 097	(1 169)	(944)	407	306	65	(29)
Lapse and surrender rates -10% (e.g. from x% to 0.9x%)	9 085	8 780	516	494	(1 769)	(1 739)	1 362	1 137	(536)	(462)	(166)	(85)
Investment return and inflation -1% (e.g. from 5% to 4%)	1	1	(26)	(26)	1 346	1 191	_	_	_	_	(610)	(810)
Investment return and inflation +1% (from 5% to 6%)	(1)	_	17	16	(1 193)	(1 064)	_	_	_	_	248	443
Expense assumption +10%	(467)	(468)	(92)	(90)	(1)		(350)	(366)	(260)	(248)	(152)	(139)
Expense assumption -10%	569	570	41	39	(2)	(3)	355	370	249	237	148	135
Mortality and morbidity +10%	(8 445)	(6 383)	(2 594)	(2 033)	(20)	64	(3 618)	(1 261)	(1 749)	(668)	(800)	(482)
Mortality and morbidity -10%	10 225	8 013	866	648	(934)	(766)	3 797	1 332	1 718	677	696	441
Real curve -1% and inflation +1%	1	1	(35)	(35)	3 644	3 371	1	1	-	_	468	405
Real curve +1% and inflation -1%	-	-	(3)	(3)	(2 846)	(2 626)	(1)	(1)	-	-	(542)	(486)

¹ SA Life and Invest (Risk): an increase in lapse rates on risk policies erodes value (as demonstrated by the CSM impact). Due to differences in the discount rates used to measure the impact of changes in fulfilment cashflows (at current rates) and the CSM (at initial recognition rates), the impacts between the two are not consistent and may lead to instances where the net equity position is a gain, although the overall balance sheet position has deteriorated.

for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** continued

2.19 MANAGEMENT OF INSURANCE RISK continued

2.19.3 Underwriting risk-sensitivity analysis *continued*

2.19.3.2 SENSITIVITY ANALYSIS – LIABILITIES ARISING FROM INSURANCE CONTRACTS

The table below analyses how the CSM, profit or loss and equity would have increased (decreased) if changes in underwriting risk variables that were reasonably possible at the reporting date had occurred. This analysis presents the sensitivities both before and after risk mitigation by reinsurance and assumes that all other variables remain constant.

			SA Invest (Risk)			SA Invest (Participating)			SA Life Group Risk and Other				
	CS	VI	Profit o	or loss	Equ	ity	CSM	Profit or loss	Equity	Profit	or loss	Equi	ty
R million	Gross of	Net of	Gross of	Net of	Gross of	Net of	Gross of	Gross of	Gross of	Gross of	Net of	Gross of	Net of
(Decrease)/Increase)	reinsurance	reinsurance	reinsurance	reinsurance	reinsurance	reinsurance	reinsurance	reinsurance	reinsurance	reinsurance	reinsurance	reinsurance	reinsurance
Base: June 2025													
assumptions													
Lapse and surrender rates +10%													
(e.g. from x% to 1.1x%)	_	_	4	4	4	4	(335)	(29)	(29)	_	_	_	_
Lapse and surrender rates -10% (e.g.					_	_	(000)	()	()				
from x% to 0.9x%)	_	_	(4)	(4)	(4)	(4)	361	25	25	_	_	_	_
Investment return and inflation -1%				. ,	,	,							
(e.g. from 5% to 4%)	-	-	(812)	(812)	(812)	(812)	7	(6)	(6)	_	-	27	23
Investment return and inflation +1%													
(from 5% to 6%)	-	-	738	738	738	738	(7)	6	6	-	-	(35)	(30)
Expense assumption +10%	(3)	(3)	(6)	(6)	(6)	(6)	(56)	(14)	(14)	12	12	12	12
Expense assumption -10%	3	3	6	6	6	6	56	14	14	(12)	(12)	(12)	(12)
Mortality and morbidity +10%	25	25	43	43	43	43	(61)	(9)	(9)	(157)	(133)	(154)	(131)
Mortality and morbidity -10%	(18)	(18)	(54)	(54)	(54)	(54)	64	9	9	171	146	169	143
Real curve -1% and inflation +1%	-	-	(66)	(66)	(66)	(66)	118	16	16	-	-	121	108
Real curve +1% and inflation –1%	-	-	55	55	55	55	(108)	(14)	(14)	-	-	(125)	(111)
Base: June 2024													
assumptions													
Lapse and surrender rates +10%													
(e.g. from x% to 1.1x%)	(1)	(1)	3	3	3	3	(338)	(34)	(34)	_	_	(39)	(33)
Lapse and surrender rates -10% (e.g.	()	()					(,	ζ- /	(- /			()	(/
from x% to 0.9x%)	1	1	(3)	(3)	(3)	(3)	371	31	31	_	_	51	44
Investment return and inflation -1%													
(e.g. from 5% to 4%)	-	-	(504)	(504)	(504)	(504)	10	(9)	(9)	(10)	(10)	(10)	(10)
Investment return and inflation +1%													
(from 5% to 6%)	-	-	464	464	464	464	(8)	7	7	10	10	10	10
Expense assumption +10%	(2)	(2)	(3)	(3)	(3)	(3)	(52)	(11)	(11)	145	121	142	119
Expense assumption -10%	2	2	3	3	3	3	53	10	10	(158)	(132)	(156)	(130)
Mortality and morbidity +10%	18	18	22	22	22	22	(57)	(8)	(8)	-	-	(88)	(80)
Mortality and morbidity -10%	(18)	(18)	(23)	(23)	(23)	(23)	59	8	8	-	-	99	89
Real curve -1% and inflation +1%	-	-	(44)	(44)	(44)	(44)	116	12	12	-	-	-	-
Real curve +1% and inflation -1%	-	-	37	37	37	37	(106)	(11)	(11)	-	-	-	-

Changes in underwriting variables mainly affect the CSM, profit or loss and equity as follows.

CSM	 Changes in fulfilment cash flows not relating to any loss components, other than those recognised as insurance finance income or expenses.
Profit or loss	 Changes in fulfilment cash flows relating to loss components. Changes in fulfilment cash flows that are recognised as insurance finance income or expenses in profit or loss.
Fauity	- Changes in fulfilment cash flows that are recognised as insurance finance income or expenses in OCI

The effects on profit or loss and equity are presented net of the related income tax.

- The effect on profit or loss as noted.

(includes OCI)

for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT OF INSURANCE RISK continued

2.19 MANAGEMENT OF INSURANCE RISK continued

2.19.3 Underwriting risk-sensitivity analysis *continued*

2.19.3.3 INSURANCE CONTRACTS MEASURED UNDER THE PAA APPROACH

Discovery estimates the ultimate cost of settling claims incurred but unpaid at the reporting date and the value of salvage and other expected recoveries by reviewing individual claims reported and making allowances for claims incurred but not yet reported. The ultimate cost of settling claims is estimated using a range of loss-reserving techniques. These techniques assume that the Group's own claims experience is indicative of future claims development patterns and, therefore, the

The sensitivity shown below considers a change in the assumption used in the reserving model for portfolios measured under the PAA approach. The following sensitivity is provided under insurance risk:

■ Ultimate claims: The ultimate cost of settling claims is estimated separately for each geographic area and line of business, except for large claims, which are assessed separately from other claims.

	9	A Life Group l	Risk and Other		SA Insure and Other					UK H	UK Health		
	Profit o	or loss	Equ	iity	Profit o	or loss	Equ	ity	Profit (or loss	Equ	iity	
R million	Gross of	Net of	Gross of	Net of	Gross of	Net of	Gross of	Net of	Gross of	Net of	Gross of	Net o	
(Decrease)/Increase	reinsurance	reinsurance	reinsurance	reinsurance	reinsurance	reinsurance	reinsurance	reinsurance	reinsurance	reinsurance	reinsurance	reinsurance	
Base: June 2025 assumptions													
Ultimate claims cost +5%	(52)	(49)	(52)	(49)	(24)	(24)	(20)	(18)	(45)	(45)	(45)	(4	
Ultimate claims cost -5%	52	49	52	49	24	24	20	18	45	45	45	45	
Base: June 2024 assumptions													
Ultimate claims cost +5%	(50)	(48)	(50)	(48)	(27)	(23)	(21)	(18)	(40)	(40)	(40)	(4	
Ultimate claims cost -5%	50	48	50	48	27	23	21	18	40	40	40	4	

The effects on profit or loss and equity are present net of the related income tax.



for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** continued

2.19 MANAGEMENT OF INSURANCE RISK continued

2.19.4 Market risk – Interest rate risk

SA LIFE AND INVEST (RISK) (GMM)

For Discovery Life, increased nominal or real interest rates would result in an adverse impact on the present value of future profits. Cash flows on a material segment of the book are linked to inflation. While segment retains cash flows in real terms, this segment is exposed to real interest rate movements. The balance of the book is exposed to changes in the nominal rates.

The outstanding claims and incurred but not reported claims are mostly short-term in nature and have consequently been matched with cash. Reserves backing income contribution benefits in payment are backed by a combination of cash, money market, gilts, and negative Rand reserves of appropriate duration.

The risk arising from the global linkage benefit is fully reinsured, and Discovery does not face any net direct market risk.

For Discovery Invest, guaranteed return plan liabilities are backed by a combination of negative Rand reserves and bonds of appropriate duration. As maturity approaches, cash flows from negative reserves are invested in bonds, and therefore a reinvestment risk exists. Furthermore, investment policy fee income is dependent on the underlying value of policyholders' investments, which may be interest rate-sensitive.

UK LIFE (RISK) (GMM)

As a long-term insurance provider in the UK, VitalityLife has significant exposure to long-term interest rate risk, given the impact on reserves of lower investment rate assumptions related to fixed future premium receipts to meet policy obligations. Accordingly, lower long-term interest rates and yield assumptions may negatively impact on the valuation of future policy obligations and result in a valuation loss.

2.19.4.1 SENSITIVITY ANALYSIS

An analysis of the sensitivity of the Group's profit and loss and equity to a 1% increase or decrease in interest rates at the reporting date, assuming that all other variables remain constant, is presented below.

R million	Profit or l	oss	Equity			
(Decrease)/Increase	Increase	Decrease	Increase	Decrease		
30 June 2025 Insurance contracts issued (net of reinsurance contracts) - SA Life (Risk) (GMM) - SA Invest (Risk) (GMM) - SA Invest (Participating) (VFA) - UK Life (Risk) (GMM) - SA Life Group Risk and Other (PAA) - SA Insure and Other (PAA)	(1) 738 6 3 - (3)	1 (812) (6) 1 -	(3 968) 738 6 (18) 131 (3)	4 912 (812) (6) (281) (143) 3		
30 June 2024 Insurance contracts issued (net of reinsurance contracts) - SA Life (Risk) (GMM) - SA Invest (Risk) (GMM) - SA Invest (Participating) (VFA) - UK Life (Risk) (GMM) - SA Life Group Risk and Other (PAA)	(22) 464 7 - -	(26) (504) (9) - -	(4 013) 464 7 23 118	5 031 (504) (9) (337) (128)		

Changes in underwriting variables mainly affect the profit or loss and equity as follows.

Profit or loss	 Insurance finance income or expenses recognised in profit or loss for SA Life and Invest (Risk), UK Life (Risk) and SA Life and Invest (Participating) as a result of discounting future cash flows at a revised
	current rate.
Facilities	Incurance finance income and expenses recognized in OCI for life rick and life discretionary contracts

Equity (includes OCI) - Insurance finance income and expenses recognised in OCI for life risk and life discretionary contracts as a result of discounting future cash flows at a revised current rate

The effects on profit or loss and equity are presented net of the related income tax.

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** continued

2.19 MANAGEMENT OF INSURANCE RISK continued

2.19.5 Market risk – Currency Risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the UK pound. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

All the UK Life (Risk) portfolio's insurance benefits and premiums are Pound Sterling, denominated as all business is sold in the UK market, thereby exposing Discovery to currency risk. A significant part of operational expenses are Rand denominated as systems and administration are based in South Africa. This creates a potential mismatch risk.

The Dollar Life Plan included in the SA Life (Risk) portfolio, provides a sum insured in US dollars. Premiums are paid in Rands but linked to the Rand/USD exchange rate. Certain versions of the Dollar Life Plan provide guarantees on the Rand/USD exchange rate for a specified period, thereby exposing Discovery Life to currency risk.

Other insurance business lines do not have significant currency risk.

The following table segregates the currency exposure by major currency:

R million Assets/(Liabilities)	Total	USD
30 June 2025		
Assets arising from insurance contracts issued		
- SA Life (Risk) (GMM)	829	829
Total insurance and reinsurance assets	829	829
Liabilities arising from reinsurance contracts held		
- SA Life (Risk) (GMM)	(11)	(11)
Total insurance and reinsurance liabilities	(11)	(11)
30 June 2024		
Assets arising from insurance contracts issued		
- SA Life (Risk) (GMM)	578	578
Total insurance and reinsurance assets	578	578
Liabilities arising from reinsurance contracts held		
- SA Life (Risk) (GMM)	(21)	(21)
Total insurance and reinsurance liabilities	(21)	(21)

for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** continued

2.19 MANAGEMENT OF INSURANCE RISK continued

2.19.5 Market risk - Currency Risk continued

2.19.5.1 SENSITIVITY ANALYSIS

The Group determined that a 10% change is a reasonable expected strengthening or weakening of the US dollar and the UK pound against the other functional currencies, most notably South African Rand, US Dollar and Pound Sterling.

The effect of translation differences which are recognised separately in other comprehensive income has also been excluded. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The impact on profit or loss and equity at 30 June is shown below. This analysis assumes that all other variables remain constant.

R million	Tronc or	1033	Equity		
Increase/(Decrease)	Strengthening	Weakening	Strengthening	Weakening	
30 June 2025					
USD	-	-	73	(72)	
GBP	-	-	96	(96)	
30 June 2024					
USD	2	(2)	74	(66)	
GBP	_	_	69	(69)	

Profit or loss	 Foreign currency gains and losses on insurance and reinsurance contracts that are recognised in profit or loss, including those arising from the translation of the carrying amount of the CSM.
Equity	- Changes in fulfilment cash flows that are recognised as insurance finance income or expenses in OCI.
(includes OCI)	 The effect on profit or loss as noted above.

The effects on profit or loss and equity are presented net of the related income tax. Changes in foreign exchange rates mainly affect the profit or loss and equity as follows

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT **OF INSURANCE RISK** continued

2.19 MANAGEMENT OF INSURANCE RISK continued

2.19.6 Regulatory adequacy requirements and protection against adverse experience

REGULATORY CAPITAL REQUIREMENTS

Discovery endeavours to manage its capital so that its regulated entities meet local regulatory capital requirements, in each country in which Discovery operates, the local regulator specifies the minimum amount and type of capital that each of the regulated entities must hold in addition to their liabilities. In addition to the minimum capital required to comply with the solvency requirements, Discovery aims to hold an adequate buffer under local solvency requirements to ensure regulated subsidiaries can absorb a level of volatility and meet local capital requirements.

2.19.6.1 REGULATORY REQUIREMENTS IN THE SOUTH AFRICAN MARKET

The South African entities are required to demonstrate solvency to the Prudential Authority (PA) in accordance with Insurance Act 18 of 2017 (Insurance Act) requirements in respect of governance, risk management and internal controls for insurers and align with international standards. The Insurance Act seeks to improve policyholder protection and contribute to financial stability by aligning insurers' regulatory capital requirements with underlying risks. It also strengthens the regulatory requirements in respect of governance, risk management and internal controls for insurers and aligns with international

In accordance with the Prudential Standards, each insurance company must maintain sufficient shareholder assets (own funds), over and above the assets required to meet policyholder liabilities (best-estimate liabilities plus a prescribed risk margin), to support a multiple of the Solvency Capital Requirement (SCR). In practice, companies will hold a buffer above this minimum

The SA insurance entities, Discovery Life and Discovery Insure, undertake an internal assessment of their risks and capital needs, in addition to meeting the minimum capital requirements set by the PA. The SCR is calculated in accordance with the Prudential Standards as issued by the PA. The SCR calculation is intended to approximate a risk-based capital measure and covers the major areas of insurance risk.

Discovery Life and Discovery Insure regularly review the capital position and consider various new business scenarios. Typically, a five-year new business projection horizon is allowed for, and the capital position is assessed at each valuation date during the projection to ensure an acceptable capital cover is maintained.

Discovery Life has calculated its solvency position in accordance with the Insurance Act and related Prudential Standards since 30 June 2013. A consistent level of solvency cover, comfortably more than the statutory minimum, was observed at all valuation dates. Discovery Insure has observed the solvency cover at all valuation dates.

2.19.6.2 REGULATORY REQUIREMENTS IN THE UNITED KINGDOM

In the UK market, the Prudential Regulation Authority (PRA) is a part of the Bank of England and responsible for the prudential regulation and supervision of insurers. It sets standards and supervises financial institutions. The Prudential Sourcebook for Insurers (INSPRU) contains standards for capital management.

Under Solvency I, the capital requirements are calculated based on the concept of two pillars:

- Pillar 1, which covers public solvency information that appears within the regulatory returns on the basis of prescriptive rules. This includes the statutory valuation of liabilities together with a prescribed measure of additional capital, the Long-term Insurance Capital Requirement (LTICR); and
- Pillar 2, the Individual Capital Assessment (ICA), which covers a confidential company-specific assessment of solvency. This assessment is done on a realistic basis with the aim of protecting against risks up to the 99.5 percentile over a one-year

The amount of capital that ultimately needs to be held by a life insurance company in the UK is the larger of the Pillar 1 and Pillar 2 result. VitalityLife is required to provide capital to the PAC equal to one times the Pillar 1 capital requirement, increasing to one and a half times from the Pillar 1 capital requirements from March 2024 onwards. The cover requirements were observed at all









for the year ended 30 June 2025

SECTION 2: INSURANCE AND REINSURANCE CONTRACTS AND MANAGEMENT OF INSURANCE RISK continued

2.19 MANAGEMENT OF INSURANCE RISK continued

2.19.6 Regulatory adequacy requirements and protection against adverse experience

2.19.6.2 REGULATORY REQUIREMENTS IN THE UNITED KINGDOM continued SOLVENCY II

Capital requirements under Solvency II are calculated using the regulations and guidance originally published by the European Insurance and Occupational Pensions Authority (EIOPA) and enforced by the PRA in the UK. A Solvency Cover ratio is calculated. It has several components. The key ones are discussed below:

- Best estimate liabilities (BEL): policyholder liabilities are calculated on a best estimate basis (excluding any margins) and discounted at the latest swap curve published by Bank of England.
- SCR: 1-in-200 stresses over one year to the key assumptions are applied to the BEL and the impacts aggregated using specified correlation matrices.
- Risk Margin (RM): 4% Cost of capital on a proportion of the SCR.
- Technical Provisions (TP): the sum of the BEL and the RM.
- Eligible Own Funds: the net assets of the company available to cover the SCR; negative TP can be included in the eligible Own Funds: and
- Solvency cover ratio: Eligible Own funds divided by SCR.

The Vitality Life business comprises business underwritten directly by VitalityLife (from 1 January 2016), and business underwritten on behalf of VitalityLife on PAC's life insurance licence (up to 31 December 2015).

Through a number of contractual and loan arrangements, Discovery retains 100% of the insurance risk associated with the VitalityLife policies underwritten on the PAC life insurance licence. All policies are administered by VitalityLife, and they are managed as a single portfolio. The arrangement with the PAC is accounted for under IFRS 17 as an in-substance reinsurance contract which UK Group issued to the PAC.

Accordingly, all information for VitalityLife is presented on a combined basis, comprising both the business underwritten by VitalityLife and underwritten on behalf of VitalityLife on the PAC life insurance licence.

The contractual cash flows between subsidiaries of the UK group and PAC for business that was underwritten on PAC life insurance licence will, as per contractual agreement with PAC, still be measured under the Solvency I or old capital requirement rules described below until such time it is transferred to the Vitality Life Limited (VLL) licence. If this business is transferred to VLL then it would be recognised in VLL's Solvency II reporting, and any such transfer would be subject to legal and regulatory approval in the UK. During the financial period ended 30 June 2022, Discovery and PAC finalised a contractual agreement to a long-term deferral of the transfer to the VLL licence (the Part VII transfer). The agreement is such that the Part VII transfer is now deferred for the long term with options to extend further, and for all intents and purposes, should be viewed as an indefinite deferral.

For business written on its own balance sheet, VLL is required to hold sufficient capital (measured in accordance with the PRA Rulebook) to meet the PRA capital requirements. The capital requirements were met at all valuation dates.

Through the contractual mechanism with PAC, VitalityLife is required to provide capital to the PAC equal to one and a half times the Pillar 1 capital requirement. The cover requirements were observed at all valuation dates.

VITALITYHEALTH

VitalityHealth is required to hold sufficient capital to meet the PRA capital requirements. The capital requirements were met at all valuation dates.

VitalityHealth follows a standard formula with a premium risk undertaking-specific parameter (USP) derived from VitalityHealth experience. The use of this parameter was approved by the PRA in the UK on 8 April 2024. Annually, the business publicly discloses a Solvency and Financial Condition Report (SFCR) alongside private disclosures to the regulators on its Own Risk and Solvency Assessment (ORSA). The standard formula approach is reviewed annually to determine its appropriateness for the business. The use of this approach (now also incorporating the use of the USP from 8 April 2024) continues to be considered appropriate for VitalityHealth.

The actual and projected capital position of VitalityHealth is monitored on a regular basis through a number of forums and governance committees, including the Board of Directors as well as through VitalityHealth's ORSA. In the event that sufficient capital is not projected to be available, actions would be taken to obtain additional capital or to reduce the amount of risk accepted and therefore reduce the capital requirement through, for example, reinsurance or an investment strategy.



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SECTION 3: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL RISK

INTRODUCTION AND OVERVIEW

This section provides information on financial instruments including the disclosure and reconciliation of all financial assets and liabilities, cash and cash equivalents and interest expenses. This section also details how financial risk is managed.

PRIMARY FINANCIAL STATEMENT AND INFORMATION ANALYSED IN THIS SECTION

R million	Notes	Group 2025	Group 2024
Statement of financial position			
ASSETS			
Financial assets			
 Loans and advances to customers at amortised cost 	3.3.1	8 513	6 028
 Investments at amortised cost 	3.3	12 812	11 100
 Investments at fair value through other comprehensive income 	3.3	14	-
- Investments at fair value through profit or loss	3.3	193 776	165 671
- Derivative financial instruments at fair value through profit or loss	3.4	63	43
Contract receivables and other receivables (only financial assets)	3.13	5 667	5 051
Cash and cash equivalents	3.6	21 968	18 971
		242 813	206 864
LIABILITIES			
Third-party interest in consolidated funds		35 932	31 456
Financial liabilities			
 Borrowings at amortised cost 	3.7	20 046	21 662
 Other financial payables at amortised cost 	3.9	9 148	8 007
 Deposits from customers 	3.10	23 326	18 467
 Investment contracts at fair value through profit or loss 	3.8	32 188	25 710
- Derivative financial instruments at fair value through profit or loss	3.4	135	31
		120 775	105 333
Income statement			
- Net fair value gains on financial assets at fair value through profit or			
loss	3.11	25 818	16 245
 Interest expenses on borrowings and lease liabilities 	3.12	2 087	2 036
Additional information			
Expected credit loss: Secured loans	3.3.1.1.2		
Expected credit loss: Unsecured loans	3.3.1.2.2		
Expected credit loss reconciliation on all other instruments at amortised			
cost	3.5		
Management of financial risk	3.13		

Notes to the group annual financial statements continued for the year ended 30 June 2025

SECTION 3: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL **RISK** continued

FINANCIAL ASSETS

For the accounting policies relevant to the recognition and measurement of financial assets, refer to Annexure B policies 8.1,

R million Note		oup 2025	Restated Group 2024 ³
The Group's investment in financial assets are summarised by			
measurement category in the table below:			
Financial assets at fair value through profit or loss - mandatorily	193	776	165 671
- Equity portfolios		936	60 250
- Debt portfolios		868	47 099
- Money market portfolios		948	15 786
- Multi-asset portfolios	25	024	42 536
Financial assets at fair value through other comprehensive income		14	_
- Equity portfolios		14	_
Financial assets at amortised cost	21	325	17 128
Investments at amortised cost ¹	12	812	11 100
- Treasury Bills and Government Bonds	10	115	8 194
- Deposits	2	697	2 906
Loans and advances to customers at amortised cost ²	8	513	6 028
Unsecured 3.3.1	.2 6	828	6 011
- Personal cards	6	828	6 011
Secured 3.3.1	.1 1	685	17
- Home loans	1	685	17
Total investments	215	115	182 799
- Listed ³	184	976	151 768
- Unlisted ³	30	139	31 031
Shareholder Investments:	27	990	21 784
 Investment at amortised cost 	21	325	17 128
 Investments at fair value through profit or loss – mandatorily 	6	651	4 656
 Investments at fair value through other comprehensive income 		14	-
Policyholder Investments:	187	125	161 015
- Investments at fair value through profit or loss - mandatorily	187	125	161 015
Total Investments	215	115	182 799

- 1 The carrying value of instruments at amortised cost approximates the fair amount due to the relatively short term nature of the instrument
- 2 The carrying value of unsecured loans and advances approximates the fair amount due to on demand repayment terms. The carrying value of the secured loans and advances approximates the fair amount due to on demand repayment terms. The carrying value of the secured loans and advances approximates the fair amount due to the market related variable interest rates and strong collateral position.
- 3 The comparative information has been restated for the presentation of certain government bonds (debt portfolios) from unlisted to listed. No impact on the previously reported values.

3.3.1 Loans and advances to customers at amortised cost

R million	Notes	Group 2025	Group 2024
Total net secured loans and advances	3.3.1.1	1 685	17
Total net unsecured loans and advances	3.3.1.2	6 828	6 011
Total net loans and advances to customers at amortised cost		8 513	6 028

3.3.1.1 SECURED LOANS AND ADVANCES AT AMORTISED COST

R million	Notes	Group 2025	Group 2024
Secured			
Home loans		1 677	17
Accrued interest		13	-
Total Gross advances		1 690	17
Less: IFRS 9 Expected credit losses (ECL)	3.3.1.1.2	(5)	*
Total net secured loans and advances		1 685	17

^{*} Amount less than R500 000.

for the year ended 30 June 2025

SECTION 3: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL **RISK** continued

FINANCIAL ASSETS continued

Loans and advances to customers at amortised cost *continued*

3.3.1.1 SECURED LOANS AND ADVANCES AT AMORTISED COST continued

3.3.1.1.1 SECURED LOANS AND ADVANCES PER CREDIT RISK RATING

R million	DRG 1 – 4	DRG 5 - 7	DRG 8 - 10	Total
As at 30 June 2025				
Stage 1	148	1 403	100	1 651
Stage 2: SICR ¹	-	-	21	21
Stage 2: Arrears	-	-	5	5
Secured loans	148	1 403	126	1 677
As at 30 June 2024				
Stage 1	1	16	-	17
Secured loans	1	16	-	17

¹ Significant increase in credit risk

Discovery risk grade (DRG), is an internal client rate allocated on the basis of risk profile. An adjusted DRG is allocated for the purposes of calculating the expected credit losses.

3.3.1.1.2 RECONCILIATION OF THE EXPECTED CREDIT LOSS (ECL)

R million	Stage 1 (12- month ECL)	Stage 2 (Lifetime ECL, but no missed payments)	Stage 2 (Lifetime ECL, and missed payments)	Stage 3 (Lifetime ECL, and credit impaired, default)	Total
30 June 2025					
Balance at beginning of the year Total changes in ECL due to changes	-	-	-	-	-
in balances of advances	4	1	-	-	5
New loans originated and acquired	4	1	-	-	5
Balance at end of the year	4	1	-	-	5

3.3.1.1.3 COLLATERAL HELD AS SECURITY ON LOANS AND ADVANCES

R million	Gross exposure	Impairment allowance	Carrying amount	Fair value of collateral held ¹
30 June 2025				
Home Loans	1 690	(5)	1 685	2 826
	1 690	(5)	1 685	2 826
30 June 2024				
Home Loans	17	*	17	34
	17	_	17	34

¹ Fair value of collateral is determined by referencing the realisable value of security held before adjusting for expected recoveries.

* Amount less than R500 000.

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 3: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL **RISK** continued

FINANCIAL ASSETS continued

3.3.1 Loans and advances to customers at amortised cost continued

3.3.1.2 UNSECURED LOANS AND ADVANCES AT AMORTISED COST

R million	Notes	Group 2025	Group 2024
Unsecured			
Gross loans and advances		7 414	6 503
Accrued interest		81	76
Total Gross advances		7 495	6 579
Less: IFRS 9 Expected credit losses (ECL)	3.3.1.2.2	(667)	(568)
Total net unsecured loans and advances		6 828	6 011

3.3.1.2.1 UNSECURED LOANS AND ADVANCES PER CREDIT RISK RATING

R million	DRG 1 – 4	DRG 5 – 7	DRG 8 – 10	Not rated	Total
As at 30 June 2025					
Stage 1	3 590	2 218	628	5	6 441
Stage 2: SICR ¹	30	46	396	_	472
Stage 2: Arrears	-	4	61	_	65
Stage 3	2	11	423	-	436
Gross loans and advances	3 622	2 279	1 508	5	7 414
As at 30 June 2024					
Stage 1	3 229	1 928	448	_	5 605
Stage 2: SICR ¹	26	34	434	-	494
Stage 2: Arrears	-	3	48	-	51
Stage 3	2	13	336	2	353
Gross loans and advances	3 257	1 978	1 266	2	6 503

¹ Significant increase in credit risk.







Notes to the group annual financial statements continued for the year ended 30 June 2025

SECTION 3: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL **RISK** continued

FINANCIAL ASSETS continued 3.3

Loans and advances to customers at amortised cost continued

3.3.1.2 UNSECURED LOANS AND ADVANCES AT AMORTISED COST continued

3.3.1.2.2 RECONCILIATION OF THE EXPECTED CREDIT LOSS (ECL)

RECONCILIATION OF THE EXPECTED CREDI	. 2000 (202)				
R million	Stage 1 (12- month ECL)	Stage 2 (Lifetime ECL, but no missed payments)	Stage 2 (Lifetime ECL, and missed payments)	Stage 3 (Lifetime ECL, and credit impaired, default)	Total
30 June 2025 Balance at beginning of the year	157	88	30	293	568
Total changes in ECL due to changes in balances of advances	28	7	6	(162)	(121)
New loans originated and acquired ¹	27	9	7	23	66
Repayments and other movements ² Change in ECL due to derecognition	5	1	-	68	74
other than write-off Change in ECL due to write-off ³	(4)	(3)	(1)	(4) (249)	(12) (249)
Transfers between stages ¹	(11)	(3)	5	229	220
Transfer (to)/from stage 1	_	12	20	127	159
Transfer (to)/from stage 2: SICR	(1)	_	6	65	70
Transfer (to)/from stage 2: Arrears	(1)	(1)	-	37	35
Transfer (to)/from stage 3	(9)	(14)	(21)	-	(44)
Balance at end of the year	174	92	41	360	667
30 June 2024 Restated Balance at beginning of the year	156	54	46	213	469
Total changes in ECL due to changes in balances of advances	15	19	5	(85)	(46)
New loans originated and acquired ¹	37	17	6	16	76
Repayments and other movements ² Change in ECL due to derecognition	(19)	3	-	40	24
other than write-off	(3)	(1)	(1)	(6)	(11)
Change in ECL due to write-off ³	_	_	_	(135)	(135)
Transfers between stages ¹	(14)	15	(21)	165	145
Transfer (to)/from stage 1	-	18	9	93	120
Transfer (to)/from stage 2: SICR	(2)	-	(2)	23	19
Transfer (to)/from stage 2: Arrears	-	1	-	49	50
Transfer (to)/from stage 3	(12)	(4)	(28)		(44)
Balance at end of the year	157	88	30	293	568

¹ In the current year, the Group enhanced its disclosure on new loans and advances. New facilities granted are now reported at their closing balance and credit stage at year-end (rather than the initial amount advanced), providing a more accurate representation of credit extended during the period. The comparative disclosure has been updated accordingly to ensure consistency and comparability. Importantly, this change in presentation did not impact the opening or closing balances, but only the movements between credit stages. Discovery Bank's policy requires accounts to be transferred between stages based on their Expected Credit Loss (ECL) classification at the reporting date. Accordingly, exposures may move directly from Stage 3 to Stage 1 if the curing

Notes to the group annual financial statements continued for the year ended 30 June 2025

SECTION 3: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL **RISK** continued

DERIVATIVE FINANCIAL INSTRUMENTS

For the accounting policies relevant to the recognition and measurement of derivatives, refer to Annexure B policy 9.

R million	Group 2025 Assets	Group 2025 Liabilities	Group 2024 Assets	Group 2024 Liabilities
Derivatives used as cash flow hedges:				
Interest rate swaps ¹	1	(117)	14	(24)
Derivatives not designated as hedging instruments:				
Equity price risk derivatives	35	-	4	(3)
Interest rate swaps	27	(18)	25	(4)
Total derivative financial instruments	63	(135)	43	(31)
Current	52	(15)	18	(7)
Non-current	11	(120)	25	(24)
Total derivative financial instruments	63	(135)	43	(31)

¹ The interest rate derivative portfolio consists of both interest rate swaps and interest rate caps.

criteria have been satisfied during the period. Any change in stage classification is reflected in the corresponding transfer disclosures, as outlined above.

For the year ended 30 June 2025, the forecasted inflation and interest rates in the near term remains higher than the long run average and the Bank therefore quantified a forward looking ECL adjustment of R9.2 million labelled as a macroeconomic overlay.

³ The contractual amount outstanding on financial assets that were written off during the year ended 30 June 2025 and that are still subject to enforcement activity is R600 million (2024: R144 million).

for the year ended 30 June 2025

SECTION 3: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL **RISK** continued

DERIVATIVE FINANCIAL INSTRUMENTS continued

			Ye	ar ended 30 June	e 2025		
		Carrying ar the hed instrur	lging	Line item			
Group R million Interest rate risk	Notional amount of the hedging instrument	Assets	Liabilities	in the Statement of financial position where the hedging instrument is presented	Changes in fair value of hedging instrument used for calculating hedge ineffec- tiveness	Ineffec- tiveness recognised in profit or loss	Line item in which hedge ineffec- tiveness is presented in profit or loss
Interest rate	6 768	1	(117)	_	106	_	_
Interest rate swaps	6 768	1	(117)	Financial Asset- Derivative/ Financial Liability- Derivative	106	-	Net fair value gains on financial assets at fair value through profit and loss
			Υ	ear ended 30 Ju	ne 2025		
	Changes in the value of the hedging instrument recognised in other	Amoun reclassifie from th cash floy	d in wh e recla		ing amount of hedged item	Changes ir fair value of hedging instrument used fo	
Group	compre-	hedg		sented		calculating	

in profit or loss

Interest Expense On

Borrowings And

2 Lease Liabilities

Assets Liabilities

6 820

6 820

tiveness

(124)

(124)

Refer to note 3.13.4 for a detailed description of the derivative financial instruments listed above.

hensive reserve to income profit or loss

(106)

(106)

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 3: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL **RISK** continued

DERIVATIVE FINANCIAL INSTRUMENTS continued

				Year ended 30 Jur	ne 2024		
		Carrying amo		Line item			
Group R million Interest rate risk	Notional amount of the hedging instrument	Assets	Liabilities	in the Statement of financial position where the hedging instrument is presented	Changes in fair value of hedging instrument used for calculating hedge ineffec- tiveness	Ineffec- tiveness recognised in profit or loss	Line item in which hedge ineffec- tiveness is presented in profit or loss
Interest rate risk	5 018	14	(24)		65	-	
							Net fair value
							gains on
				Financial Asset-			financial
				Derivative/			assets at fair
				Financial			value
Interest rate				Liability-			through profit
swaps	5 018	14	(24)	Derivative	65	-	or loss

Refer to note 3.13.4 for a detailed description of the derivative financial instruments listed above.

			Year ende	d 30 June 202	24		
			_	Carrying amo			
Group R million Interest rate risk	Changes in the value of the hedging instrument recognised in other comprehensive income	Amount reclassified from the cash flow hedge reserve to profit or loss	Line item in which the reclassified amount is presented in profit or loss	Assets	Liabilities	Changes in fair value of hedged item used for calculating hedge ineffec- tiveness	Cash flow hedge reserve
Interest rate risk	(65)	4		_	5 062	(45)	(20)
Interest rate swaps	(65)	4	Interest Expense On Borrowings And Lease Liabilities	-	5 062	(45)	(20)

R million Interest

Interest rate

Interest rate

swaps

rate risk

risk

for the year ended 30 June 2025

SECTION 3: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL **RISK** continued

EXPECTED CREDIT LOSS RECONCILIATION

For breakdown of those contract receivables and other receivables for which allowance for expected credit loss was recognised, refer to note 5.8 Contract receivables and other receivables. For the accounting policies relevant to the recognition and measurement of expected credit losses refer to Annexure B policy 8.1.2.

		Ge	eneral Model		Simplified	l model	
R million	Notes	Stage 1 (12- month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Lifetime ECL/credit impaired)	Not Credit impaired	90 days past due/ credit impaired	Total
Year ended							
30 June 2025							
Balance at beginning of the year		7	30	351	6	30	424
Increase in ECL		-	28	20	(4)	42	86
Amounts utilised during the							
year		(2)	(2)			(5)	(9)
Balance end of the year	5.8	5	56	371	2	67	501
Year ended							
30 June 2024							
Balance at beginning of the year		49	3	257	81	39	429
Acquisition/(disposal) of							
business		_	25	25	_	(50)	_
Increase in ECL		2	2	69	3	67	143
Amounts utilised during the							
year		(44)	_	-	(78)	(26)	(148)
Balance end of the year	5.8	7	30	351	6	30	424

CASH AND CASH EQUIVALENTS

For the accounting policies relevant to the recognition and measurement of Cash and cash equivalents, refer to Annexure B policies 8.1.2 and 10.

R million	Group 2025	Group 2024
Cash at bank and in hand Short-term deposits Money market instruments	15 272 1 825 4 322	13 609 2 264 2 667
Cash and cash equivalents excluding mandatory reserve deposits with central banks	21 419	18 540
Mandatory reserve deposits with central bank ¹	549	431
Total cash and cash balances with central banks	21 968	18 971

¹ Banks are required to deposit a minimum average balance, calculated monthly, with the central bank, which is available for use by the group subject to certain restrictions and limitations determined by the central bank in South Africa. These deposits bear no interest.

The carrying value of cash and cash equivalents approximates the fair value due to the relatively short-term nature of the

To meet the requirements for cash equivalents, as outlined in Annexure B, Policy 8.1.2 and 10 Cash and Cash Equivalents, Discovery conducts assessments of its money market instruments. These instruments will only be classified as cash equivalents if they meet the following criteria:

- (1) The purpose of the investment is to fulfil short-term cash commitments
- (2) The instrument demonstrates high credit quality within the relevant jurisdiction, as indicated by its credit rating
- (3) The primary objective of the investment is to protect capital and provide liquidity
- (4) The investment can be readily converted into known amounts of cash, similar to bank balances
- (5) The fund is invested solely in interest-bearing instruments, similar to deposits, with institutions of high credit quality.

Additionally, the investment must not introduce speculative grade or equity-type risks and exposures. This can be demonstrated by the yield returns relative to other deposit-type investments within the same jurisdiction.

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 3: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL **RISK** continued

BORROWINGS AT AMORTISED COST

For the accounting policies relevant to the recognition and measurement of Borrowings, refer to Annexure B policies 14

R million	Notes	Group 2025	Group 2024
Borrowings from banks	3.7.1	16 103	17 511
Lease liabilities	3.7.2	3 941	4 145
Bank overdraft		2	6
Balance at end of the year		20 046	21 662
Current		7 452	2 988
Non-current		12 594	18 674
Balance at end of the year		20 046	21 662

3.7.1 Borrowings from Banks

MOVEMENT ANALYSIS OF BORROWINGS

R million	Group 2025	Group 2024
Balance at beginning of the year	17 511	16 328
Loans raised ¹	3 255	3 400
Loans repaid ¹	(4 836)	(2 110)
Interest accrued	1 546	1 574
Interest paid	(1 575)	(1 545)
Raising fees capitalised	9	5
Translation differences	193	(141)
Balance at end of the year	16 103	17 511

¹ During the prior financial year, the R1 400 million loan facility held in Discovery Central Services was restructured. In terms of IFRS 9 Financial Instruments, the restructure was assessed as a substantial modification and therefore the original loan was extinguished and a new loan was recognised. Accordingly, loans raised and loans repaid include R1 400 million without any impact on cash flows.

For variable rate loans the carrying amount approximates the fair value because the variable rate is set on market related terms. For fixed rate loans, the fair value is R3 677 million (2024: R6 080 million) relative to the carrying value of R3 759 million (2024: R6 189 million)

Carrying value

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 3: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL

BORROWINGS AT AMORTISED COST continued 3.7

Borrowings from Banks continued

3.7.1.1 SA BORROWING FACILITIES

DISCOVERY LIMITED

Discovery had R2.2 billion in Domestic Medium Term Notes (DMTN) maturing in November 2024. As a risk mitigation measure, it raised R1.5 billion notes in May 2024 and to complete the refinancing of the maturing November 2024 notes and avail itself of continued favourable debt markets, the Company raised a further R1.75 billion in November 2024. To facilitate these issuances, in advance of settling the maturing notes, Discovery increased the size of its notes programme registered in 2017 to R12.5 billion from R10 billion on the same terms and conditions. The excess proceeds were used to settle R1.1 billion in notes maturing in February 2025, with the remaining R1.4 billion maturity being extended to 21 May 2025. An additional R1.515 billion notes were issued on 21 May 2025 to apply towards those notes maturing.

				Carrying R mil	
Facility amount R million	Variable rate	Interest per annum	Capital repayment and maturity date	Group 2025	Group 2024
Listed DMTN					
200	-	10.46% ¹	At maturity – 21 November 2024	-	202
800	3-month JIBAR + 191bps	8.40% ^{2,3}	At maturity – 21 November 2024	-	809
1200	3-month JIBAR + 191bps	7.30% ^{2,3}	At maturity – 21 November 2024	-	1 215
700	3-month JIBAR + 180bps	8.49% ^{2,3}	At maturity – 21 August 2026	707	707
300	3-month JIBAR + 180bps	7.60% ^{2,3}	At maturity – 21 August 2026	303	304
792	3-month JIBAR + 173bps	7.98% ^{2,3}	At maturity – 21 May 2027	799	800
226	3-month JIBAR + 180bps	7.98% ^{2,3}	At maturity – 21 May 2029	228	228
576	3-month JIBAR + 140bps	$7.50\%^{2,3}$	At maturity – 21 November 2027	581	582
924	3-month JIBAR + 159bps	8.17% ^{2,3}	At maturity – 21 November 2029	932	935
404	-	7.90% ¹	At maturity – 21 November 2025	392	-
750	3-month JIBAR + 140bps	7.19% ^{2,3}	At maturity – 21 November 2027	758	-
1 000	3-month JIBAR + 159bps	8.17% ^{2,3}	At maturity – 21 November 2029	1 012	-
1 111	3-month JIBAR + 95bps	7.46% ³	At maturity – 21 May 2026	1 120	-
Unlisted DMTN ⁴					
2 500	-	9.62% ³	At maturity – 22 February 2025	-	2 525
1 650	-	9.55% ³	At maturity – 10 March 2026	1 659	1 659
Other					
1 000	3-month JIBAR + 190bps	8.38% ^{2,3}	At maturity – 2 March 2028	1 000	999
500	3-month JIBAR + 190bps	7.51% ^{2,3}	At maturity – 2 March 2028	500	499
Total Discovery	Limited Borrowings			9 991	11 464

¹ Interest is payable semi-annually in arrears.

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 3: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL **RISK** continued

BORROWINGS AT AMORTISED COST continued 3.7

Borrowings from Banks continued

3.7.1.1 SA BORROWING FACILITIES continued

DISCOVERY CENTRAL SERVICES

			Carrying van	ue K IIIIIIIIIII
Facility amount R million	Interest rate per annum	Capital repayment and maturity date	Group 2025	Group 2024
1 400	9.97%1	At maturity – 20 December 2028	1 408	1 407
650	11.56%	At maturity – 29 October 2027	300	396
691	3-month JIBAR + 190bps ^{1,3}	At maturity – 30 June 2027	694	695
1 500	3-month JIBAR + 145bps ^{1,4}	At maturity – 08 June 2026	-	-
500	Prime rate less 145bps ⁵	At maturity – 364-day notice	-	-
Total Discovery (Central Services Borrowings	S	2 402	2 498

¹ Interest payable quarterly in arrears.

2 Instalments of interest and capital are monthly

3 The interest rate exposure has been capped at 8.36% through a derivative instrument.

4 During the current period, the maturity date of this Revolving Credit Facility has been extended to 08 June 2026. This facility was not drawn down.

5 The Revolving Credit Facility is a committed 364-day notice facility granted in November 2023. A commitment fee of 0.60% per annum is paid monthly in

arrears on the undrawn portion. This facility was reduced from R750 million to R500 million during the period and was not drawn down.

3.7.1.2 UK BORROWING FACILITIES

UK BORROWINGS

			R million			
Facility amount			Group 2	2025	Group 2	024
GBP million	Variable rate	Capital repayment and maturity date ²	GBP	R	GBP	R
25	SONIA + 275bps ¹	At maturity – 23 December 2025	25	608	25	589
75	SONIA + 300bps ¹	At maturity – 21 December 2025	75	1 828	74	1 714
55	SONIA + 285bps ¹	At maturity – 12 December 2025	52	1 274	54	1 246
Total UK Borro	wings		152	3 710	153	3 549

3.7.2 Leases

MOVEMENT ANALYSIS OF LEASES

R million	Group 2025	Group 2024
Balance at beginning of the year	4 145	4 225
New leases entered into	107	183
Interest accrued	418	433
Repayments	(737)	(675)
Modifications	(4)	(1)
Translation differences	12	(20)
Balance at end of the year	3 941	4 145

Total payments for leases for the year is R811 million (2024: R797 million).

During the 2018 financial year Discovery took occupation of a new head office building (1DP) under a lease. A lease liability and related asset (refer to note 5.5) of R3 155 million was raised. At year end, R3 125 million (2024: R3 246 million) remained outstanding. Finance charges of R345 million (2024: R356 million) have been recognised in profit or loss and repayments of R466 million (2024: R436 million) have been made.

² The interest rate has been fixed through interest rate swaps.

⁴ During the financial year ended 30 June 2020, Discovery Limited refinanced R3.6 billion bank syndicated loans through the issue of unlisted DMTN notes. The notes, although underwritten by a bank until maturity, are structured to enable short-term issuances into the commercial paper market on an ongoing

² In preparation for the upcoming debt maturities in the latter part of 2025, Discovery initiated a restructuring of its funding arrangements to optimise financing costs. As part of this process, in August 2025 Discovery successfully secured a R2.1 billion revolving credit facility, priced at 3-month JIBAR plus

for the year ended 30 June 2025

SECTION 3: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL RISK continued

3.8 INVESTMENT CONTRACTS AT FAIR VALUE THROUGH PROFIT OR LOSS

R million	2025	Group 2024
The movements during the year were as follows:		
Balance at beginning of the year	25 710	28 903
Deposits received	6 762	6 888
Account balances paid on withdrawal and other terminations in the year	(4 094)	(12 054)
Fair value adjustment	3 810	2 142
Translation difference	-	(169)
Balance at end of the year	32 188	25 710
Current ¹	32 188	25 710

1 There is no maturity profile for these liabilities as this will depend on policyholder behaviour. Contractually, policyholders may disinvest on demand.

The benefits offered under the Group's unit-linked investment contracts are based on the return on selected equities, debt securities and money market securities. The Group communicates the actual performance of these contracts to its contract holders.

Investment contracts at fair value through profit or loss are exactly matched with related assets and managed collectively as a pool. Discovery's credit risk is not reflected in the measurement of the assets or consequently the liability, which is measured with reference to the underlying assets. Own credit risk has been assessed and determined to be immaterial.

3.9 OTHER FINANCIAL PAYABLES AT AMORTISED COST

R million	Group 2025	Group 2024
Commissions payable	370	476
Consolidated unit trust payables	627	693
Expired hedge payables	-	3
Intermediary payables	32	38
Payables and accrued liabilities	3 722	3 188
Payroll creditors	1 275	1 068
Policyholder unallocated funds	1 751	1 214
Security deposits on derivatives	53	-
Unsettled trades	87	125
Other financial payables	1 231	1 202
Balance at end of the year	9 148	8 007
Current	8 901	7 880
Non-current	247	127
Total other payables	9 148	8 007

3.10 DEPOSITS FROM CUSTOMERS

For the accounting policies relevant to the recognition and measurement of Deposits from customers, refer to Annexure B policy 8.2.

R million	Group 2025	2024
Term deposits from customers – fixed rates	3 174	3 219
Term deposits from customers – variable rates	6 404	4 608
On demand deposits from customers – non-rate sensitive	653	601
On demand deposits from customers – variable rate	13 095	10 039
Total customer deposits	23 326	18 467

The carrying amount of deposits due to customers approximates fair value, as the majority of instruments are either at variable market-related rates or are short term in nature.

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 3: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL RISK continued

3.11 NET FAIR VALUE GAINS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

R million	Group 2025	Group 2024
Total	25 818	16 245

3.12 INTEREST EXPENSE ON BORROWINGS AND LEASE LIABILITIES

For the accounting policies relevant to the recognition and measurement of Borrowings, refer to Annexure B policies 14 and 23.

R million	Group 2025	Group 2024
Finance costs		
Cash flow hedge recycled to other comprehensive income	2	4
Interest expense on:		
 Borrowings measured at amortised cost using the effective interest method 	1 546	1 573
- Lease liability (IFRS 16)	418	433
 Interest on other payables using the effective interest rate method 	1	4
- Other	120	22
Total	2 087	2 036

Discovery internal risk weighting

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 3: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL RISK continued

3.13 MANAGEMENT OF FINANCIAL RISK

Discovery's activities expose it to a variety of financial risks. Financial risks include market risk, credit risk and liquidity risk,

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices and investment return. Market risk that could impact future cash flows and hence the value of a financial instrument arises from:

- Equity price risk: The impact of changes in equity prices and dividend income.
- *Interest rate risk*: The impact of changes in market interest rates.
- *Currency risk*: The impact of changes in foreign exchange rates.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge

Liquidity risk is the risk that Discovery will encounter difficulty in meeting obligations associated with financial liabilities due to insufficient cash or other financial assets being available to meet commitments as and when they become due.

Financial risks are managed by Discovery as follows:

- Reputable external asset managers have been appointed to manage its investments.
- The Actuarial Committee reviews the overall matching of shareholder and policyholder assets to their respective liabilities.
- The Capital, Currency, and Investment Committee (CCIC) is a sub-committee of the Group Executive Committee and meets quarterly to focus on shareholder and policyholder assets and the performance of asset managers responsible for managing these assets. The CCIC also sets exposure limits for exposures to individual counterparties.
- External consultants are periodically engaged to review past investment decisions.
- The Investment Committee is a sub-committee of the CCIC and meets monthly to make operational decisions regarding Discovery's liquidity and foreign currency exposure.

Discovery's approach in monitoring credit risk

Discovery's credit risk rating systems and processes differentiate and quantify credit risk across counterparties and asset classes. Discovery uses different credit rating approaches to monitor credit risk dependent on the financial assets. For financial assets with externally rated ratings, for example, Moody's, the external rating is always used. For non-Moody's-rated instruments, the following approaches will apply:

RATING SCALES FOR FUNDS

A credit rating, which is a ranking of creditworthiness, is allocated to the obligor. Where external ratings are unavailable, internal rating assessments are conducted through analysis of the latest financial and other relevant information, in a consistent and systematic manner. Where external ratings are available, the standard rating classifications used by the external rating agencies have been applied and mapped to the internal categories per the Group's internal rating scale. The internal rating scale is based on internal definitions and influenced by definitions published by the external ratings agency, Moody's.

Where applicable, internal ratings are mapped to equivalent external Moody's rating scales.

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 3: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL **RISK** continued

3.13 MANAGEMENT OF FINANCIAL RISK continued

Discovery's approach in monitoring credit risk continued

The Group's Internal Rating Scale categories for disclosure purposes are defined below:

Group internal grading for disclosures	Moody's Investors Service equivalent of internal rating	S&P Global Ratings equivalent of internal rating	(RW) grading for internal credit risk assessment ¹
Investment grade			
Grade Aaa	Aaa	AAA	RW1
Grades Aa1, Aa2, Aa3	Aa1, Aa2, Aa3	AA+, AA, AA-	RW2-RW4
Grades A1, A2, A3	A1, A2, A3	A+,A,A-	RW5-RW7
Grades Baa1, Baa2, Baa3	Baa, Baa1, Baa2, Baa3	BBB+,BBB,BBB-	RW8-RW10
Sub-investment grade			
Grades Ba1, Ba2, Ba3	Ba1, Ba2, Ba3	BB+, BB, BB-	RW11-RW14
Grades B1, B2, B3	B1, B2, B3	B+, B, B-	RW15-RW19
Grades Caa1, Caa2, Caa3	Caa1, Caa2, Caa3	CCC+, CCC, CCC-	RW20-RW23
Grades Ca1, Ca2, Ca3	Ca1, Ca2, Ca3	CC	RW24
Default			
Grade C	С	RD	RW25

1 Discovery utilises an internal risk weighting (RW) scale, calibrated to external rating agencies to develop internal credit ratings for financial guarantee contracts and its internal borrowings amongst Discovery Group entities. It is a 25-point rating scale. The ratings are mapped to their probability of default, which is then calibrated to a similar range of S&P Global Ratings and Moody's Investors Service ratings.

Where a short-term rating is unavailable, for example, short-term cash deposits, Discovery includes, for the purpose of credit risk disclosures the financial instrument as per the respective entity's long-term credit rating. Discovery's internal grading for disclosures aligns with Moody's Investors Service definitions of their respective ratings as follows:

Investment grade	Aaa	Obligations rated Aaa are judged to be of the highest quality, subject to the lowest level of credit risk.
	Aa	Obligations rated Aa are judged to be of the highest quality, subject to the lowest level of credit risk.
	Α	Obligations rated A are judged to be upper-medium grade and are subject to low credit risk
	Ваа	Obligations rated Baa are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.
Sub-investment grade	Ва	Obligations rated Ba are judged to be speculative and are subject to substantial credit risk.
	В	Obligations rated B are considered speculative, and are subject to high credit risk.
	Caa	Obligations rated Caa are judged to be speculative, of poor standing and are subject to very high credit risk.
	Ca	Obligations rated Ca are highly speculative and are likely in, or very near, default, with some prospect of recovery of principal and interest.
Default	С	Obligations rated C are the lowest rated and are typically in default, with little prospect for recovery of principal or interest.

A numerical modifier may be added to each generic rating classification. Each modifier indicates the following:

- The modifier 1 indicates that the obligation ranks at the higher end of its generic rating category
- The modifier 2 indicates a mid-range ranking; and
- The modifier 3 indicates a ranking in the lower end of that generic rating category.

The Group invests in funds through which it is also exposed to the credit risk of the underlying assets in which the funds are invested. The Group's exposure to risk is classified at fund level and not at the underlying asset level. Although funds are not rated, fund managers are required to invest in credit assets within the defined parameters stipulated in the fund's mandate. These rules limit the extent to which fund managers can invest in unlisted and/or unrated credit assets and generally restrict funds to the acquisition of local currency investment-grade assets.









for the year ended 30 June 2025

SECTION 3: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL RISK continued

3.13 MANAGEMENT OF FINANCIAL RISK continued

Discovery's approach in monitoring credit risk continued

Loans and advances to customers are categorised according to Discovery Bank's own internally developed credit models. The Discovery Bank model uses a 10-point Discovery Risk Grade classification, with each point being in two decrements to further distinguish risk. The following table summarises how Discovery Bank classifies its loans:

Discovery Risk Category	Discovery Risk Grades	Risk of default assessment	
Exceptionally low risk	DRG1 – DRG2	Less than 0.4%	
Low risk	DRG3 - DRG5	Less than 1.5%	
Medium risk	DRG5 – DRG8	Less than 6%	
High risk	DRG8 – DRG9	Less than 24%	
Very high risk	DRG10	More than 24%	

Categorisation of business in the analysis of financial risk

To assist in the analysis of the financial risks that Discovery and its policyholders are exposed to, the Statement of financial position has been divided into five categories based on the nature of the products provided by Discovery and the nature of the financial assets held to back the policyholder liabilities.

- Unit-linked investment contracts: this category relates to contracts issued by Discovery where there is a direct relationship between the returns earned on the underlying portfolio and the returns credited to the contract. Discovery holds the assets on which the unit prices are based, and as a result, there is no mismatch. The market risk (including equity price, interest rate and currency risk) as well as the credit risk for these contracts are therefore borne by the policyholder and not the Discovery
- Unit-linked insurance contracts: this category relates to insurance contracts issued by Discovery that have a component that is linked to the units of an underlying portfolio. For this component, Discovery holds the assets on which the unit prices are based. However, the gross unit liabilities are reduced by the present value of future charges less the present value of future expenses and risk claims. Under IFRS, the unit-linked component is not accounted for separately from the host insurance contract. These contracts expose both Discovery shareholders and policyholders to financial risks.
- Insurance contracts: this category relates to insurance contracts issued by Discovery which Discovery funds with a portfolio of matching assets, exposing the Discovery shareholders to financial risk. The financial assets in this category include those financial assets held within specific portfolios matched to specific liabilities, for example claims reserves and liabilities for
- Shareholder financial assets and liabilities: this category includes the financial assets and financial liabilities that expose Discovery shareholders to financial risks, including financial assets and cash backing insurance reserves and statutory capital. This category includes those financial assets that are not held in specific portfolios matched to insurance-related liabilities.
- Shareholder non-financial assets and liabilities: No financial risk disclosures are required for these items.

The financial assets at fair value in each of these categories are sub-categorised into a second tier of classification, namely:

- Equity portfolios
- Debt portfolios
- Money market portfolios
- Multi-asset portfolios

In applying the definitions below, reliance is placed on the classifications made by asset managers.

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 3: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL RISK continued

3.13 MANAGEMENT OF FINANCIAL RISK continued

Equity portfolios

The following have been defined as equity portfolios:

- Portfolios that invest a minimum of circa 75% of the market value of the portfolio in equities and generally seek maximum capital appreciation as their primary goal. These portfolios invest in selected shares across the range of large, mid, and smaller-cap shares. While the managers of these portfolios may subscribe to different investment styles or approaches, their intent is to produce a risk/return profile that is comparable with the risk/return profile of the overall equities market. The portfolios in this category offer medium to long-term capital growth as their primary investment objective.
- Investments or portfolios of equity-linked notes.

Debt (interest-bearing) portfolios

Interest-bearing portfolios are portfolios that invest exclusively in bonds, money market investments and other interest earning securities. These portfolios may not include equity securities, real estate securities or cumulative preference shares.

In addition to the above, inflation-linked bonds have been defined as debt portfolios. Inflation-linked bonds are essentially loans where the principal and interest payments are contractually linked to an inflation measure.

Money market portfolios

Money market portfolios are portfolios that seek to maximise interest income, preserve the portfolio's capital, and provide immediate liquidity. This is achieved by investing in money market instruments with a maturity of less than 13 months, while the average duration of the underlying assets may not exceed 90 days and a weighted average legal maturity of 120 days. The portfolios are typically characterised as short term, highly liquid vehicles.

Multi-asset portfolios

Multi-asset portfolios are portfolios that invest in a wide spread of investments in the equity, bond, money, and property markets to maximise total returns, comprising capital and income growth over the long term. These portfolios do not fall within the thresholds that have been determined for the equity portfolios or the debt portfolios.

The following tables reconcile the Group statement of financial position to the classes of risks and the categories listed on the previous pages

Shareholder

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 3: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL RISK continued

3.13 MANAGEMENT OF FINANCIAL RISK continued

					Sharel	nolder
Group R million	Total	Unit- linked investment contracts	Unit- linked insurance contracts	Insurance contracts	Financial assets and liabilities	Other assets and liabilities
30 June 2025						
Assets arising from insurance contracts issued	48 047	_	_	48 047	_	_
Assets arising from reinsurance contracts held	962	-	-	962	-	-
Loans and advances to customers at						
amortised cost	8 513	-	-	-	8 513	-
Investments at amortised cost: Unlisted:						
- Debt	8 849	_	_	_	8 849	_
- Fixed deposits	2 697	_	_	_	2 697	_
Listed:						
Debt	1 266				1 266	
Financial instruments mandatorily at fair	1 200	-	-	-	1 200	-
value through profit or loss:						
Listed:						
- Equity portfolios	99 627	41 583	57 303	254	487	-
 Debt portfolios 	55 612	14 767	16 616	21 639	2 590	-
- Money market portfolios	3 447	481	568	519	1 879	-
- Multi-asset portfolios	25 024	8 898	15 903	59	164	-
Unlisted: - Equity portfolios	309	28	255	_	26	
- Debt portfolios	256	20 37	255 50	- 87	82	_
- Money market portfolios	9 501	993	1 723	5 362	1 423	_
Unlisted:						
- Equity portfolios	14	-	-	-	14	-
Derivative financial instruments at fair value:						
 used as cash flow hedges 	1	-	-	-	1	-
not designated as hedginginstruments	62	5	6		51	
Receivables:	02	5	6	-	31	-
- Contract receivables	1 653	_	_	_	1 653	_
- Other receivables	5 715	545	711	49	2 709	1 701
Cash and cash equivalents	21 968	1 646	2 817	289	17 216	-
Other non-financial assets	33 927	-	-	-	-	33 927
Total assets	327 450	68 983	95 952	77 267	49 620	35 628
Liabilities arising from insurance contracts						
issued	118 878	-	88 150	30 728	-	-
Liabilities arising from reinsurance contracts	0.424			0.434		
held Borrowings at amortised cost	9 121 20 046	1	1	9 121	20 044	_
Deposits from customers	23 326			_	23 326	_
Other payables	9 148	688	1 111	774	6 575	_
Investment contracts at fair value through						
profit or loss	32 188	32 188	-	-	-	-
Third-party interest in consolidated funds	35 932	35 932	-	-	-	-
Derivative financial instruments at fair value:	44-				44-	
used as cash flow hedgesnot designated as hedging instruments	117 18	- 7	- 8	3	117	-
Other non-financial liabilities	12 977	-	-	-	_	12 977
Total liabilities	261 751	68 816	89 270	40 626	50 062	12 977
i otal nabilities	201/31	00 0 10	05 2/0	40 020	30 002	14 3//

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 3: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL RISK continued

3.13 MANAGEMENT OF FINANCIAL RISK continued

					Silaiei	loluei
Group R million	Total	Unit- linked investment contracts ¹	Unit- linked insurance contracts ¹	Insurance contracts ²	Financial assets and liabilities ³	Other assets and liabilities
30 June 2024 Restated						
Assets arising from insurance contracts issued	37 339	_	_	37 339	_	_
Assets arising from reinsurance contracts held	837	_	_	837	_	_
Loans and advances to customers at amortised						
cost	6 028	_	_	_	6 028	-
Investments at amortised cost:						
Unlisted:						
- Debt	8 194	-	-	-	8 194	-
 Fixed deposits 	2 906	-	-	-	2 906	-
Financial instruments mandatorily at fair						
value through profit or loss:						
Listed:						
- Equity portfolios	59 546	24 135	34 977	149	285	_
- Debt portfolios	47 077	13 059	14 412	17 833	1 773	_
- Money market portfolios	2 609	698	695	511	705	-
- Multi-asset portfolios	42 536	16 813	25 373	121	229	-
Unlisted:						
- Equity portfolios	704	85	547	_	72	_
- Debt portfolios	22	-	-	22	-	-
- Money market portfolios	13 177	1 025	1 650	8 910	1 592	-
Derivative financial instruments at fair value:					4.4	
- used as cash flow hedges	14	_	_	-	14	_
- not designated as hedging instruments	29	_	1	1	27	_
Receivables:	1 250				1 250	
- Contract receivables	1 350		-	- 12	1 350	1 670
- Other receivables	5 379	516	663	12	2 5 1 0	1 678
Cash and cash equivalents Other non-financial assets	18 971	1 616	2 381	820	14 154	22.016
	32 916					32 916
Total assets	279 634	57 947	80 699	66 555	39 839	34 594
Liabilities arising from insurance contracts	405.050		======	0.4.05.4		
issued	105 070	_	73 719	31 351	-	-
Liabilities arising from reinsurance contracts	F 20C			5 396		
held	5 396	-	-	5 396	21.656	_
Borrowings at amortised cost	21 662 18 467	2	4	_	21 656 18 467	-
Deposits from customers		777	787	476	5 967	_
Other payables	8 007	777	/6/	4/6	5 967	_
Investment contracts at fair value through profit or loss	25 710	25 710	_	_	_	_
Third-party interest in consolidated funds	31 456	31 456	_	_	_	_
Derivative financial instruments at fair value:	J1 4 30	31 430	_	_	_	_
 used as cash flow hedges 	24	_	_	_	24	_
 not designated as hedging instruments 	7	2	2	_	3	_
Other non-financial liabilities ²	9 384	_	_	_	-	9 384
Total liabilities	225 183	57 947	74 512	37 223	46 117	9 384
וטנמו וומטווונוכז	223 103	3/ 54/	74312	31 443	40 117	3 304

¹ The comparative information has been restated for the presentation of specified notes (equity portfolios) from unlisted to listed. No impact on the previously

DISCOVERY ANNUAL FINANCIAL STATEMENTS 2025

² The comparative information has been restated due to correction of a prior period error. Refer to note 7.5 for more detail.

3 The comparative information has been restated for the presentation of certain government bonds (debt portfolios) from unlisted to listed. No impact on the previously reported values.

for the year ended 30 June 2025

SECTION 3: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL RISK continued

3.13 MANAGEMENT OF FINANCIAL RISK continued

The financial risks associated with each category are discussed below.

3.13.1 Unit-linked investment contracts

Unit-linked investment contracts relate to contracts where there is a direct relationship between the returns earned on the underlying portfolio and the returns credited to the contract.

Investments held at risk of policyholders

	policyr	nolders
R million	Group 2025	Restated Group 2024 ¹
Financial instruments mandatorily at fair value through profit or loss:		
Listed:		
- Equity portfolios	41 583	24 135
- Debt portfolios	14 767	13 059
- Money market portfolios	481	698
- Multi-asset portfolios	8 898	16 813
Unlisted:	20	0.5
- Equity portfolios	28	85
- Debt portfolios	37	1 025
- Money market portfolios	993	1 025
Derivative financial instruments at fair value:		
 not designated as hedging instruments 	5	-
Receivables:		
 Other receivables at amortised cost 	545	516
Cash and cash equivalents	1 646	1 616
Total assets	68 983	57 947
Borrowings at amortised cost	1	2
Other payables	688	777
Investment contracts at fair value through profit or loss	32 188	25 710
Third-party interest in consolidated funds	35 932	31 456
Derivative financial instruments at fair value:		
 not designated as hedging instruments 	7	2
Total liabilities	68 816	57 947
4. The second is information by the second of factors and the second of	-> f	

¹ The comparative information has been restated for the presentation of specified notes (equity portfolios) from unlisted to listed. No impact on the previously reported values.

3.13.1.1 MARKET RISK

EQUITY AND INTEREST RATE RISK

Discovery's primary exposure to market risk from these contracts is the volatility in asset management fees earned by Discovery, due to the impact of interest rate, equity price and currency movements on the fair value of the assets held in the linked funds, on which the investment management fees are based. An increase of 10% in the value of the assets would increase the asset management fees by R89 million per annum before tax (2024: R77 million). A decrease of 10% in the value of the assets would reduce the asset management fees by R89 million per annum before tax (2024: R78 million).

In respect of IFRS-defined investment management contracts, there may be an associated asset for the costs of obtaining contracts. There is a risk that in the event of adverse market movements, future expected management fees may reduce, and consequently, this asset may not be realised and therefore necessitate impairment. There were no impairments necessary in the current or previous financial year.

CURRENCY RISK

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the UK pound. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities. The currency risk is borne by the policyholder.

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 3: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL RISK continued

3.13 MANAGEMENT OF FINANCIAL RISK continued

The financial risks associated with each category are discussed below.

3.13.1 Unit-linked investment contracts continued

3.13.1.2 **CREDIT RISK**

Credit risk is borne by the policyholder. For the majority of the unit-linked investments, Discovery has invested in mutual funds in order to provide for obligations under unit-linked investment contract liabilities. Each mutual fund has its own legal constitution and operates within a mandate that is delegated to the appointed fund manager. Credit risks assumed within the assets held are controlled by various protection mechanisms within the mandate and in law. Each fund's trustees or board appoints administrators who are responsible for ensuring that the fund's mandate and any internal and legislated control procedures are adhered to. In the event of a breach, they are obligated to bring it immediately to the attention of the fund's trustees or board and the management of the administrators for remedial action.

3.13.1.3 LIQUIDITY RISI

Certain contracts can be surrendered before maturity for a cash surrender value specified in the contractual terms and conditions. This surrender value is equal to or less than the carrying amount of the contract liabilities. If all the contracts with this option were surrendered at the financial year-end, a loss of R1 237 million (2024: R1 135 million) would have been recorded in profit or loss. This loss would result from an impairment to the asset raised for costs of obtaining contracts, but the impact is reduced by the surrender penalties receivable. A maturity analysis based on the earliest contractual repayment date would present 100% (2024: 100%) of the policyholder liabilities due within one year. The assets held to match these policyholder liabilities are realisable in the short term.

3.13.2 Unit-linked insurance contracts

A unit-linked insurance contract is an IFRS-defined insurance contract with a component that is linked to the units of an underlying portfolio

Investments held at risk of policyholders

R million	Group 2025	Restated Group 2024
·	2025	2021
Financial instruments mandatorily at fair value through profit or loss:		
Listed:		
- Equity portfolios	57 303	34 977
- Debt portfolios	16 616	14 412
- Money market portfolios	568	695
- Multi-asset portfolios	15 903	25 373
Unlisted:		
- Equity portfolios	255	547
- Debt portfolios	50	-
- Money market portfolios	1 723	1 650
Derivative financial instruments at fair value:		
- not designated as hedging instruments	6	
Receivables:		
- Other receivables	711	663
Cash and cash equivalents	2 817	2 38
Total assets	95 952	80 699
Liabilities arising from insurance contracts issued	88 150	73 719
Borrowings at amortised cost	1	4
Other payables	1 111	787
Derivative financial instruments at fair value:		
- not designated as hedging instruments	8	2
Total liabilities	89 270	74 512

¹ The comparative information has been restated for the presentation of specified notes (equity portfolios) from unlisted to listed. No impact on the previously reported values.

3.13.2.1 **CREDIT RISK**

The credit risk for the unit-linked insurance contracts is similar to the credit risk for the unit-linked investment contracts. Refer to section 3.13.1.2 for details on the exposure to the credit risk.

for the year ended 30 June 2025

SECTION 3: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL **RISK** continued

3.13 MANAGEMENT OF FINANCIAL RISK continued

3.13.2 Unit-linked insurance contracts continued

3.13.2.2 LIQUIDITY RISK

All contracts can be surrendered before maturity for a cash surrender value specified in the contractual terms and conditions. This surrender value is equal to or less than the carrying amount of the contract liabilities. If all the contracts with this option were surrendered at the financial year-end, a loss of R3 158 million (2024: R4 305 million) would have been recorded in profit or loss. This loss results from the impairment of assets arising from insurance contracts relating to these contracts, but the impact is reduced by the surrender penalties receivable.

The assets held to match these policyholder liabilities are highly liquid and are realisable in the short term. A maturity analysis based on the earliest contractual repayment date is as follows:

Group R million	Total	<1 Year	1 – 2 Years	3 – 5 Years
30 June 2025 Unit-linked insurance contracts	95 144	92 911	478	1 755
30 June 2024 Unit-linked insurance contracts	79 952	78 792	409	751

3.13.3 Insurance contracts

For insurance contracts, Discovery funds the insurance liabilities with a portfolio of matching assets.

R million	Group 2025	Restated Group 2024 ¹
Assets arising from insurance contracts issued	48 047	37 339
Assets arising from reinsurance contracts held	962	837
Financial instruments mandatorily at fair value through profit or loss:		
Listed:		
- Equity portfolios	254	149
- Debt portfolios	21 639	17 833
 Money market portfolios 	519	511
- Multi-asset portfolios	59	121
Unlisted:		
- Debt portfolios	87	22
- Money market portfolios	5 362	8 910
Derivative financial instruments at fair value:		
 not designated as hedging instruments 	-	1
Receivables:	40	40
- Other receivables	49	12
Cash and cash equivalents	289	820
Total assets	77 267	66 555
Liabilities arising from insurance contracts	30 728	31 351
Liabilities arising from reinsurance contracts	9 121	5 396
Derivative financial instruments at fair value:		
 not designated as hedging instruments 	3	-
Other payables	774	476
Total liabilities	40 626	37 223

¹ The comparative information has been restated due to correction of a prior period error. Refer to note 7.5 for more detail.

When calculating the liabilities arising from insurance contracts, an increase or decrease in the investments would result in an increase or decrease in the liability but it may not be an equal rand value movement, resulting in the difference being accrued to the shareholders. Discovery aims to closely match liabilities with appropriate assets and maintains sufficient assets to protect against residual mismatches between assets and liabilities at a 99.5% confidence interval over a one-year time horizon.

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 3: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL **RISK** continued

3.13 MANAGEMENT OF FINANCIAL RISK continued

3.13.3 Insurance contracts *continued*

3.13.3.2 **CREDIT RISK**

Discovery is exposed to credit risk through financial investments comprising money market portfolios and debt portfolios entered into to match policyholders' insurance contract liabilities. Discovery is exposed to the issuer's credit standing on these instruments, which is monitored by the CCIC by setting a minimum credit rating.

Group R million	Total	Aaa1 Aaa2 Aaa3	Aa1 Aa2 Aa3	A1 A2 A3	Ba1 Ba2 Ba3	Baa1 Baa2 Baa3	Govt ¹	Not rated
30 June 2025 Assets arising from reinsurance contracts held Financial instruments mandatorily at fair value through profit or loss:	962	-	1 023	-	-	-	-	(61)
Listed: - Debt portfolios	21 639		60	41	439	1 089	20 010	
Money market portfolios	519	_	60	3	439 116	310	20 010 90	_
Unlisted:	315	_	_	3	110	310	50	_
- Debt portfolios	87	_	_	_	61	26	_	_
Money market portfolios	5 362	_	2 408	_	24	2 854	76	_
Cash and cash equivalents	289	-	7	1	-	281	-	-
Total	28 858	-	3 498	45	640	4 560	20 176	(61)
30 June 2024 Assets arising from reinsurance contracts held Financial instruments mandatorily at fair value through profit or loss: Listed:	837	-	964	34	-	-	-	(161)
 Debt portfolios 	17 833	6	115	2	585	491	16 634	-
 Money market portfolios 	511	-	41	21	444	5	-	-
Unlisted:								
 Debt portfolios 	22	-	2	-	18	-	2	-
 Money market portfolios 	8 910	-	3 633	130	3 715	1 238	194	-
Cash and cash equivalents	820	_	3	1	496	320	_	-
Total	28 933	6	4 758	188	5 258	2 054	16 830	(161)

¹ These instruments are issued by the South African government.

The liquidity risk for assets and liabilities arising from insurance contracts is discussed in the insurance risks in Section 2.4.1 Management of Insurance Risk. The financial investments held at fair value through profit or loss are realisable in the short

Notes to the group annual financial statements continued for the year ended 30 June 2025

SECTION 3: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL **RISK** continued

3.13 MANAGEMENT OF FINANCIAL RISK continued

3.13.4 Shareholder financial assets and liabilities

The shareholders are exposed to financial risk through the following financial assets and liabilities:

Investments held at risk of shareholders

R million	Group 2025	Restated Group 2024 ¹
Loans and advances to customers at amortised cost	8 513	6 028
Investments at amortised cost:		
Unlisted:		
- Debt	8 849	8 194
- Fixed deposits	2 697	2 906
Listed:		
- Debt	1 266	_
Financial instruments mandatorily at fair value through profit or loss:		
Listed:		
- Equity portfolios	487	285
- Debt portfolios	2 590	1 773
- Money market portfolios	1 879	705
- Multi-asset portfolios	164	229
Unlisted:		
- Equity portfolios	26	72
 Debt portfolios 	82	-
 Money market portfolios 	1 423	1 592
Financial assets at fair value through other comprehensive income:		
Unlisted:		
- Equity portfolios	14	-
Derivative financial instruments at fair value:		
- used as cash flow hedges	1	14
 not designated as hedging instruments 	51	27
Receivables:		4.050
- Contract receivables	1 653	1 350
- Other receivables at amortised cost	2 709	2 510
Cash and cash equivalents	17 216	14 154
Total assets	49 620	39 839
Borrowings at amortised cost	20 044	21 656
Deposits from customers	23 326	18 467
Other payables	6 575	5 967
Derivative financial instruments at fair value:		
- used as cash flow hedges	117	24
- not designated as hedging instruments	-	3
Total liabilities	50 062	46 117

¹ The comparative information has been restated for the presentation of certain government bonds (debt portfolios) from unlisted to listed. No impact on the previously reported values.

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 3: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL **RISK** continued

3.13 MANAGEMENT OF FINANCIAL RISK continued

3.13.4 Shareholder financial assets and liabilities continued

3.13.4.1 MARKET RISK

3.13.4.1.1 EQUITY PRICE RISK

Discovery is exposed to equity price risk through its equity investments held that have been classified as investments at fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI) on the Group statement of financial position. To manage its equity risk arising from investments in equity portfolios of R527 million (2024: R357 million), the Group diversifies its portfolio and uses experienced asset managers.

For shareholder investments, a reasonable increase of 10% in the equity markets would result in a profit of R49 million before tax (2024: R42 million). A reasonable decrease in the equity markets would result in a loss of R49 million before tax (2024: R42 million). This impact would be recognised in profit or loss and equity. The sensitivity assumes that the equity markets had increased or decreased by 10% with all other variables held constant.

Discovery is also exposed to equity price risk through its cash-settled share incentive schemes, namely the Phantom share scheme and the Acquisition share scheme, the details of which are described in section 4.5. This liability has been included in 'Other payables at amortised cost' in the Statement of financial position. To manage this risk, Discovery has purchased total return equity swaps (TRS) from Baa3 and Ba2 (2024: Baa3 and Ba2) South African banks to hedge a portion of its exposure to changes in the Discovery share price.

With effect from 1 July 2022 the hedges became ineffective. Accordingly, Discovery discontinued hedge accounting under IFRS on these TRSs. Previously accumulated balances in the hedge reserve had been reclassified to profit or loss in the prior financial

Sensitivity to changes in interest rates is relevant to financial assets and financial liabilities bearing floating interest rates due to the risk that future cash flows will fluctuate. However, sensitivity will also be relevant to fixed-rated financial assets and financial liabilities that are re-measured to fair value. The table below details the specific interest rate risk that the Group is exposed to:

Group R million	Carrying amount	Fixed	Floating	interest bearing
30 June 2025				
Loans and advances to customers at amortised cost	8 513	_	8 513	_
Investments at amortised cost:				
Unlisted:				
- Debt	8 849	6 865	1 984	-
- Fixed deposits	2 697	2 132	565	-
Listed:				
- Debt	1 266	1 266	_	_
Financial instruments mandatorily at fair value through profit or				
loss:				
Listed:				
 Debt portfolios 	2 590	2 112	478	-
- Money market portfolios	1 879	42	1 837	-
- Multi-asset portfolios	164	-	-	164
Unlisted:				
- Debt portfolios	82	3	79	-
 Money market portfolios 	1 423	33	1 390	-
Derivative financial instruments at fair value:				
 used as cash flow hedges 	1	1	-	-
 not designated as hedging instruments 	51	-	-	51
Receivables:				
- Contract receivables	1 653	_		1 653
- Other receivables at amortised cost	2 709	138	704	1 867
Cash and cash equivalents	17 216	342	16 764	110
Total financial assets	49 093	12 934	32 314	3 845
Borrowings at amortised cost	20 044	7 697	12 347	-
Deposits from customers	23 326	3 174	19 498	654
Other payables at amortised cost	6 575	-	16	6 559
Derivative financial instruments at fair value:				
- used as cash flow hedges	117	117	-	-
 not designated as hedging instruments 	-	-	-	-
Total financial liabilities	50 062	10 988	31 861	7 213

for the year ended 30 June 2025

SECTION 3: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL **RISK** continued

3.13 MANAGEMENT OF FINANCIAL RISK continued

3.13.4 Shareholder financial assets and liabilities continued

3.13.4.1 MARKET RISK continued

3.13.4.1.2 INTEREST RATE RISK continued

Group R million	Carrying amount	Fixed ¹	Floating	Non-interest bearing
30 June 2024 Restated				
Loans and advances to customers at amortised cost	6 028	-	6 028	-
Investments at amortised cost:				
Unlisted:				
- Debt	8 194	7 212	982	-
 Fixed deposits 	2 906	2 906	-	-
Financial instruments mandatorily at fair value through				
profit or loss:				
Listed:				
 Debt portfolios 	1 773	1 745	28	-
 Money market portfolios 	705	6	699	-
 Multi-asset portfolios 	229	-	-	229
Unlisted:				
 Money market portfolios 	1 592	1 580	12	-
Derivative financial instruments at fair value:				
 used as cash flow hedges 	14	14	-	-
 not designated as hedging instruments 	27	-	-	27
Receivables:				
 Contract receivables 	1 350	-	-	1 350
 Other receivables at amortised cost 	2 510	17	500	1 993
Cash and cash equivalents	14 154	535	13 511	108
Total financial assets	39 482	14 015	21 760	3 707
Borrowings at amortised cost	21 656	10 334	11 322	-
Deposits from customers	18 467	3 219	14 647	601
Other payables at amortised cost	5 967	-	52	5 915
Derivative financial instruments at fair value:				
 used as cash flow hedges 	24	24	-	-
 not designated as hedging instruments 	3	_		3
Total financial liabilities	46 117	13 577	26 021	6 519

¹ The comparative information has been restated for the presentation of certain government bonds (debt portfolios) from unlisted to listed. No impact on the previously reported values.

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 3: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL **RISK** continued

3.13 MANAGEMENT OF FINANCIAL RISK continued

3.13.4 Shareholder financial assets and liabilities continued

3.13.4.1 MARKET RISK continued

3.13.4.1.2 INTEREST RATE RISK continued

INVESTMENTS

For shareholder investments with a floating rate at amortised cost, a 1% increase or decrease in the local interest rate would result in an impact on profit or loss (investment income) and equity, before tax, of R18 million (2024: R8 million). The sensitivity assumes that the interest rate had increased or decreased by 1% with all other variables held constant.

BORROWINGS AT AMORTISED COST AND RELATED HEDGES

For the floating interest rate borrowings at amortised cost, a 1% increase in the local interest rate would result in an impact on profit or loss (finance costs) and equity, before tax, of R44 million (2024: R49 million). The sensitivity assumes that the interest rate had increased or decreased by 1% with all other variables held constant.

Discovery is exposed to interest rate risk through long-term borrowings held with various financial institutions. Refer to note 3.7 Borrowings at amortised costs, for a breakdown of the borrowings, including details of fixed-rate and floating rate-facilities.

		2025		2024	
Group R million	Ref	Carrying value	Facility value	Carrying value	Facility value
Interest rate risk from borrowings from banks					
SA borrowings					
Fixed interest rate loan facilities		3 757	4 104	6 189	6 400
Floating interest rate facilities with floating-to-fixed					
interest rate swap	i	6 821	6 768	5 062	5 018
Floating interest rate facilities		1 815	1 802	2 711	2 691
UK borrowings					
Floating interest rate facilities		3 710	3 773	3 549	3 576
Total bank borrowings (refer to note 3.7)		16 103	16 447	17 511	17 685

i. During prior years and in the current financial year, Discovery entered into long-term borrowing facilities at floating interest rates, which expose Discovery to cash flow interest rate risk. This risk has been managed by using floating-to-fixed interest rate swaps. These interest rate swaps have the economic effect of converting the borrowings from floating to fixed rates. Interest is payable quarterly in arrears, with capital repayable on maturity. The hedge ratio is 1:1.

The Group enters into interest rate swaps that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities, and notional amount. As all critical terms matched during the year, there is an economic relationship.

Under the Group's policy, the critical terms of the hedging instrument, such as the settlement dates, maturity dates and notional amount, are matched with the interest rate risk of the hedged item.

Hedge ineffectiveness for interest rate swaps can arise from:

- Day one fair value of the swap;
- Events leading to mismatch in terms; and
- The credit value/debit value adjustment on the interest rate swaps which is not matched by the loan.

The fair value movement of the notional cash flow interest rate hedge accumulated in equity is as follows:

Group R million	2025	2024
Balance at beginning of the year	20	(41)
Unrealised gains accumulated in equity	106	65
Tax on unrealised gains	-	-
Recycled to profit or loss during the current year ¹	(2)	(4)
Tax on recycled losses	-	-
Balance at end of the year	124	20
The cash flow hedge will be recycled to profit or loss as follows:		
Recycled to profit or loss within one year	4	(1)
Recycled to profit or loss within two to five years	120	21
Recycled to profit or loss within six to ten years	-	-
	124	20

¹ Disclosed as interest on borrowings and lease liabilities in profit or loss.

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SECTION 3: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL **RISK** continued

3.13 MANAGEMENT OF FINANCIAL RISK continued

3.13.4 Shareholder financial assets and liabilities continued

3.13.4.1 MARKET RISK continued

3.13.4.1.2 INTEREST RATE RISK continued

The interest rate swaps held by the Group at 30 June were:

	2025	2025		2024	
Group R million	Nominal value	Fair value (liability)/ asset	Nominal value	Fair value (liability)/ asset	
Maturity date:					
21 November 2024	-	-	800	(1)	
21 November 2024	-	_	1 200	6	
21 August 2026	300	(2)	300	2	
21 August 2026	700	(12)	700	(9)	
21 August 2027	509	(9)	509	(1)	
21 August 2027	509	1	509	6	
22 November 2027	576	(6)	-	_	
22 November 2027	750	(3)	-	_	
02 March 2028	1 000	(34)	1 000	(13)	
10 March 2028	500	(6)	_	_	
21 November 2029	924	(34)	_	-	
21 November 2029	1 000	(11)	-	-	
	6 768	(116)	5 018	(10)	

Deposits from customers

For the floating interest rate deposits measured at amortised cost a 1% increase or decrease in the local interest rate would result in an impact on profit or loss and equity, before tax, of R209 million (2024: R162 million). The sensitivity assumes that the interest rate had increased or decreased by 1% with all other variables held constant.

Group R million	2025 Carrying value	2024 Carrying value
Term deposits from customers – fixed rate	3 174	3 219
Term deposits from customers – variable rate	6 404	4 608
On demand deposits from customers – non-rate sensitive	653	601
On demand deposits from customers – variable rate	13 095	10 039
Total customer deposits Discovery Bank	23 326	18 467

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 3: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL **RISK** continued

3.13 MANAGEMENT OF FINANCIAL RISK continued

3.13.4 Shareholder financial assets and liabilities continued

3.13.4.1 MARKET RISK continued

NON-HEDGE DERIVATIVE FINANCIAL INSTRUMENTS Interest rate swap

VitalityLife has significant exposure to long-term interest rate risk, given the impact of rates on the long-term assumptions applicable to the valuation of insurance contracts.

VitalityLife has an exposure to the FTSE Actuaries UK Conventional Gilts over 15 Year Index ("the index") because of products underwritten by The Prudential Assurance Company (PAC) on behalf of VitalityLife. To economically hedge the Vitality UK group's exposure to the index, a number of over-the-counter total return interest rate swap derivatives have been entered into, to provide VitalityLife with the capital depreciation or appreciation and coupon payments on a basket of Gilts designed to closely match that of the index in return for a payment of fixed interest to the counterparty. VitalityLife continues to hold certain interest rate swaps and total returns swaps ("TRS") to manage the interest rate risk on the legacy PAC book of business. These instruments are contracted on the balance sheet of the PAC and, therefore, deemed integral to the underlying insurance contracts entered into under IFRS17, and the valuation movements are treated accordingly.

Refer to note 2.19.4 for sensitivity on the interest rate exposures.









for the year ended 30 June 2025

SECTION 3: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL RISK continued

3.13 MANAGEMENT OF FINANCIAL RISK continued

3.13.4 Shareholder financial assets and liabilities continued

3.13.4.1 MARKET RISK continued

3.13.4.1.3 CURRENCY RISK

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the UK pound. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities. The following table segregates the currency exposure by major currency:

Group R million	Total	Rand	GBP in UK subsidiary	GBP other	USD in US subsidiary	USD other	Other currencies
30 June 2025							
Loans and advances to customers at amortised cost Investments at amortised cost: Unlisted:	8 513	8 513	-	-	-	-	-
– Debt	8 849	8 849	-	-	-	-	-
 Fixed deposits 	2 697	1 364	1 333	-	-	-	-
Listed:							
 Debt Financial instruments mandatorily at fair value through profit or loss: Listed: 	1 266	1 266	-	-	-	-	-
 Debt portfolios 	2 590	1 369	1 194	-	-	26	1
- Equity portfolios	487	375	-	1	-	110	1
- Money market portfolios	1 879	1 874	-	-	-	5	-
Multi-asset portfolios	164	99	-	-	-	65	-
Unlisted: - Debt portfolios	82	81			_	1	
- Equity portfolios	26	26	_	_	_		_
Money market portfolios	1 423	1 423	_	_	_	_	_
Unlisted:							
- Equity portfolios	14	14	-	-	_	_	-
Derivative financial instruments at fair value:							
used as cash flow hedgesnot designated as hedging	1	1	-	-	-	-	-
instruments Receivables:	51	51	-	-	-	-	-
 Contract receivables 	1 653	1 166	-	-	444	-	43
 Other Receivables 	2 709	2 001	397	15	165	91	40
Cash and cash equivalents	17 216	9 364	4 796	483	399	1 941	233
Total financial assets	49 620	37 836	7 720	499	1 008	2 239	318
Borrowings at amortised cost	20 044	15 811	4 051	-	182	-	-
Deposits from customers	23 326	22 672	-	97	-	386	171
Other payables	6 575	3 570	2 235	90	481	165	34
Derivative financial instruments at fair value:							
 used as cash flow hedges 	117	117	-	-	-	-	-
Total financial liabilities	50 062	42 170	6 286	187	663	551	205

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 3: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL **RISK** continued

3.13 MANAGEMENT OF FINANCIAL RISK continued

3.13.4 Shareholder financial assets and liabilities continued

3.13.4.1 MARKET RISK continued

3.13.4.1.3 CURRENCY RISK continued

Group R million	Total	Rand ¹	GBP in UK subsidiary	GBP other	USD in US subsidiary	USD other	Other currencies
30 June 2024 Restated							
Loans and advances to customers							
at amortised cost	6 028	6 028	_	-	_	-	_
Investments at amortised cost:							
Unlisted:							
- Debt	8 194	8 194	-	-	-	-	-
 Fixed deposits 	2 906	1 607	1 202	-	_	97	-
Financial instruments mandatorily							
at fair value through profit or loss:							
Listed:							
 Debt portfolios 	1 773	682	1 069	-	-	22	-
 Equity portfolios 	285	259	-	1	-	24	1
 Money market portfolios 	705	704	-	-	-	1	-
 Multi-asset portfolios 	229	68	-	-	-	161	-
Unlisted:							
 Debt portfolios 	-	-	-	-	-	-	-
 Equity portfolios 	72	72	-	-	-	-	-
 Money market portfolios 	1 592	1 592	-	-	-	-	-
Derivative financial instruments at							
fair value:							
 used as cash flow hedges 	14	14	-	-	-	-	-
 not designated as hedging 							
instruments	27	27	-	-	-	-	-
Receivables:							
 Contract receivables 	1 350	966	-	-	372	-	12
 Other receivables 	2 510	1 869	371	4	159	88	19
Cash and cash equivalents	14 154	9 038	2 513	618	427	1 342	216
Total financial assets	39 839	31 120	5 155	623	958	1 735	248
Borrowings at amortised cost	21 656	17 545	3 914	-	197	-	-
Deposits from customers	18 467	17 865	-	98	-	344	160
Other payables	5 967	3 567	2 054	5	221	83	37
Derivative financial instruments at							
fair value:							
 used as cash flow hedges 	24	24	-	-	-	-	-
 not designated as hedging 							
instrument	3	3	_	-	_	-	
Total financial liabilities	46 117	39 004	5 968	103	418	427	197

¹ The comparative information has been restated for the presentation of certain government bonds (debt portfolios) from unlisted to listed. No impact on the

Financial assets and financial liabilities in respect of the Group's US and UK subsidiaries are accounted for in their functional currency. Foreign currency movements will be recognised in the foreign currency translation reserve.

The exchange rates at year-end are detailed in the table below (quoted as rand per foreign currency):

	U	ISD GBP
30 June 2025	17	.77 24.34
30 June 2024	18	.26 23.07







for the year ended 30 June 2025

SECTION 3: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL **RISK** continued

3.13 MANAGEMENT OF FINANCIAL RISK continued

3.13.4 Shareholder financial assets and liabilities continued

3.13.4.1 MARKET RISK continued

3.13.4.1.3 CURRENCY RISK continued

SENSITIVITY ANALYSIS

The Group determined that a 10% change is a reasonable expected strengthening or weakening of the US dollar and the UK pound against all other currencies. The impact on profit or loss and equity before tax as at 30 June is shown below. For the purpose of the analysis, the foreign exchange impact of intergroup balances which eliminate on consolidation has been excluded. The effect of translation differences that are recognised separately in other comprehensive income has also been excluded. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or	loss	Equity	
R million	Strengthening	Weakening	Strengthening	Weakening
30 June 2025				
USD	169	(169)	169	(169)
GBP	31	(31)	31	(31)
30 June 2024				
USD	166	(166)	166	(166)
GBP	44	(44)	44	(44)

Discovery has offshore assets in its investment portfolios. These offshore investments are made for the purpose of seeking international diversification. There is a risk to future earnings that the value of these assets reduces due to a strengthening in the rand. Performance of foreign currency assets is benchmarked against the MSCI World Index, an international index that represents large and mid-capitalisation companies across 23 developed market countries. Refer to www.msci.com for further details.

Discovery has long-term borrowings in the UK, which exposes the Group to currency risk. This risk is managed by aligning the currency exposure to the underlying operational assets for which these borrowings have been raised. The currency risk is mitigated as the cash flows emerging from the underlying assets are in the same currency (GBP) as the interest and capital payments.

DEPOSITS FROM CUSTOMERS

Discovery Bank offers its customers the option to hold deposits in foreign currency of GBP, USD and EUR. These risks are managed by aligning the currency exposure to the underlying assets. Discovery Bank does so by holding deposits in foreign currency of GBP, USD and EUR. The currency risk is therefore matched in a 1:1 ratio to not transfer foreign currency risk to the

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 3: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL **RISK** continued

3.13 MANAGEMENT OF FINANCIAL RISK continued

3.13.4 Shareholder financial assets and liabilities continued

3.13.4.2 CREDIT RISK

Key areas where Discovery is exposed to credit risk are:

- Financial investments comprising money market and debt instruments entered into to invest surplus shareholder funds: Discovery is exposed to the issuer's credit standing on these instruments, which is monitored by the CCIC by setting a minimum credit rating and maximum exposure per issuer. Discovery has appointed reputable asset managers to manage these instruments. Information regarding the aggregated credit risk exposure for debt and money market instruments categorised by credit ratings is provided below.
- Cash and cash equivalents: This risk is managed by monitoring exposure to external financial institutions against approved limits per institution. Credit ratings are provided below.
- Certain accounts within the Statement of Financial Position category of contract receivables and other non-financial receivables.
- Reinsurance assets comprising receivables raised for expected recoveries on projected claims (Discovery's liability as primary insurer is not discharged) and amounts due from reinsurers in respect of claims already paid: This risk is limited as risk premiums are paid monthly to reinsurers and claims can be offset against risk premiums. Further, it is expected that there will be little build-up of actuarial liability on the reinsurers' side. The risk thus mainly arises following a period of higher-than-expected claims. Credit ratings of reinsurers are considered in reinsurance placement decisions. Credit exposure to reinsurers is also limited using several reinsurers. Reinsurance is placed with reputable international companies directly or through their national offices. The reinsurance companies used by Discovery are rated A or higher by A.M. Best, a rating agency with an exclusive insurance industry focus. Refer to www.ambest.com for further detail.
- Loans and advances to customers at amortised cost, which arises from credit extended to Discovery Bank customers.

for the year ended 30 June 2025

SECTION 3: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL **RISK** continued

3.13 MANAGEMENT OF FINANCIAL RISK continued

3.13.4 Shareholder financial assets and liabilities continued

3.13.4.2 CREDIT RISK continued

The following table details the aggregated credit risk exposure that the Group is exposed to, categorised by the rating scale noted in note 3.13 in section 3 Discovery's approach to monitoring credit risk.

Group			Aa1 Aa2	A1 A2	Baa1 Baa2	Ba1 Ba2		Inter- nally	Pooled
R million	Total	Aaa	Aa3	А3	Baa3	Ba3	Govt ¹	rated	funds
30 June 2025									
Loans and advances to customers at									
amortised cost	8 513	-	-	-	-	-	-	8 513	-
Investments at amortised cost:									
Unlisted:									
- Debt	8 849	-	-	-	-	-	8 849	-	-
- Fixed deposits	2 697	-	-	1 376	1 321	-	-	-	-
Listed:									
- Debt	1 266	-	-	-	-	-	1 266	-	-
Financial instruments mandatorily at fair									
value through profit or loss:									
Listed: Debt portfolios	2 590	18	183	713	658	172	826		20
Money market portfolios	1 879	-	103	1	72	25	5		1 776
Unlisted:	1075				/_	23	,		1770
- Debt portfolios	82	_	_	_	71	9	_	_	2
- Money market portfolios	1 423	-	_	1	1 385	13	24	_	_
Derivative financial instruments at fair value:									
 used as cash flow hedges 	1	-	-	-	1	-	-	-	-
 not designated as hedging instruments 	30	-	-	-	30	-	-	-	-
Cash and cash equivalents	17 216	3 457	556	2 584	4 434	533	5 652	-	-
	44 546	3 475	739	4 675	7 972	752	16 622	8 513	1 798
30 June 2024 Restated									
Loans and advances to customers at									
amortised cost	6 028								
and the second s	0 020	-	-	-	-	-	-	6 028	-
Investments at amortised cost:	0 020	-	-	-	-	-	_	6 028	-
Unlisted:		-	-	-	-	-	0.104	6 028	-
Unlisted: - Debt	8 194	-	- - 70	- 1 200	- 156	- 1 272	8 194	6 028	-
Unlisted: - Debt - Fixed deposits		-	- 79	- 1 299	- 156	- 1 372	8 194 -	6 028	- - -
Unlisted: - Debt - Fixed deposits Financial instruments mandatorily at fair value	8 194	-	- 79	- 1 299	- 156	- 1 372	8 194 -	6 028	- - -
Unlisted: - Debt - Fixed deposits	8 194	-	- 79	- 1 299	- 156	- 1 372	8 194 -	6 028	- - -
Unlisted: - Debt - Fixed deposits Financial instruments mandatorily at fair value through profit or loss:	8 194	- - -	- 79	- 1 299 525	- 156	- 1 372	8 194 - 618	6 028	- - -
Unlisted: - Debt - Fixed deposits Financial instruments mandatorily at fair value through profit or loss: Listed:	8 194 2 906	- - - 61 -					_	6 028	- - 23 697
Unlisted: - Debt - Fixed deposits Financial instruments mandatorily at fair value through profit or loss: Listed: - Debt portfolios ²	8 194 2 906		198	525		38	_	6 028	
Unlisted: - Debt - Fixed deposits Financial instruments mandatorily at fair value through profit or loss: Listed: - Debt portfolios ² - Money market portfolios Unlisted: - Debt portfolios	8 194 2 906 1 773 705		198 7	525	310	38 1	618	6 028 - - -	
Unlisted: - Debt - Fixed deposits Financial instruments mandatorily at fair value through profit or loss: Listed: - Debt portfolios ² - Money market portfolios Unlisted: - Debt portfolios - Money market portfolios	8 194 2 906		198	525		38	_		
Unlisted: - Debt - Fixed deposits Financial instruments mandatorily at fair value through profit or loss: Listed: - Debt portfolios ² - Money market portfolios Unlisted: - Debt portfolios - Money market portfolios Derivative financial instruments at fair value:	8 194 2 906 1 773 705 - 1 592	- -	198 7 - 106	525 - - -	310 - 7	38 1 - 1 262	618		
Unlisted: - Debt - Fixed deposits Financial instruments mandatorily at fair value through profit or loss: Listed: - Debt portfolios² - Money market portfolios Unlisted: - Debt portfolios - Money market portfolios Derivative financial instruments at fair value: - used as cash flow hedges	8 194 2 906 1 773 705 - 1 592	-	198 7	525 - - -	310 - 7	38 1 - 1 262	618		
Unlisted: Debt Fixed deposits Financial instruments mandatorily at fair value through profit or loss: Listed: Debt portfolios ² Money market portfolios Unlisted: Debt portfolios Money market portfolios Derivative financial instruments at fair value: used as cash flow hedges not designated as hedging instruments	8 194 2 906 1 773 705 - 1 592 14 27	- - -	198 7 - 106	525 - - - -	310 - - 7 - 3	38 1 - 1 262 14 24	618 - 217	-	697
Unlisted: - Debt - Fixed deposits Financial instruments mandatorily at fair value through profit or loss: Listed: - Debt portfolios² - Money market portfolios Unlisted: - Debt portfolios - Money market portfolios Derivative financial instruments at fair value: - used as cash flow hedges	8 194 2 906 1 773 705 - 1 592	-	198 7 - 106	525 - - -	310 - 7	38 1 - 1 262	618	6 028 - - - - - - - - - - -	

These instruments are issued by the South African government.

Financial instruments included in cash and cash equivalents, fixed deposits and treasury bills have high credit quality based on the rating of counterparties and/or have relatively short-term maturities. Impairment based on the expected credit loss approach was assessed and considered immaterial. There are no amounts within these balances which are credit impaired or where there has been a significant increase in credit risk since initial recognition.

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 3: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL **RISK** continued

3.13 MANAGEMENT OF FINANCIAL RISK continued

3.13.4 Shareholder financial assets and liabilities continued

3.13.4.2 CREDIT RISK continued

CREDIT RISK RELATING TO RECEIVABLES

The table below summarises Discovery's shareholder contract receivables and other receivables as at 30 June 2025. This table reflects shareholder's credit exposure for those financial receivables as disclosed in note 5.8.

R million	Notes	Group 2025	Group 2024
Contract receivables:		1 653	1 350
 Closed scheme debtors 	(i)	146	130
- Discovery Health Medical Scheme	(i)	1 019	818
- Other contract receivables		490	405
 Less allowance for expected credit losses 	3.5	(2)	(3)
Other loans and receivables:	'	2 709	2 510
 Agents and brokers 	(ii)	721	683
- Cash-in-transit debtors		8	69
 Consolidated unit trust debtors 		8	6
- Loans to BEE initiatives	(iii)	497	385
 Security deposit on derivatives¹ 		57	10
- Vitality partner debtors		200	212
- Other financial receivables		1 717	1 566
- Less allowance for expected credit losses	3.5	(499)	(421)
		4 362	3 860

¹ Refer to note 3.13.7 for an explanation of the nature of the security deposit (cash collateral).

Credit risk relating to receivables is managed as follows:

- i. The Discovery Health Medical Scheme (DHMS) has been rated AAA(za) by Global Credit Ratings. The closed schemes have not been rated. Payments by DHMS and the other closed schemes are managed by Discovery and are paid by the seventh of the following month.
- ii. Agents and brokers are subject to a comprehensive relationship management programme, including credit assessment. Agents and brokers are not rated by Discovery, as exposure to any single intermediary is insignificant. The widespread nature of the individual amounts combined, with this close management relationship, reduces credit risk. Most commission claw backs are offset against future payments and hence the risk of outstanding commission clawbacks is reduced.
- iii. These loans are structured considering creditworthiness of the individual partners, and the purpose of the BEE relationship. These loans are managed and monitored on an individual basis, and ECL is accordingly recognised on an individual basis using management's best estimate.

² The comparative information has been restated for the presentation of certain government bonds (debt portfolios) from unlisted to listed. No impact on the

for the year ended 30 June 2025

SECTION 3: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL **RISK** continued

3.13 MANAGEMENT OF FINANCIAL RISK continued

3.13.4 Shareholder financial assets and liabilities continued

3.13.4.2 CREDIT RISK continued

Discovery ages and pursues unpaid accounts on a monthly basis. The ageing of the components of receivables as at 30 June was:

Group R million	Gross 2025	Impairment 2025	Gross 2024	Impairment 2024
Not past due (current)	3 901	(140)	3 243	(74)
30 days	51	(1)	209	(2)
60 days	34	(1)	55	(3)
90 days	34	(2)	17	(8)
120 days	106	(2)	21	(3)
150 days	5	(1)	45	(5)
>150 days	732	(354)	694	(329)
	4 863	(501)	4 284	(424)

Discovery establishes an allowance for expected credit losses that represents its estimate of expected losses with respect to receivables that are financial assets. The allowance comprises of a specific loss component that relates to individually significant exposures, and a collective loss component, established for groups of similar assets. The loss allowance is determined based on historical data of payment statistics for similar financial assets, and where available without undue cost or effort, incorporates forward-looking information.

For an analysis of the movement in the allowance for expected credit losses as well as provision for impairment, refer to note 3.5 Expected credit loss reconciliation as included in section 3.

3.13.4.3 LIOUIDITY RISK

Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group Finance. Group Finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to always meet operational needs so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities (refer to note 3.7). Such forecasting takes into consideration the Group's debt financing plans, covenant compliance and, if applicable, external regulatory or legal requirements – such as capital requirements.

Cash held by the operating entities is managed by Group Treasury. Group Treasury invests this cash in interest-bearing accounts, time deposits and money market deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above-mentioned forecasts. For information on the liquidity risk management of contracts with insurance risk, refer to note 2.19.1 Liquidity risk.

Discovery Bank manages its liquidity risk by comparing the credit utilisation and expected future utilisation of committed facilities on its loans and advances against the deposits it holds. Discovery Bank performs normal stresses as well as additional stresses to ensure that it can meet its obligations continuously.

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 3: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL **RISK** continued

3.13 MANAGEMENT OF FINANCIAL RISK continued

3.13.4 Shareholder financial assets and liabilities continued

3.13.4.3 LIQUIDITY RISK continued

The table below examines the Group's financial assets and liabilities and net-settled interest rate swap derivative financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts are the undiscounted contractual payments and will therefore not agree to the Group statement of financial

Group R million	Total	<1 year	1 – 2 years	3 – 5 years	6 – 10 years	>10 years
30 June 2025						
Loans and advances to customers at						
amortised cost	13 566	4 335	2 432	3 315	1 782	1 702
Investments at amortised cost	16 952	7 334	1 250	3 134	5 234	-
Investments at fair value through profit or loss	6 253	4 521	673	879	71	109
Investments designated at fair value through						
other comprehensive income	14	14	-	-	-	-
Derivative financial instruments at fair value:						
 not designated as hedging instruments 	52	41	11	-	-	-
Receivables	4 363	3 886	60	92	67	258
Cash and cash equivalents	17 216	17 216	-	-	-	-
Total financial assets	58 416	37 347	4 426	7 420	7 154	2 069
Deposits from customers	23 766	21 981	625	1 160	-	-
Borrowings net of interest rate swap						
- Borrowings	18 837	8 220	3 370	7 247	-	-
- Interest rate swap	116	-	22	94		
Finance leases	5 725	737	729	2 134	2 079	46
Other payables at amortised cost	6 579	6 330	85	163	1	-
Total financial liabilities	55 023	37 268	4 831	10 798	2 080	46
30 June 2024						
Loans and advances to customers at						
amortised cost	8 785	3 663	1 974	3 131	17	-
Investments at amortised cost	13 171	7 644	1 132	2 274	2 121	-
Investments at fair value through profit or loss	4 318	3 299	195	598	129	97
Derivative financial instruments at fair value:						
 not designated as hedging instruments 	27	11	16	-	-	-
Receivables	3 860	3 680	42	31	59	48
Cash and cash equivalents	14 154	14 063	5	21	29	36
Total financial assets	44 315	32 360	3 364	6 055	2 355	181
Deposits from customers	18 984	17 365	473	1 146	_	-
Borrowings net of interest rate swap						
- Borrowings	20 761	6 055	6 163	7 573	970	-
 Interest rate swap 	10	(5)	-	15	-	-
Finance leases	6 127	659	676	1 990	2 738	64
Other payables at amortised cost	5 967	5 833	78	55	1	-
Derivative financial instruments at fair value:						
 not designated as hedging instruments 	3	3	*	*	-	_
Total financial liabilities	51 852	29 910	7 390	10 779	3 709	64

^{*} Amount less than R500 000.

for the year ended 30 June 2025

SECTION 3: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL **RISK** continued

3.13 MANAGEMENT OF FINANCIAL RISK continued

3.13.5 Capital management

The Group's capital is defined as capital and reserves attributable to equity holders of the company as presented on the Group statement of financial position. The Group's objectives when managing capital are:

- To comply with the statutory capital requirements required by the regulators of the insurance and banking markets where the Group operates; refer to Capital section of the directors' report for the statutory capital requirements;
- To maintain a capital buffer more than the statutory capital requirements to reduce the risk of breaching the statutory requirement in the event of deviations from the main assumptions affecting the Group's insurance and banking businesses;
- To ensure that sufficient capital is available to fund the Group's working capital and strategic capital requirements;
- To achieve an optimal and efficient capital funding profile; and
- To consider capital management needs both in the short term and over a five-year planning horizon.

Discovery has a Finance and Capital Committee that ensures alignment in strategic financial management between the holding company, the composites and their subsidiaries. The committee is the governance body for all capital allocation activities across

A range of capital raising options are available to manage the capital structure of the Group, which includes the issue of new shares, debt, reinsurance arrangements and other hybrid instruments.

FINANCIAL LEVERAGE RATIO

As part of the capital management process, the Group monitors its capital structure utilising various measures, one of which is the Financial Leverage Ratio (FLR). This ratio is calculated as total debt divided by total debt plus total equity. The Group's strategy is to maintain a prudent FLR of 28.0% per the Group Risk Appetite statement. However, the 28.0% measure is merely a risk appetite indicator and does not necessarily indicate any form of a breach in terms of regulatory or covenant restrictions.

The table below summarises the FLR position as at the end of the reporting period. With the adoption of IFRS 17, a significant amount has been reallocated from equity to contractual service margin (CSM) and risk adjustment. In line with developing market practice this CSM balance, representing the present value of margins to be released in future, is taken into account in the calculation of the FLR. While some insurers recognise more than 50%, it appears that most ratings agencies apply the inclusion of at least 50% of the CSM into the equity denominator. The current limit of 28.0% for the FLR remains conservative.

R million	Group 2025	Restated Group 2024 ¹
- Borrowings at amortised cost (refer to note 3.7) ²	16 105	17 517
Total debt ²	16 105	17 517
Total equity	65 699	54 451
Total Contractual Service Margin (CSM) ³	28 047	28 341
Financial leverage ratio % (50% CSM factored in)	16.8%	20.3%

- 1 The comparative information has been restated due to correction of a prior period error. Refer to note 7.5 for more detail. 2 Excluding all IFRS 16 lease liabilities of R3 941 million (2024: R4 145 million).
- 3 The CSM is net of reinsurance and net of tax..

The FLR at 30 June 2025 is in line with Discovery's risk appetite.

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 3: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL **RISK** continued

3.13 MANAGEMENT OF FINANCIAL RISK continued

3.13.5 Capital management *continued*

REGULATORY CAPITAL

For Group subsidiaries that operate in the insurance and financial services sectors, the relevant regulator specifies the minimum amount and type of capital that must be held by each of the subsidiaries in addition to the capital held for their liabilities and other regulatory financial obligations. The minimum required capital must be maintained at all times throughout the period.

Discovery Life and Discovery Insure are regulated under the Insurance Act 18 of 2017 and the related Prudential Standards, while VitalityHealth and VitalityLife are regulated under the European Solvency II regulatory regime.

The following are the key debt covenants and their proximity to minimum requirements as per the contractual financial covenants.

Debt covenant and explanation	Minimum requirement	Group 2025	Group 2024
Group Debt ¹ to EBITDA ² Ratio:	Less than 2.5 times	1.02 times	1.4 times
Group financial indebtedness to embedded value - Group financial indebtedness is as per Group Debt in the above calculation.	Less than 30% of Group Embedded value	13.3 %	16.7 %
Discovery Life Statutory Capital Requirement (SCR) Cover	SCR cover must be more than 1.1	1.9 times	1.8 times
Group embedded value	Greater than R30 billion	R126 554 million	R110 354 million
New business embedded value must not be negative	Positive value of new business for 3 consecutive 6-month periods	June 2025: R1 201 million	June 2024: R1 148 million
		December 2024: R953 million	December 2023: R684 million
		June 2024: R1 148 million	June 2023: R500 million

¹ Group debt is contractually defined and means the aggregate consolidated financial indebtedness of the Group and excludes items such as the 1DP lease and includes guarantees issued to third parties.

² EBITDA is contractually defined and specifically includes items such as dividends from associates, rental paid on 1DP and excludes items deemed extraordinary and specified Financial Reinsurance (FinRe) arrangements.







for the year ended 30 June 2025

SECTION 3: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL **RISK** continued

3.13 MANAGEMENT OF FINANCIAL RISK continued

3.13.6 Fair value hierarchy

The Group's assets and liabilities measured at fair value are disclosed in accordance with the fair value hierarchy. The hierarchy has three levels that reflect the significance of the inputs used in measuring fair value. These are as follows:

Level 1: includes those assets and liabilities that are measured using unadjusted, quoted prices in an active market for identical assets and liabilities, generally financial instruments. Quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2: includes those assets and liabilities that are valued using techniques based significantly on observable market data. Assets and liabilities in this category are valued using:

- a. Quoted prices for similar or identical assets and liabilities, generally financial instruments, in markets which are not considered to be active; or
- b. Valuation techniques where all the inputs that have a significant effect on the valuation are directly or indirectly based on observable market data.

Level 3: includes those assets and liabilities that are valued using valuation techniques that incorporate information other than observable market data and where at least one input (which could have a significant effect on the instruments' valuation) cannot

R million	Level 1	Level 2	Level 3	Total
30 June 2025				
Financial assets				
Financial instruments mandatorily at fair value through				
profit or loss:	141 140	52 636	-	193 776
- Equity portfolios	87 458	12 477	-	99 935
- Debt portfolios	53 682	2 186	-	55 868
Money market portfoliosMulti-asset portfolios	-	12 948 25 025	-	12 948 25 025
•	_	25 025		25 025
Financial instruments at fair value through other comprehensive income:	_		14	14
•			14	14
- Equity portfolios	-	-		
Derivative financial instruments at fair value:	-	41	22	63
- used as cash flow hedges	-	1	-	1
 not designated as hedging instruments 	-	40	22	62
Total financial assets	141 140	52 677	36	193 853
Non-financial assets				
Non-current asset held for sale ¹	-	-	62	62
Total assets	141 140	52 677	98	193 915
Financial liabilities				
Third-party interest in consolidated funds	-	35 932	-	35 932
Investment contracts at fair value through profit or loss	-	32 188	-	32 188
Derivative financial instruments at fair value:	-	135	-	135
 used as cash flow hedges 	-	117	-	117
 not designated as hedging instruments 	-	18	-	18
Total financial liabilities	-	68 255	-	68 255

¹ The fair value was determined from an agreed sales price between unrelated parties, reflecting an arm's length transaction under current market conditions. Given the agreed sales price, no variability is expected in the fair value measurement, as the transaction price represents the best available estimate of fair value. The measurement approach incorporates relevant observable market inputs where available. The Stockport non-current asset held for sale has been

There were no transfers between hierarchy levels during the current financial period.

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 3: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL **RISK** continued

3.13 MANAGEMENT OF FINANCIAL RISK continued

3.13.6 Fair value hierarchy *continued*

R million	Level 1	Level 2	Level 3	Total
30 June 2024				
Financial assets				
Financial instruments mandatorily at fair value through				
profit or loss:	97 618	68 037	16	165 671
- Equity portfolios	52 145	8 089	16	60 250
 Debt portfolios 	45 473	1 626	-	47 099
 Money market portfolios 	-	15 786	-	15 786
 Multi-asset portfolios 	_	42 536	-	42 536
Derivative financial instruments at fair value:	_	43	-	43
- used as cash flow hedges	_	14	_	14
 not designated as hedging instruments 	_	29	_	29
Total financial assets	97 618	68 080	16	165 714
Non-financial assets				
Non-current asset held for sale ¹	-	-	136	136
Total assets	97 618	68 080	152	165 850
Financial liabilities				
Third-party interest in consolidated funds	-	31 456	-	31 456
Investment contracts at fair value through profit or loss	-	25 710	-	25 710
Derivative financial instruments at fair value:		31	-	31
- used as cash flow hedges	_	24	_	24
 not designated as hedging instruments 	_	7	_	7
Total financial liabilities	-	57 197	_	57 197

¹ The fair value was determined from an agreed sales price between unrelated parties, reflecting an arm's length transaction under current market conditions Given the agreed sales price, no variability is expected in the fair value measurement, as the transaction price represents the best available estimate of fair value. The measurement approach incorporates relevant observable market inputs where available.

for the year ended 30 June 2025

SECTION 3: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL **RISK** *continued*

3.13 MANAGEMENT OF FINANCIAL RISK continued

3.13.6 Fair value hierarchy continued

SPECIFIC VALUATION TECHNIQUES USED TO VALUE FINANCIAL INSTRUMENTS IN LEVEL 2

If a quoted market price is not available on a recognised stock exchange or from a broker for non-exchange traded financial instruments, the fair value of the instrument is estimated by the asset managers, using valuation techniques including the use of recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow techniques, option pricing models or other valuation techniques that provide a reliable estimate of prices obtained in actual market transactions.

Valuation techniques used in determining the fair value of assets and liabilities.

Instruments	Valuation technique	Main inputs and assumptions for level 2 fair value hierarchy
Within equity portfolios, Equity-linked notes	The calculation of the daily value of the equity linked investments is made by the provider of the note. Discovery has procedures in place to ensure that these prices are correct. Aside from the daily reasonableness checks versus similar funds and movement since the prior day's price, the fund values are calculated with reference to a specific formula or index, disclosed to the policyholders, which is recalculated by Discovery to check if the price provided by the provider is correct.	- discount rate - spot prices of the underlying
Debt portfolios and Money market instruments	Money market instruments are valued by discounting the future cash flows using a risk-adjusted discount rate.	 discount rate, credit spread
Multi-assets	The fair values of third-party financial liabilities arising on the consolidation of mutual funds are determined using the quoted put (exit) price provided by the fund manager and discounted for the applicable notice period. The fair value of a financial liability with a demand feature is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.	- discount rate
Investment contracts at fair value, including third-party interest in consolidated funds	Unit-linked policies: assets which are linked to the investment contract liabilities are owned by the Group. The investment contract obliges the Group to use these assets to settle these liabilities. Therefore, the fair value of third-party interest in consolidated funds and investment contract liabilities is determined with reference to the fair value of the underlying assets (meaning, amount payable on surrender of the policies). Annuity certain: discounted cash flow models are used to determine the fair value of the stream of future payments.	 discount rate spot price of underlying
Derivatives	Standard derivative contracts are valued using market accepted models and quoted parameter inputs. More complex derivative contracts are modelled using more sophisticated modelling techniques applicable to the instrument. Techniques include: - Discounted cash flow model - Black-Scholes model - Combination technique models	 discount rate spot prices of the underlying correlation factors volatilities earnings yield valuation multiples
Unlisted equity instrument at fair value	 For unlisted equity instruments, a discounted cash flow methodology is used. The discounted cash flow methodology values an asset by determining the present value of its expected future net cash flows. This valuation considers both historic experience and future projected budgets. The valuation is stress tested by considering earnings multiples, e.g., price-earnings multiple (P/E ratio). 	 discount rate growth rate projected earnings valuation multiples, eg, P/E ratio

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 3: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL **RISK** continued

3.13 MANAGEMENT OF FINANCIAL RISK continued

3.13.7 Offsetting financial assets and financial liabilities

FINANCIAL ASSETS

The following financial assets are subject to offsetting:

Group R million	Gross financial assets	Gross offsetting financial liabilities	Net amount presented
30 June 2025 Cash and cash equivalents	22 126	(158)	21 968
30 June 2024 Cash and cash equivalents	19 152	(181)	18 971

Offsetting of cash and cash equivalents takes place as a result of sweeping arrangements that Discovery has in force with various financial institutions. No other amounts presented on the financial statements are subject to netting arrangements.

CASH COLLATERAL

To reduce the credit risk exposure from derivative instruments purchased (refer to note 3.4), Discovery has entered into collateral agreements with the relevant financial institutions to post cash collateral periodically, equal to the fair value of the derivatives. A total of R57 million (2024: R10 million) cash collateral was held by the various financial institutions and R53 million (2024: Rnil million) was held by Discovery as at 30 June 2025.









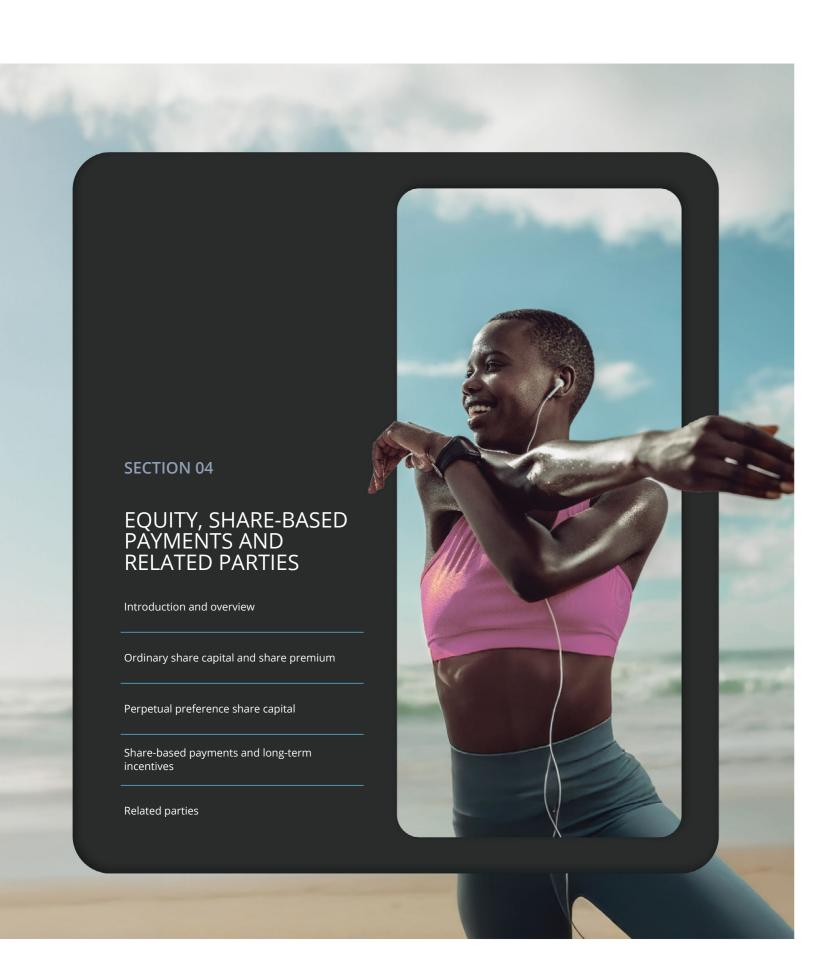
SECTION 4: EQUITY, SHARE-BASED PAYMENTS AND RELATED PARTIES

INTRODUCTION AND OVERVIEW

This section provides information on the authorised and outstanding ordinary and preference share capital and share premium of the Group, as well as changes thereto. The section further provides information on the share-based payment arrangements of the Group as well as transactions and balances with related parties and major customers.

PRIMARY FINANCIAL STATEMENT AND INFORMATION ANALYSED IN THIS **SECTION**

R million		Notes	Group 2025	Group 2024
Statement of financial position	Capital and reserves			
position	Ordinary share capital and share premium	4.3	11 358	10 667
	Perpetual preference share capital	4.4	779	779
			12 137	11 446
Additional information				
	Information on share-based payment			
	arrangements and long-term incentives	4.5		
	Information on related parties, major customers	4.6		



for the year ended 30 June 2025

SECTION 4: EQUITY, SHARE-BASED PAYMENTS AND RELATED **PARTIES** continued

ORDINARY SHARE CAPITAL AND SHARE PREMIUM

For the accounting policies relevant to the recognition and measurement of Share capital and share premium, refer to Annexure B Accounting policy 11.

	Issued		Trea	asury shares		
Group R million	Share capital	Share premium	Subsidiaries of Discovery Limited	BEE Share trust	Long-term incentive plan (LTIP)	Total outstanding
At 1 July 2023 Share movements:	1	12 102	(14)	(44)	(1 694)	10 351
- new issue	_	432	-	_	_	432
 treasury shares delivered 	-	_	-	2	445	447
 treasury shares purchased 	-	-	-	(18)	(545)	(563)
At 30 June 2024	1	12 534	(14)	(60)	(1 794)	10 667
Share movements: - new issue	_	626	_	_	_	626
 treasury shares delivered 	_	-	_	2	689	691
 treasury shares purchased 	_	-	_	-	(626)	(626)
At 30 June 2025	1	13 160	(14)	(58)	(1 731)	11 358

		Treasury shares			
Number of shares	Company	Subsidiaries of Discovery Limited	BEE Share trust	LTIP	Total outstanding
At 1 July 2023 Share movements:	673 146 417	(680 268)	(589 143)	(13 453 406)	658 423 600
- new issue	3 227 675	_	_	_	3 227 675
 treasury shares delivered 	_	_	46 991	3 660 857	3 707 848
 treasury shares purchased 	-	-	(150 000)	(4 187 976)	(4 337 976)
At 30 June 2024	676 374 092	(680 268)	(692 152)	(13 980 525)	661 021 147
Share movements:					
- new issue	3 306 749	-	-	-	3 306 749
 treasury shares delivered 	_	-	33 841	5 402 773	5 436 614
 treasury shares purchased 	_	-	-	(3 306 749)	(3 306 749)
At 30 June 2025	679 680 841	(680 268)	(658 311)	(11 884 501)	666 457 761

The total authorised number of ordinary shares is 1 billion (2024: 1 billion), with a par value of 0.1 cent per share.

Share movements during the 2025 financial reporting period

Discovery issued 3 306 749 shares for a cash consideration of R626 million (average share price R189.42). This was a specific issuance, to the Discovery Long-Term Incentive Plan Trust.

Discovery delivered 5 436 614 shares that vested through the Discovery Long-Term Incentive Plan and BEE share Trust for a cash consideration of R691 million.

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 4: EQUITY, SHARE-BASED PAYMENTS AND RELATED **PARTIES** *continued*

PERPETUAL PREFERENCE SHARE CAPITAL

For the accounting policies relevant to the recognition and measurement of Share capital and share premium, refer to Annexure

R million	Group 2025	Group 2024
Authorised		
40 000 000 A no par value preference shares	-	-
20 000 000 B preference shares of R100 each	2 000	2 000
20 000 000 C no par value preference shares	-	-
	2 000	2 000
Issued		
8 000 000 B preference shares of R100 each	800	800
Share issue costs	(21)	(21)
At 30 June	779	779

The B preference shares are non-compulsory, non-cumulative, non-participating, non-convertible, voluntarily redeemable (at option of Discovery) preference shares and were issued at a coupon rate of 85% of prime rate. With the introduction of dividend withholding tax on 1 April 2012, the coupon rate on the preference shares was increased to 100% of the prime rate.

SHARE-BASED PAYMENTS AND LONG-TERM INCENTIVES

For the accounting policies relevant to the recognition and measurement of Share-based payments refer to Annexure B Accounting policy 16.3.

Incentive schemes

Discovery operates various share-based payment and long-term incentive arrangements. The details of these arrangements are

Share based-payment arrangements

1. BEE STAFF SHARE TRUST (EQUITY-SETTLED)

In 2005, 5 290 000 Discovery Limited shares were issued to the BEE staff share trust for current and future employees. These shares had all been allocated during prior years. Additional shares have been purchased, for future allocation to employees. The trusts consist of two components; the allocation scheme and the option scheme as described below.

ALLOCATION SCHEME

Shares have been allocated to senior black employees based on level of seniority and length of past service. The shares vest to employees two, three, four and five years after allocation at a rate of 25% per annum. On each vesting date, the trustees distribute to the employees the allocated shares to which the employees may be entitled.

OPTION SCHEME

Options granted to black employees may be exercised two, three, four and five years after the option is granted at a rate of 25% per annum. Any options not exercised by the end of the fifth year from the grant date shall lapse. On exercise of the option, the employee pays cash to the trust for the full purchase price of the option.

2. DISCOVERY'S PHANTOM SCHEME (CASH-SETTLED)

Participants earn a cash bonus based on allocation of bonus scheme units which in turn are linked to the Discovery Limited share price. The bonus is earned if the participant is employed on each vesting date, with the vesting dates ranging between one and five years after allocation of the bonus units. The bonus may not be carried forward.

Share/

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 4: EQUITY, SHARE-BASED PAYMENTS AND RELATED PARTIES continued

4.5 DISCOVERY'S LONG-TERM INCENTIVE PLANS (EQUITY-SETTLED) continued

3. DISCOVERY LONG-TERM INCENTIVE PLAN (LTIP)

The LTIP was introduced in the financial year ended 30 June 2020 and replaced (with limited exceptions) the cash-settled Discovery Phantom scheme (see point 2 above) with an equity-settled scheme.

Participants will receive Discovery Limited shares subject to performance criteria and if the participant is employed on each vesting date. For LTIP awards granted prior to the introduction of the Single Incentive Plan (SIP), the performance conditions are aligned to the organic growth methodology of the Group and will vest from between the third and fifth anniversary of these awards.

SINGLE INCENTIVE PLAN

During the financial year ended 30 June 2022, Discovery replaced its management short-term incentive scheme and long-term incentive schemes with a single incentive scheme (SIP), consisting of a cash incentive (short-term incentive) and deferred share awards (long-term incentive). The SIP is based on the annual award of a single total incentive relating to the performance of the Group, business unit and the individual, and is assessed against financial and non-financial measures as outlined by the Group scorecard as well as business unit and individual scorecards.

These performance measures are used to determine the value of the award granted. The vesting of the deferred share awards is conditional on the participant still being employed on each vesting date, and not subject to any performance conditions.

The first deferred share awards were granted in November 2022. These shares will vest between one and three years after allocation of the shares for senior management and between three and five years for executive directors and prescribed officers.

4. ACQUISITION SCHEMES (CASH AND EQUITY-SETTLED)

There are various schemes offered to franchise directors, agents and employees. Prior to the financial year ended 30 June 2024, participants were allocated share units which replicate the economics of a Discovery Limited share. The share units are settled as a cash bonus on vesting. Awards granted in subsequent years, are equity-settled awards.

The vesting periods on the schemes vary from two to five years. The participants will earn the cash bonus (for cash-settled awards) or receive Discovery Limited shares (for equity-settled awards) if the participant is employed by Discovery or Discovery's contracted affiliates on the vesting date.

5. DISCOVERY BANK SCHEME (EQUITY-SETTLED)

Participants will receive Discovery Limited shares subject to the 'Value Created', which references the growth in the value of Discovery Bank business after capital invested and interest. These awards vest from between the third and seventh anniversary of the market launch date of Discovery Bank, and each vesting is settled in three equal instalments over three years, if the participant is employed on each vesting date.

Other long-term incentive schemes

The following schemes are long-term staff incentives where the value is determined with reference to something other than the Discovery Limited share price. These schemes are accounted for in terms of IAS 19: Employee benefits.

6. THE VITALITYHEALTH AND VITALITYLIFE PHANTOM SHARE SCHEME

Participants earn a cash bonus based on allocation of bonus scheme units which in turn are linked to the Embedded Value (EV) of VitalityLife and VitalityHealth respectively. The bonus is earned if the participant is employed on each vesting date. For units issued, the vesting of the units is two, three and four years after allocation of the bonus units. The bonus may not be carried forward.

7. ALL OTHER SEGMENT SCHEMES

Various other long-term incentive schemes exist within the Discovery Group in the All other segments. These schemes are individually and in aggregate immaterial and as a result no further information is disclosed.

The schemes mentioned in bullets 2 and 4 have been classified as cash-settled schemes and a liability is raised in terms of IFRS 2 Share-based Payment. The other long-term incentive schemes, have been accounted for in terms of IAS 19 *Employee Benefits*.

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 4: EQUITY, SHARE-BASED PAYMENTS AND RELATED PARTIES continued

4.5 DISCOVERY'S LONG-TERM INCENTIVE PLANS (EQUITY-SETTLED) continued

Summary of units granted under share-based payment arrangements

The following is a summary of the terms and conditions of the units granted:

Date granted	Share/ Option price	Final vesting date	under option at beginning of year	Options granted during year	Options vested during year	Options cancelled or adjusted during year	under option at end of year
1. BEE staff share trust							
01/07/2019 - 30/06/2020	R0.00	30/09/2025	3 444	-	(2 251)	-	1 193
01/07/2020 - 30/06/2021	R0.00	31/03/2026	8 604	-	(5 054)	-	3 550
01/07/2021 - 30/06/2022	R0.00	30/09/2027	44 183	-	(18 880)	(2 555)	22 748
01/07/2022 - 30/06/2023	R0.00	30/04/2028	16 390	-	(3 156)	(3 764)	9 470
01/07/2023 - 30/06/2024	R0.00	30/04/2029	53 703	-	(2 806)	167	51 064
01/07/2024 - 30/06/2025	R0.00	30/06/2029	-	13 111	-	-	13 111
2. Discovery phantom sche	me						
01/07/2017 - 30/06/2018	R0.00	31/03/2023	557	-	(557)	-	
01/07/2018 - 30/06/2019	R0.00	31/03/2024	949	-	(949)	-	
01/07/2022 - 30/06/2023	R0.00	30/09/2027	189 499	_	(81 287)	_	108 21
01/07/2023 - 30/06/2024	R0.00	30/09/2026	125 411	-	(59 530)	-	65 88
3. Discovery LTIP and SIP							
01/07/2019 - 30/06/2020	R0.00	30/09/2024	714 156	_	(694 819)	(19 337)	
01/07/2020 - 30/06/2021	R0.00	30/09/2025	1 978 231	_	(987 929)	(38 274)	952 028
01/07/2021 - 30/06/2022	R0.00	30/09/2026	3 022 285	_	(1 006 735)	(80 655)	1 934 89
01/07/2022 - 30/06/2023	R0.00	30/09/2027	3 172 577	_	(1 321 243)	(74 233)	1 777 10°
01/07/2023 - 30/06/2024	R0.00	30/04/2028	3 985 777		(1 392 413)	(137 151)	
01/07/2024 - 30/06/2025	R0.00	30/06/2029	-	3 177 330	(75 825)	(52 475)	3 049 030
4. Acquisition schemes							
01/07/2019- 30/06/2020	R0.00	30/06/2025	35 036	_	(31 292)	(1 056)	2 688
01/07/2020- 30/06/2021	R0.00	30/06/2026	90 565	_	(42 666)	(6 808)	41 09
01/07/2021- 30/06/2022	R0.00	30/06/2027	639 700	_	(433 148)	(110 334)	96 218
01/07/2023- 30/06/2024	R0.00	30/06/2028	857 017	_	(10 737)	(29 116)	817 164
01/07/2024- 30/06/2025	R0.00	30/06/2029	-	887 741	-	(34 674)	853 06

Shares

for the year ended 30 June 2025

SECTION 4: EQUITY, SHARE-BASED PAYMENTS AND RELATED PARTIES continued

4.5 DISCOVERY'S LONG-TERM INCENTIVE PLANS (EQUITY-SETTLED) continued

Valuation of share-based payments and long-term incentives

The VitalityHealth and VitalityLife phantom share scheme is cash-settled and thus repriced at each reporting date. The value of the shares and options allocated are dependent on the performance of VitalityLife and VitalityHealth, more specifically the EV of each respective business.

The Discovery phantom scheme and certain Acquisition scheme awards are cash-settled and a liability is raised in terms of IFRS 2 Share-based Payment (IFRS 2). The liability is repriced at each reporting date. The closing share price at 30 June 2025 was R214.80.

Discovery determines the grant date fair value of its equity-settled schemes at the date of allocating the grant to the employee using the following inputs. The grant date fair value is then recognised over the vesting period and a share-based payment reserve is recognised in terms of IFRS 2.

Fair value	Valuation	methodology	

	ran raide raidadon mediodologi
Discovery LTIP and SIP	
01/07/2020 - 30/06/2021	110.56 - 136.74
01/07/2021 - 30/06/2022	135.94 - 152.26
01/07/2022 - 30/06/2023	127.58 - 149.05 Unconditional fair value is equa
01/07/2023 - 30/06/2024	117.16 - 133.04 to the underlying share price in
01/07/2024 - 30/06/2025	153.00 - 217.40 Discovery at grant dates.
BEE Staff share trust	
01/07/2019 - 30/06/2020	70.82
01/07/2020 - 30/06/2021	114.16 - 115.13 Unconditional fair value is equa
01/07/2021 - 30/06/2022	118.85 - 175.38 to the share price at the grant
01/07/2022 - 30/06/2023	111.48 - 137.91 date, less the present value of
01/07/2023 - 30/06/2024	109.75 - 141.87 estimated dividends paid prior
01/07/2024 - 30/06/2025	183.87 - 204.22 to the time of exercise.
Acquisition Share Scheme	
04 (07 (000)	Unconditional fair value is equa
01/07/2023 – 30/06/2024	146.46 to the underlying share price in
01/07/2024 - 30/06/2025	192.69 Discovery at grant dates.

4.6 RELATED PARTIES

List of related parties as defined

SUBSIDIARIES

Details of subsidiaries directly owned by Discovery Limited are contained in Company note 3.3. In addition, Annexure A sets out all subsidiary and other investments held within Discovery Group.

ASSOCIATES AND JOINT VENTURES

Details of Discovery's material associates and joint ventures are contained in note 5.7.

KEY MANAGEMENT PERSONNEL

Key management personnel have been defined as directors of Discovery Limited, Discovery Health Proprietary Limited and Discovery Life Limited, as these businesses constitute the majority of the Discovery Group.

A list of the directors and prescribed officers of Discovery Limited can be found in the Directors' report. Also refer to Annexure C for Directorate remuneration.

To the extent that specific transactions have occurred between Discovery and key management personnel, including close family members of key management, (as defined in IAS 24 Related Party Disclosures) the details are included within the aggregate disclosure contained below under key management personnel and where significant, full details of all relationships and terms of the transactions are provided.

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 4: EQUITY, SHARE-BASED PAYMENTS AND RELATED PARTIES continued

4.6 RELATED PARTIES continued

Transactions with related parties

Discovery Group had the following transactions and balances with the following equity-accounted investees:

Transactions (R'000)	2025	2024
PAHI		
Other Income	16 012	14 643
CMT		
Other expenses	(30 621)	(55 990)
Other		
Other Income	13 854	85 473
Other expenses	(31 703)	(34 700)
Outstanding balances (R'000)	2025	2024
PAHI		
Other receivables	10 525	13 720
CMT		
Other payables	(7 340)	(29 442)
Other		
Other receivables	4 916	4 350
Other payables	-	(1 585)

Key management personnel, families of key management (as defined in IAS 24) and entities significantly influenced or controlled by key management

KEY MANAGEMENT PERSONNEL COMPENSATION

R'000	2025	2024
Salaries and other short-term benefits paid ¹	249 628	194 469
Long-term benefits	30 539	24 215
Share-based payments	111 598	81 442
	391 766	300 126

¹ Other short-term benefits paid include defined contributions, paid leave, and short-term bonuses.

for the year ended 30 June 2025

SECTION 4: EQUITY, SHARE-BASED PAYMENTS AND RELATED PARTIES continued

4.6 RELATED PARTIES continued

Key management personnel, families of key management (as defined in IAS 24) and entities significantly influenced or controlled by key management *continued*

INSURANCE CONTRACTS

		ed insured	D		Claire	! . !
	CO	ver	Premium	s received	Claim	s paid
R'000	2025	2024	2025	2024	2025	2024
Life insurance	1 561 516	1 310 246	12 719	10 819	-	_
Short-term insurance	750 049	642 978	3 273	2 726	1 139	1 104
Short-term health insurance	-	-	309	18	166	37

INVESTMENT CONTRACTS

	Investme	nt values	Premiums	s received	Withdrawa	al benefits	Investme	nt returns
R'000	2025	2024	2025	2024	2025	2024	2025	2024
Investment contracts	75 000	64 256	10 917	2 301	3 464	1 465	8 133	4 440

VITALITY PROGRAMME

	Premium	s received	Amoun	its paid
R'000	2025	2024	2025	2024
Vitality benefits	214	187	1 914	1 676

DISCOVERY BANK

	Loa	ans	Sav	ings	Fe	es
R'000	2025	2024	2025	2024	2025	2024
Discovery Bank	1 856	1 898	75 104	43 213	373	322

Key management personnel, their families (as defined in IAS 24) and entities significantly influenced or controlled by key management accrued 484 952 Discovery miles as part of the Vitality Reward Programme for the year ended 30 June 2025 (2024: 402.027)

Major customers and other Discovery entities not part of Discovery Group

DISCOVERY HEALTH MEDICAL SCHEME

Discovery Health administers DHMS and provides managed care services for which it charges an administration fee and a managed healthcare fee respectively. These fees are determined on an annual basis and approved by the trustees of DHMS. The fees totalled R8 386 million (2024: R7 940 million). DHMS owes Discovery Health R989 million (2024: R779 million) at year-end.

Discovery offers the members of DHMS access to the Vitality programme. Southern Rx and Discovery HealthCare provide wellness services to DHMS for which it received fees totalling R94 million (2024: R88 million). Discovery Vitality also receives monthly contributions from DHMS members that have activated the Vitality Wellness programme through various product integrations. The membership fees totalled R2 331 million for the year ended 30 June 2025 (2024: R2 115 million).

Discovery Third Party Recovery Services (DTPRS) paid R21.1 million in the prior year to acquire all the risks and rewards of ownership relating to claims due from the Road Accident Fund up to 19 February 2024. No additional claim portfolios were purchased in the current year. DTPRS also provides a service to DHMS to recover all claims that are due from the Compensation for Occupational Injuries and Diseases. DTPRS received R29.7 million (2024: R21.3 million) for this service. DHMS owes DTPRS R2.2 million (2024: R2.3 million owed by DHMS to DTRPS) at year-end.

Discovery Central Services receives monthly rent from DHMS for office space at 1 Discovery Place which totalled R7.5 million for the year ended 30 June 2025, (2024: R7.3 million).

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 4: EQUITY, SHARE-BASED PAYMENTS AND RELATED PARTIES continued

4.6 RELATED PARTIES continued

Major customers and other Discovery entities not part of Discovery Group continued CLOSED SCHEMES

Discovery Health administers the following restricted membership medical schemes:

- Anglo Medical Scheme
- Anglovaal Group Medical Scheme
- Bankmed Medical Scheme
- BMW Employees Medical Aid Society
- Engen Medical Benefit Fund
- Glencore Medical Scheme
 LA Health Medical Scheme
- LibCare Medical Scheme
- Lonmin Medical Scheme (Terminated 30 June 2025)
- Malcor Medical Scheme
- MediPos Medical Scheme (Effective 1 April 2025)

- Multichoice Medical Aid Scheme
- Netcare Medical Scheme
- Remedi Medical Scheme
- Retail Medical Scheme
- Sasolmed
- TFG Medical Scheme
 - Tsogo Sun Group Medical Scheme
 - UKZN Medical Scheme

Discovery Health charges these schemes administration fees which are determined on an annual basis and approved by the trustees of the respective closed schemes. The fees totalled R1 621 million (2024: R1 425 million). Discovery Health and its subsidiaries also provide wellness services to these schemes. The fees received for these services totalled R8.5 million (2024: R9.2 million). Amounts due to Discovery Health at year-end totalled R143 million (2024: R126 million). DTPRS provides a service to some of the closed schemes to recover all claims that are due from the Compensation for Occupational Injuries and Diseases. DTPRS received R2.2 million (2024: R1.1 million) for this service.

Discovery Vitality receives monthly contributions from the closed scheme members that have activated the Vitality Wellness programme through various product integrations. The membership fees totalled R130 million (2024: R112 million).

DISCOVERY FRANCHISES

Discovery has established a network of 29 (2024: 28) franchises in order to establish a national footprint for its products. Discovery has paid R268 million (2024: R301 million) in fees to the franchises.

The franchises participate in the Acquisition Scheme (refer to note 4.5 for further details). During the year, R32 million (2024: R13 million) was accrued for in terms of this scheme.

THE DISCOVERY FOUNDATION

The Discovery Foundation's principal aim is to invest in the education and training of medical specialists and the development of academic and research centres. It is an independent shareholder of Discovery. During the year, the Discovery Foundation received a management fee of R3.4 million (2024: R3 million).

THE DISCOVERY FLIND

The Discovery Fund is a fund for sustainable non-governmental healthcare projects, especially in primary healthcare. These projects complement the delivery of primary and preventative care in the public sector and help to relieve the burden on state facilities.

The Discovery Fund received contributions from Discovery of R25 million during the year (2024: R23 million). Discovery also paid a management fee of R2.6 million (2024: R2.5 million).

DISCOVERY RETIREMENT FUNDS

The Discovery Life Pension Umbrella Fund and the Discovery Life Provident Umbrella Fund ("the Funds") are underwritten and administered by Discovery Life and are the retirement funds used by all the Discovery Staff employed by the Group in South Africa

Contributions to the Funds by Discovery Staff during the year amounted to R684 million (2024: R634 million). The Funds have R6 836 million (2024: R5 751 million) of assets under administration on behalf of Discovery Staff, R6 538 million is invested in unit linked insurance policies issued by Discovery Life (2024: R5 510 million). R4 650 million (2024: R4 882 million) of the unit linked insurance policies are in turn linked to unit trusts managed by Discovery Life Collective Investments.



Notes to the group annual financial statements continued for the year ended 30 June 2025

SECTION 5: OTHER ASSETS, LIABILITIES, EQUITY-ACCOUNTED INVESTMENTS AND ITEMS OF INCOME AND EXPENSE

INTRODUCTION AND OVERVIEW

This section provides information on the remainder of the assets, liabilities, income and expense in the Annual Financial

PRIMARY FINANCIAL STATEMENTS AND INFORMATION ANALYSED IN THIS **SECTION**

R million		Notes	Group 2025	Restated Group 2024 ¹
Statement of financial	Assets			
position	Goodwill	5.3	5 429	5 292
	Intangible assets	5.4	7 542	7 239
	Property and equipment	5.5	3 266	3 581
	Deferred tax asset	5.9.1	4 886	5 631
	Assets arising from contracts with customers	5.6	3 722	2 598
	Investment in equity-accounted investees	5.7	8 989	8 189
	Contract receivables and other receivables	5.8	7 368	6 729
	Non-current assets held for sale	5.5.1	62	136
			41 264	39 395
	Liabilities			
	Deferred tax liability	5.9.1	8 755	6 975
	Contract liabilities to customers	5.6	1 516	512
	Provisions	5.10	_	449
	Other payables	5.10	2 333	1 216
			12 604	9 152
Income statement	Fee income from administration businesses	5.6.1	14 326	13 596
	Vitality income	5.6.1	5 322	4 655
	Net banking fee and commission income		1 695	1 398
	Insurance service expenses	5.11.1	(49 028)	(46 117)
	Marketing and administration expenses	5.11.3	(21 765)	(19 644)
	Foreign exchange (losses)/gains	5.12	(36)	(87)
	Income tax expense	5.9.2	(4 089)	(2 715)
			(53 575)	(48 914)
Additional Information	Non-current assets held for sale	5.5.1		
	Acquisition of businesses and subsidiaries	5.13		

¹ The comparative information has been restated due to correction of a period error. Refer to note 7.5 for more detail.



SECTION 05

Introduction and overview

Goodwill Intangible assets Property and equipment

customers

Income tax

OTHER ASSETS, LIABILITIES, EQUITY-ACCOUNTED INVESTMENTS AND

Other investments, assets and liabilities

Assets and liabilities arising from contracts with

Investment in equity-accounted investees Contract receivables and other receivables

Acquisition of businesses and subsidiaries

Marketing and administration expenses Foreign exchange gains or losses

Other payables and provisions

Revenue, income and expense

Income tax expense

ITEMS OF INCOME AND EXPENSE

for the year ended 30 June 2025

SECTION 5: OTHER ASSETS, LIABILITIES, EQUITY-ACCOUNTED INVESTMENTS AND ITEMS OF INCOME AND EXPENSE continued

5.3 GOODWILL

For the accounting policies relevant to the recognition and measurement of Goodwill, refer to Annexure B policies 2.1, 2.4.1, 3.3, 6 and 7

Goodwill is not amortised but tested annually for impairment. Any impairment is recognised immediately in profit or loss and is not subsequently reversed.

The table below sets out the reconciliation of the carrying amount of goodwill allocated to the respective cash-generating units (CGUs), which are expected to benefit from the combination's synergies. Impairment of goodwill is assessed at this CGU level.

R million	Vitality Health ^{1, 2, 5}	Vitality Life ^{1, 5}	Discovery Bank ³	Other ⁴	Total
Year ended 30 June 2025					
Cost	2 315	540	2 417	29	5 301
Accumulated impairment	-	-	-	(9)	(9)
Opening carrying amount	2 315	540	2 417	20	5 292
Movements					
Impairment	-	_	-	(20)	(20)
Translation differences	127	30	-	-	157
Closing carrying amount	2 442	570	2 417	-	5 429
Cost	2 442	570	2 417	29	5 458
Accumulated impairment	_	-	-	(29)	(29)
Year ended 30 June 2024					
Cost	2 407	562	2 417	29	5 415
Accumulated impairments	-	-	-	(9)	(9)
Opening carrying amount	2 407	562	2 417	20	5 406
Movements					
Translation differences	(92)	(22)	-	-	(114)
Closing carrying amount	2 315	540	2 417	20	5 292
Cost	2 315	540	2 417	29	5 301
Accumulated impairments	_	_	_	(9)	(9)

- 1 GBP96.7 million and GBP23.4 million of the goodwill was allocated to VitalityHealth and VitalityLife respectively as at 31 July 2010. The goodwill arose from the acquisition of Standard Life Healthcare and related capital restructure of the PAC joint venture.
- 2 GBP2.5 million goodwill from the acquisition of Insure Your Health (25 March 2013) and GBP1.1 million of goodwill from the acquisition of KYS Paid Limited (30 April 2014) were allocated to the VitalityHealth CGU.
- 3 R2 417 million goodwill from the acquisition of the DiscoveryCard business on 1 March 2019 was allocated to the Discovery Bank CGU.
- 4 In October 2020, Discovery acquired Liberty Health Administration, a wholly owned subsidiary, which performs medical aid administration for specified medical aids. Liberty Health Administration has been renamed to Discovery Administration Services Proprietary Limited as of 11 August 2021. At the beginning of July 2022 Discovery acquired a controlling stake in Nanolabs Health Solutions Proprietary Limited (Nanolabs) with Point of Care Testing technology. Subsequent to the acquisition the goodwill was fully impaired.
- 5 Based on the work performed for the financial years ended 30 June 2025 and 30 June 2024, management considered a very low risk of material adjustment to the carrying amount of goodwill allocated to VitalityHealth and VitalityLife within the next financial year. Accordingly, no further information is included within this note, as this no longer meets the requirement of significant estimation uncertainty under IAS 1 Presentation of Financial Statements. As part of the annual assessment of impairment, Discovery has done significant stresses on the goodwill of VitalityHealth and VitalityLlfe. The value-in-use considers the value of in-force business as well as new business. The value-in-use is calculated as the present value of the best-estimate pre-tax cash flows of the CGU for the in-force policies at the valuation date and 10 years of new business. The outcome of the working indicated that the recoverable amount significantly exceeds the carrying amount of the CGUs, with little risk of impairment.

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 5: OTHER ASSETS, LIABILITIES, EQUITY-ACCOUNTED INVESTMENTS AND ITEMS OF INCOME AND EXPENSE continued

5.3 GOODWILL continued

Annual assessment of goodwill impairment

DISCOVERY BANK

The Discovery Bank CGU comprises the various assets that collectively produce independent cash flows for Discovery Bank. Discovery Bank's income streams comprise interest earned on loans to customers, interest on excess cash invested, and fees (e.g., banking fees, interchange fees and transaction fees) from banking. For the financial years ended 30 June 2025 and 30 June 2024, the recoverable amount of the Discovery Bank cash-generating unit (CGU) was determined based on fair value less costs to sell. Estimation uncertainty is inherent in determining fair value less costs to sell. The recoverable amount is the fair value less costs to sell using the income approach.

In determining the assets to attribute to the Discovery Bank CGU, Discovery considered the assets required to perform banking operations, including the banking license costs, the internally developed software in use, and the goodwill associated with the DiscoveryCard business acquisition and related assets and liabilities. Therefore, the valuation also supports the recoverability of goodwill, intangible assets and deferred tax.

Management has reviewed its business forecast, which comprises:

A detailed 10-year business plan. The 10-year plan considers regulatory capital requirements, macro-economic forecasts
and customer behaviour assumptions when forecasting a statement of financial position, income statement and resultant
equity cash flows to/from shareholders. The 10-year period used to assess impairment is longer than the standard 5-year
forecast model generally applied in Discovery's impairment testing. The business is still in the start-up phase, resulting in a
5-year forecast that does not adequately reflect the business plan.

Management can project beyond the 5 years due to the insights from the Discovery Card business it acquired and the 6 years of operating since the launch of Discovery Bank.

- The terminal value was calculated using an extended cash flow forecasting method until earnings growth stabilised in year 17 (2024: 18). The final value was considered perpetual terminal growth, and this terminal value was discounted to year 10.
- As a reasonability check, Discovery Bank translates the value of the business at year 10 into a Price-Earnings (PE) multiple, which it benchmarks against Discovery's PE ratio and other emerging banks within the South African environment. The ratio was determined to be in range.

The key assumptions used by Discovery in the estimation are as follows:

- Conservative customer growth, targeting an achievable level of customers in year 10. After that, the customer base is treated as stable. From the point of stability in year 17, the projected growth in profits is estimated at a conservative 5.3% (2024: 5.4%), considering long-term inflation and long-term nominal GDP estimations. The increase in growth projections is based on the growth over the past financial year.
- System-build costs and intangible assets acquired in the business combination have been amortised over 10 years (2024: 10 years). The useful lives of these assets are determined as 10 years (2024: 10 years).

The discount rate applied to the cashflows comprises the following:

	Group 2025	Group 2024
Risk-free rate based on 10-year SA bond curve	10.03%	11.20%
Beta factor: The beta factor is a weighted average of large SA banks and Discovery	0.83	0.76
Discount rate applied	16.11%	16.90%

For the year ended 30 June 2025, management has engaged independent external valuation experts to benchmark the key assumptions and ratios within the South African market. This exercise determined that the assumptions were within acceptable ranges.

Management has further performed stress tests by increasing the discount rate to 18.5% (2024: 20%) while simultaneously decreasing the terminal growth rate to 4.4% (2024: 4.5%). Again, no impairment was triggered with these stressed scenarios.

Based on management's assessment, Discovery did not identify any impairments in respect of the Discovery Bank CGU.

for the year ended 30 June 2025

SECTION 5: OTHER ASSETS, LIABILITIES, EQUITY-ACCOUNTED INVESTMENTS AND ITEMS OF INCOME AND EXPENSE continued

5.4 INTANGIBLE ASSETS

For the accounting policies relevant to the recognition and measurement of Intangible assets, refer to Annexure B, policies 5 and 7.

Group	Software	Acquisition of businesses and subsidiaries: Identifiable	Bankina Kasasa	T-1-1
R million	development	intangible assets	Banking license	Total
Year ended 30 June 2025				
Cost	12 503	2 456	29	14 988
Accumulated amortisation and impairment	(5 598)	(2 151)	-	(7 749)
Opening carrying amount	6 905	305	29	7 239
Movements				
Additions: Owned: cost ¹	1 682	310	-	1 992
Impairment: Owned: accumulated amortisation	(65)		-	(65)
Derecognition: Owned	(131)			(131)
- Cost	(1 368)		-	(1 368)
 Accumulated amortisation 	1 237	-		1 237
Amortisation charge: Owned	(1 450)	,	-	(1 521)
Translation differences	21	7	-	28
Closing carrying amount	6 962	551	29	7 542
Cost	12 886	2 887	29	15 802
Accumulated amortisation	(5 924)	(2 336)		(8 260)
Year ended 30 June 2024				
Cost	11 256	2 548	29	13 833
Accumulated amortisation and impairment	(4 592)	(2 177)	-	(6 769)
Opening carrying amount	6 664	371	29	7 064
Movements				
Additions: Owned: cost	1 789	-	-	1 789
Impairment: Owned: accumulated amortisation	(8)	-	-	(8)
Derecognition: Owned	(45)			(45)
- Cost	(371)	-	-	(371)
 Accumulated amortisation 	326	_	-	326
Amortisation charge: Owned	(1 411)	,	-	(1 467)
Translation differences	(84)	(10)		(94)
Closing carrying amount	6 905	305	29	7 239
Cost	12 503	2 456	29	14 988
Accumulated amortisation	(5 598)	(2 151)	-	(7 749)

¹ Refer to note 5.13 for details on acquisition of businesses and subsidiaries.

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 5: OTHER ASSETS, LIABILITIES, EQUITY-ACCOUNTED INVESTMENTS AND ITEMS OF INCOME AND EXPENSE continued

5.5 PROPERTY AND EQUIPMENT

For the accounting policies relevant to the recognition and measurement of Property and equipment, refer to Annexure B, policies 4 and 7 and for the accounting policies relevant to the recognition and measurement of Leases, refer to Annexure B, policies 14 and 21.

		Furniture,	Computer				
		fittings	equip-	Lease-			
_			ment and	hold		Tele-	
Group	Land and	equip-		improve-	Motor	matic	Total
R million	buildings	ment	systems	ments	Vehicles	devices ¹	Total
Year ended 30 June 2025							
Cost – owned	-	166	914	900	64	279	2 323
Accumulated depreciation – owned	-	(101)	(474)	(431)	(51)	(181)	(1 238)
Opening carrying amount - owned	-	65	440	469	13	98	1 085
Cost – leased	3 884	-	262	300	7	-	4 453
Accumulated depreciation – leased	(1 592)	-	(230)	(134)	(1)	-	(1 957)
Opening carrying amount - leased	2 292	-	32	166	6	-	2 496
Opening carrying amount - total	2 292	65	472	635	19	98	3 581
Movements							
Additions	93	25	228	-	9	45	400
Owned: cost	-	24	217	-	7	45	293
Leased: cost	93	1	11	-	2	-	107
Disposals	_	-	-	-	-	(1)	(1)
Owned: cost	-	-	(1)	-	(5)	(24)	(30)
Owned: accumulated depreciation	_		1		5	23	29
Derecognition		-	-	-	-	(11)	(11)
Owned: cost	-	(27)	(179)	(59)	-	(48)	(313)
Owned: accumulated depreciation	-	27	179	59	-	37	302
Leased: cost	(53)	-	(26)	-	-	-	(79)
Leased: accumulated depreciation	53		26				79
Depreciation charge	(328)	(23)	(227)	(98)	(9)	(39)	(724)
Owned	-	(23)	, ,	(77)	(6)	(39)	(336)
Leased	(328)	-	(36)	(21)	(3)	-	(388)
Leased: Changes or modifications in estimated ROUA cost	(4)	_	_	_	_	_	(4)
	(4)						(4)
Translation differences	14	1	1	5	2	2	25
Owned	-	1	1	5	2	2	11
Leased	14						14
Closing carrying amount – owned	-	67	467	397	16	94	1 041
Cost – owned	-	166	963	847	65	255	2 296
Accumulated depreciation – owned	_	(99)	(496)	(450)	(49)	(161)	(1 255)
Closing carrying amount - leased	2 067	1	7	145	5	-	2 225
Cost – leased	3 937	1	246	300	9	_	4 493
Accumulated depreciation – leased	(1 870)	-	(239)	(155)	(4)	-	(2 268)
Closing carrying amount - total	2 067	68	474	542	21	94	3 266

¹ In Discovery Insure, when policies relating to motor vehicle insurance lapse, the telematic devices installed in those vehicles are not always recovered. The value of these unrecovered units are derecognised.

for the year ended 30 June 2025

SECTION 5: OTHER ASSETS, LIABILITIES, EQUITY-ACCOUNTED INVESTMENTS AND ITEMS OF INCOME AND EXPENSE continued

PROPERTY AND EQUIPMENT continued

Group R million	Land and buildings	Furniture, fittings and equip- ment	Computer equip- ment and operating systems	Lease- hold improve- ments	Motor Vehicles	Tele- matics devices ¹	Total
Year ended 30 June 2024							
Cost – owned	235	154	919	812	67	260	2 447
Accumulated depreciation – owned	(75)	(92)	(449)	(376)	(56)	(177)	(1 225)
Opening carrying amount - owned	160	62	470	436	11	83	1 222
Cost – leased	3 841	-	272	300	2	-	4 415
Accumulated depreciation – leased	(1 386)	-	(227)	(113)	(1)	-	(1 727)
Opening carrying amount - leased	2 455	-	45	187	1	-	2 688
Opening carrying amount - total	2 615	62	515	623	12	83	3 910
Movements							
Additions	145	27	193	151	15	68	599
Owned: cost	-	27	160	151	8	68	414
Leased: cost	145	-	33	-	7	-	185
Disposals	(2)	-	-	(27)	-	(1)	(30)
Owned: cost	_	(4)	(128)	(28)	(11)	(2)	(173)
Owned: accumulated depreciation		4	128	1	11	1	145
Leased: cost	(74)		-	-	(2)	-	(76)
Leased: accumulated depreciation	72		_	_	2	_	74
Classified as held for sale ²	(139)	_	-	_	_	_	(139)
Owned: cost	(231)	-	-	-	-	-	(231)
Owned: accumulated depreciation Impairment: Owned: accumulated depreciation	(14)	_	_	_	_	_	(14)
Derecognition	- (1.1)	_			_	(10)	(10)
Owned: cost	_	(8)	(25)	(26)		(47)	(106)
Owned: accumulated depreciation		8	25	26	_	37	96
Leased: cost	(12)	-	(43)	-	_	-	(55)
Leased: accumulated depreciation	12	-	43	-	-	-	55
Depreciation charge	(298)	(23)	(233)	(105)	(8)	(42)	(709)
Owned	(5)	(23)	(187)	(84)	(6)	(42)	(347)
Leased	(293)	-	(46)	(21)	(2)	-	(362)
Translation differences	(15)	(1)	(3)	(7)	-	_	(26)
Owned	(2)	(1)	(3)	(7)	-	-	(13)
Leased	(13)	_	_	-	_	-	(13)
Closing carrying amount - owned	-	65	440	469	13	98	1 085
Cost – owned Accumulated depreciation – owned		166 (101)	914 (474)	900 (431)	64 (51)	279 (181)	2 323 (1 238)
Closing carrying amount - leased	2 292	-	32	166	6	-	2 496
Cost – leased	3 884	_	262	300	7	_	4 453
Accumulated depreciation – leased	(1 592)	_	(230)	(134)	(1)	_	(1 957)
Closing carrying amount - total	2 292	65	472	635	19	98	3 581

¹ In Discovery Insure, when policies relating to motor vehicle insurance lapse, the telematics devices installed in those vehicles are not always recovered. The value of these unrecovered units are derecognised.

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 5: OTHER ASSETS, LIABILITIES, EQUITY-ACCOUNTED INVESTMENTS AND ITEMS OF INCOME AND EXPENSE continued

PROPERTY AND EQUIPMENT continued

5.5.1 Classification of land and buildings as non-current asset held for sale

As at 30 June 2025, the Group continues to classify the property owned by Vitality in the United Kingdom in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. The property was initially classified as held for sale on 30 June 2024, following management's commitment to a plan to dispose of the asset.

At year end, the sale had not yet been completed due to ongoing negotiations. However, management remains committed to the disposal plan, and the property continues to be actively marketed at a price considered reasonable in relation to its current fair value. The property was remeasured to fair value less costs to sell, resulting in an impairment loss of R14 million for the financial year ended 30 June 2024. At 30 June 2025, the building was stated at a fair value less costs to sell of £2.54 million (R62 million) (June 2024: £5.9 million (R136 million)). The sale was concluded in July 2025.

The non-recurring fair value measurement related to the property was categorised as Level 3, as the binding offer was subject to significant unobservable inputs. Discovery used the binding offer without adjustment as the fair value, and therefore no quantitative unobservable inputs were developed when measuring the fair value.

ASSETS AND LIABILITIES ARISING FROM CONTRACTS WITH CUSTOMERS

For the accounting policies relevant to the recognition and measurement of Revenue, refer to Annexure B policy 19.

Where either party to a contract has performed, Discovery presents either a contract asset or contract liability, depending on the relationship between Discovery's performance and the customer's payment. Where Discovery has performed and has unconditional rights to consideration a IFRS 9 receivable asset is presented separately.

Group R million	Assets arising from contracts with customers ¹	Costs of obtaining contracts ¹	Contract liabilities	Contract receivables ²
Year ended 30 June 2025				
Balance at beginning of the year	697	1 901	(512)	1 350
Contract receivables recognised in the current year	-	_	_	5
Accrued income recognised during the year ³	1 319	-	-	-
Payments received	(287)	-	-	(14 484)
Costs of obtaining new contracts	-	534	-	-
Amortised during the year	-	(475)	-	-
Contract liabilities recognised in the current year	-	-	(1 231)	-
Revenue recognised in the year		-	224	14 799
Foreign exchange revaluations	76	-	_	(6)
Translation differences	(43)	-	3	(11)
Balance at end of the year	1 762	1 960	(1 516)	1 653
Year ended 30 June 2024				
Balance at beginning of the year	542	1 679	(656)	1 268
Accrued income recognised during the year	434	-	-	-
Payments received	(206)	-	-	(14 796)
Costs of obtaining new contracts	-	715	-	-
Amortised during the year	-	(492)	-	-
Contract liabilities recognised in the current year	-	-	(855)	-
Revenue recognised in the year	-	-	998	14 894
Foreign exchange revaluations	(51)	-	-	(4)
Translation differences	(22)	(1)	1	(12)
Balance at end of the year	697	1 901	(512)	1 350

¹ Presented as Assets arising from contracts with customers.

The contract liability comprises:

- Advance consideration received from customers for initial adviser fees, with revenue recognised over the expected term of
- Discovery Miles provision under the Vitality Programme, presented as part of contract liabilities as it is closely associated with the income earned from the programme
- Rebates, discounts and boosts on investment-based products, which are dependent on client behaviour.

² Refer to note 5.5.1 for more information on non-current assets held for sale.

² Presented as part of Contract receivables and other receivables. Also see note 5.8.

³ This includes a modification of a contract during the year within the Vitality Network, resulting in a net increase in assets arising from contracts with customers and a corresponding increase in revenue amounting to R 354 million (US \$ 19 million).





Notes to the group annual financial statements continued for the year ended 30 June 2025

SECTION 5: OTHER ASSETS, LIABILITIES, EQUITY-ACCOUNTED INVESTMENTS AND ITEMS OF INCOME AND EXPENSE continued

ASSETS AND LIABILITIES ARISING FROM CONTRACTS WITH CUSTOMERS continued

Discovery has unsatisfied performance obligations relating to providing intellectual property services for the VitalityOne System. The transaction price relating to unsatisfied performance obligations is expected to be recognised as revenue as follows:

R million	Group 2025	Group 2024
Provision of stand-ready Intellectual Property services		
- <1 year	489	537
- 2 - 3 years	338	831
- 4 - 5 years	886	525
- >5 years	1 575	807
Total contract amount for future services	3 288	2 700

Where performance obligations are discharged within 12 months or where contracts are cancellable giving 12 months or less notice, without the payment of a significant penalty, a practical expedient has been applied. Discovery has excluded these contracts from the disclosures above. Contracts that include variable considerations have also not been included in the

5.6.1 Revenue from non-insurance activities

Also refer to accounting policy 19 Revenue recognition. Discovery Group's Revenue includes 'Fee income from administration businesses', 'Vitality income' and 'Banking fee and commission income'.

The split of revenue per geographical region and reportable segment can be viewed in Note 1.1, Segment information.

The split of revenue according to the timing of satisfaction of performance obligations, i.e. 'over time' or a 'point-in-time' is as follows:

R million	Group 2025	Restated Group 2024 ¹
Fee income from administration businesses	14 326	13 596
- Over time	13 769	13 573
- Point-in-time	557	23
Vitality income	5 322	4 655
- Over time	3 671	3 178
- Point-in-time	1 651	1 477
Banking fee and commission income	2 238	1 872
- Over time	1 455	836
- Point-in-time	783	1 036

¹ The comparative information has been restated due to correction of a prior period error. Refer to note 7.5 for more detail.

For specified contracts earning fee income from administration business through the Vitality Network, the Group exercised its judgement in concluding that the minimum enforceable amount to which it is entitled in all scenarios forms part of the transaction price as variable consideration. The variable consideration was estimated using the expected value method, based on the present value of future expected fees from new business written by the customer. In determining the financing component, a discount rate of between 1% - 2% was applied, reflecting the counterparty's incremental borrowing rate.

5.7 **INVESTMENTS IN EQUITY-ACCOUNTED INVESTEES**

For the accounting policies relevant to the recognition and measurement of investment in equity-accounted investees, refer to Annexure B, policies 2.4.1 and 7.

R million	Group 2025	Group 2024
Carrying value of material interests in associates and joint ventures – PAHI	7 331	6 523
Carrying value of material interests in associates and joint ventures – CMT	1 338	1 375
Carrying value of individually immaterial interests in associates	265	221
Carrying value of individually immaterial interests in joint ventures	55	70
Investment in equity-accounted investees	8 989	8 189

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 5: OTHER ASSETS, LIABILITIES, EQUITY-ACCOUNTED INVESTMENTS AND ITEMS OF INCOME AND EXPENSE continued

INVESTMENTS IN EQUITY-ACCOUNTED INVESTEES continued

5.7.1 Material interests in associates and joint ventures

The table below provides summarised financial information for the Group's material joint ventures and associates. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and joint ventures and not Discovery's share of those amounts.

PING AN HEALTH INSURANCE COMPANY OF CHINA, LIMITED (PAHI)

PAHI offers policyholders in China cover for a range of private healthcare-related claims. PAHI is a strategic partnership for the Group, providing access to new clients and markets in China.

CAMBRIDGE MOBILE TELEMATICS INC. (CMT)

A United States of America based leading telematics technology provider. This partnership provides the Group with expertise in the telematics environment that Discovery Insure harnesses to manage its insurance risk.

_	PAHI Equity-accounted associate Insurance		CMT Equity-accounted associate Telematics technology	
Ownership structure				
Nature				
Place of business	China	9	USA	
R million	Group 2025	Group 2024	Group 2025	Group 2024
% of ownership interest at end of the year	24.99%	24.99%	8.70%	8.72%
Summarised statement of comprehensive income				
Revenue	45 928	39 669	5 870	4 287
Net profit/(loss) for the year	5 223	4 791	321	(18)
Other comprehensive income	156	249	-	-
Total comprehensive income/(loss)	5 379	5 040	321	(18)
Summarised statement of financial position				
Current assets	16 582	12 540	5 028	4 665
Non-current assets	65 824	59 559	11 392	12 448
Current liabilities	(49 524)	(41 898)	(1 183)	(1 395)
Non-current liabilities	(4 726)	(5 292)	(287)	(390)
Net assets	28 156	24 909	14 950	15 328
Reconciliation to carrying amounts				
Opening net assets	24 909	21 802	15 328	15 529
Net profit/(loss) for the year	5 223	4 791	321	(18)
Other comprehensive income	156	249	-	-
Movement in share capital and share premium	-	-	(283)	319
Dividends paid to ordinary shareholders	(1 771)	(1 021)	-	-
Translation differences	(361)	(912)	(416)	(502)
Closing net assets	28 156	24 909	14 950	15 328
Group's share of net assets	7 036	6 225	1 301	1 337
Goodwill	295	298	37	38
Carrying value 30 June	7 331	6 523	1 338	1 375

Individually immaterial associates and joint ventures

5.7.2.1 SUMMARY OF FINANCIAL INFORMATION

	Associates		Joint ventures	
Group R million	Group 2025	Group 2024	Group 2025	Group 2024
Aggregate amount of the Group's share of (loss)/profit Aggregate amount of the Group's share of other comprehensive	(151)	(236)	30	16
(loss)/income	(4)	5	(3)	(6)
Aggregate amount of the Group's share of total				
comprehensive (loss)/income	(155)	(231)	27	10



for the year ended 30 June 2025

SECTION 5: OTHER ASSETS, LIABILITIES, EQUITY-ACCOUNTED INVESTMENTS AND ITEMS OF INCOME AND EXPENSE continued

CONTRACT RECEIVABLES AND OTHER RECEIVABLES

For the accounting policies relevant to the recognition and measurement of Contract receivables and other receivables, refer to Annexure B policy 8.1 and 19.

R million	Notes	Group 2025	Group 2024
Contract receivables:	5.6	1 653	1 350
- Discovery Health: Closed scheme debtors		146	130
- Discovery Health: Discovery Health Medical Scheme debtors		1 019	818
- Other contract receivables		490	405
 Less allowance for expected credit losses of contract receivables 	3.5	(2)	(3)
Other financial receivables:		4 014	3 701
- Agents and brokers		721	683
- Cash-in-transit debtors		174	69
- Consolidated unit trust debtors		1 214	1 184
 Loans to BEE initiatives 		497	385
 Security deposit on derivatives² 		57	10
 Vitality partner debtors 		200	212
 Other financial debtors 		1 650	1 579
 Less allowance for expected credit losses 	3.5	(499)	(421)
Other non-financial receivables ¹		1 701	1 678
- Prepayments		1 530	1 426
- Indirect taxes		112	155
- Other debtors		59	97
Total contract receivables and other receivables		7 368	6 729
Current		6 665	6 129
Non-current		703	600
		7 368	6 729

¹ These non-financial assets have been excluded from the risk disclosures presented in note 3.13.4.2.

The carrying value of short-term receivables approximates the fair value. Long-term receivables are interest bearing at market rates and fully secured, and therefore, the carrying value approximates the fair value.

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 5: OTHER ASSETS, LIABILITIES, EQUITY-ACCOUNTED INVESTMENTS AND ITEMS OF INCOME AND EXPENSE continued

5.9 **INCOME TAX**

5.9.1 Deferred tax assets and liabilities

For the accounting policies relevant to the recognition and measurement of deferred tax, refer to Annexure B policy 15.2.

R million	Group 2025	Restated Group 2024 ¹
Deferred tax asset – non-current	4 886	5 631
Deferred tax liability – non-current	(8 755)	(6 975)
Total deferred tax	(3 869)	(1 344)

1 The comparative information has been restated due to correction of a prior period error. Refer to note 7.5 for more detail.

		Charge for the year				
Group R million	Balance at beginning of the year	Recognised in profit or loss	Recognised in other compre- hensive income	Recognised in equity	Translation differences	Balance at end of the year
Year ended 30 June 2025						
Assessed loss in Company						
Policyholders' Fund	96	(5)	_	_	_	91
Assessed loss in Individual		(-)				
Policyholders' Fund	620	(319)	_	_	_	301
Assessed loss in subsidiaries	3 171	(138)	_	_	45	3 078
Financial Instruments and		(100)				
share-based payments	(45)	(19)	_	13	_	(51
Deferred acquisition costs	(217)	1	_	_	(1)	(217
Contract liability	243	(66)	_	_	(7)	170
Difference between wear and		(00)			(-)	.,,
tear and depreciation/						
amortisation and leases	(340)	83	_	_	4	(253
Intangible asset recognised on	(7					•
acquisition of business	(66)	13	_	_	(3)	(56
Prepayments	(17)	5	_	_	_	(12
Provisions	582	(25)	_	_	2	559
Difference between accounting		(- /				
and tax balances arising from						
insurance contracts	(5 209)	(1 383)	(675)	_	(2)	(7 269
Unrealised gains on revaluation					` '	
of investments	(68)	(47)	_	-	-	(115
Other	(94)	(2)	-	-	1	(95
Total	(1 344)	(1 902)	(675)	13	39	(3 869

² To reduce the credit risk exposure from the hedge derivative instruments purchased, Discovery has entered into collateral agreements with the relevant financial institutions to post cash collateral periodically, equal to the fair value of the derivatives. The posting of the collateral does not result in legal settlement of the outstanding derivative balance. The collateral will only be used to settle the derivative upon default or bankruptcy of either party.

for the year ended 30 June 2025

SECTION 5: OTHER ASSETS, LIABILITIES, EQUITY-ACCOUNTED INVESTMENTS AND ITEMS OF INCOME AND EXPENSE continued

INCOME TAX continued 5.9

5.9.1 Deferred tax assets and liabilities *continued*

Charge for the year

			Recognised in other			
	Balance at	Recognised	compre-			Balance
Group	beginning of	in profit or	hensive	Recognised	Translation	at end of
R million	the year	loss	income	in equity	differences	the year
Year ended 30 June 2024						
Restated ¹						
Assessed loss in Company						
Policyholders' Fund	155	(59)	_	_	_	96
Assessed loss in Individual						
Policyholders' Fund	979	(359)	-	-	-	620
Assessed loss in subsidiaries	2 899	322	-	-	(50)	3 171
Financial Instruments and share-						
based payments	(28)	-	-	(16)	(1)	(45)
Deferred acquisition costs	(207)	(9)	-	-	(1)	(217)
Contract liability	275	(1)	-	-	(31)	243
Difference between wear and						
tear and depreciation/						
amortisation and leases	(235)	(113)	-	-	8	(340)
Intangible asset recognised on						
acquisition of business	(10)	(58)	-	-	2	(66)
Prepayments	(9)	(8)	-	-	-	(17)
Provisions	484	100	-	-	(2)	582
Difference between accounting						
and tax balances arising from						
insurance contracts ¹	(3 240)	(1 446)	(495)	-	(28)	(5 209)
Unrealised gains on revaluation						
of investments	(301)	233	-	-	-	(68)
Other	(180)	63	-	_	23	(94)
Total	582	(1 335)	(495)	(16)	(80)	(1 344)

¹ The comparative information has been restated due to correction of a prior period error. Refer to note 7.5 for more detail.

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 5: OTHER ASSETS, LIABILITIES, EQUITY-ACCOUNTED INVESTMENTS AND ITEMS OF INCOME AND EXPENSE continued

INCOME TAX continued 5.9

5.9.2 Income tax expense

For the accounting policies relevant to the recognition and measurement of taxation, refer to Annexure B, Policies 15.

R million	Group 2025	Restated Group 2024 ¹
Charge for the year:		
Current taxation	2 187	1 380
Normal taxation		
- prior year over provision	29	(114)
- current year charge	2 073	1 470
Capital gains taxation	85	24
Deferred taxation	1 902	1 335
Total income tax expense recognised in profit or loss	4 089	2 715

1 The comparative information has been restated due to correction of a prior period error. Refer to note 7.5 for more detail

%	Group 2025	Group 2024
Taxation rate reconciliation		
Statutory rate	27.0	27.0
Non-taxable income: Equity-accounted profit or loss and dividend income	(2.4)	(2.9)
Non-taxable income: Other individually immaterial	(0.1)	(0.1)
Non-deductible expenditure: Including items of a capital nature and non-deductible	()	` ,
provisions	0.3	*
Non-deductible expenditure: Other individually immaterial	1.6	0.6
Subsidiary current period losses for which no deferred tax asset was recognised,		
net of deferred tax assets on losses recognised for prior period losses	1.3	2.6
Insurance policyholder funds I-E taxes and related DTA recognitions	2.6	(0.8)
Accounting gains and losses taxable at CGT rates	(0.1)	(0.1)
CFC imputations and WHT not recovered	0.2	0.7
Additional tax allowances	(0.1)	*
Prior year (under)/over provision	(0.1)	0.2
Tax rate changes	-	(0.3)
Tax rate differences	(0.3)	(0.3)
Effective taxation rate	29.9	26.5

^{*} Amount is less than 0.1%.

The current tax rate for South African entities in a tax paying position is 27%. Discovery, a holding company listed on the JSE, uses the South African tax rate for its tax rate reconciliation since it is based in South Africa and the most significant operations are in South Africa. The South African life insurance operations tax rate is determined based on the rates and basis applicable to section 29A of the Income Tax Act 58 of 1962 at the reporting date.

Vitality Group International Inc, a subsidiary of Discovery Limited in the US, is subject to taxation under section 11(b) of the Internal Revenue Code 1986. The applicable current tax rate for all of Vitality Group International Inc's taxable profit is 21%. Discovery Group Europe Limited, incorporated and operating in the UK, is governed by the Corporation Tax Act 2010 Chapter 2, which sets the main corporation tax rate on taxable profit at 25%.

Discovery Group is subject to taxation in a number of jurisdictions. There may be transactions and calculations during the ordinary course of business for which the final tax determination has an element of uncertainty due to interpretation of legislation. Where this occurs, the group recognises liabilities based on objective estimates of the amount of taxes that may be due in accordance with IAS 12 Income Taxes and IFRIC 23 Uncertainty over Income Tax Treatments.

Where the final tax determination is different from amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Discovery Group is a multinational enterprise with a turnover of more than €750 million. Therefore, it is subject to the Organisation for Economic Cooperation and Development (OECD) Pillar Two Model Rules, which aim to ensure that the effective tax rate of affected entities is at least 15%.

In South Africa where the Group is ultimately parented, the Global Minimum Tax Act, 46 of 2024 and the Global Minimum Tax Administration Act, 47 of 2024 has been enacted and is effective for the June 2025 financial year. Therefore, Discovery Limited as the Ultimate Parent Entity (UPE) is required to compute the Global Minimum Tax exposure of all relevant tax jurisdictions where it operates.

for the year ended 30 June 2025

SECTION 5: OTHER ASSETS, LIABILITIES, EQUITY-ACCOUNTED INVESTMENTS AND ITEMS OF INCOME AND EXPENSE continued

INCOME TAX continued 5.9

5.9.2 Income tax expense *continued*

In terms of Discovery's other operating jurisdictions, Global Minimum Tax legislation is also effective in the United Kingdom and Australia for the year ended 30 June 2025, while Singapore, Guernsey, Hong Kong and Isle of Man and Mauritius are set to take effect in the 2026 Financial year. The Group continues to monitor the status of any pending legislation in its other remaining operating

Discovery has no related current tax exposure for the year ended 30 June 2025 and in terms of a temporary mandatory relief from deferred tax accounting for the impacts of Global Minimum Tax no deferred tax will be raised in respect of temporary differences that may arise, as provided in the amendments to IAS 12 issued in May 2023.

Due to the complexities in applying the Pillar Two Rules and calculating the Top-up Tax payable, the Group will continue to work with its advisors to monitor any exposure to Pillar Two Top-up Taxes as the legislation and associated guidance evolve.

Discovery did not recognise deferred tax assets in respect of the following assessed losses:

R million	Group 2025	Group 2024
Better Health Insurance Advice Limited	40	39
Cogence Proprietary Limited	109	74
Discovery Central Services Proprietary Limited	5 213	4 932
Discovery Group Europe Limited	9	9
Discovery Life Limited – Individual Policyholders' Fund	731	1 960
Discovery Vitality Australia Proprietary Limited	280	285
Grove Nursing Services Proprietary Limited	41	45
Medical Services Organisation International Proprietary Limited	36	26
Southern Rx Proprietary Limited	_	33
Discovery Green Proprietary Limited	82	33
Nanolabs Health Services Proprietary Limited	11	13
	6 552	7 448

The Group recognises deferred tax assets on carried forward losses to the extent that there are sufficient estimated future taxable profits and/or taxable temporary differences against which the tax losses can be utilised.

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 5: OTHER ASSETS, LIABILITIES, EQUITY-ACCOUNTED INVESTMENTS AND ITEMS OF INCOME AND EXPENSE continued

5.10 OTHER PAYABLES AND PROVISIONS

For the accounting policies relevant to the recognition and measurement of Other payables and provisions, refer to Annexure B

R million	Notes	Group 2025	Group 2024
Non-financial payables Provisions		2 333	1 216 449
Balance at end of the year	ľ	2 333	1 665
Current Non-current		2 287 46	1 168 497

Non-financial payables

R million	Group 2025	Group 2024
Indirect taxes	1 956	867
Employee leave pay benefit	377	349
Balance at end of the year	2 333	1 216
Current	2 287	1 165
Non-current	46	51
Total	2 333	1 216

5.11 EXPENSES

For the accounting policies relevant to the recognition and measurement of Marketing and administration expenses, refer to Annexure B policy 22.

5.11.1 Insurance service expenses

R million	Notes	Group 2025	Restated Group 2024 ¹
Insurance service expenses			
Claims and benefits	5.11.4	30 231	29 462
- Incurred claims and benefits		30 273	29 349
 Adjustment to liabilities for incurred claims (LIC) 		(42)	113
Directly attributable service expenses, excluding insurance acquisition cash flows	5.11.3	8 883	8 323
Losses and reversal of losses on onerous contracts		529	(185)
GMM/VFA: Insurance acquisition cash flows including amortisation		6 209	5 510
PAA: Insurance acquisition cash flows including amortisation		3 176	3 007
		49 028	46 117

¹ The comparative information has been restated due to correction of a prior period error. Refer to note 7.5 for more detail.

5.11.2 Commissions insurance contracts

R million Notes		Restated Group 2024 ¹
Commission paid to obtain insurance contracts	9 041	7 060

¹ The comparative period total commission paid and insurance acquisition cash flows were understated, because not all of the associated cost and corresponding allocation were disclosed. The correction does not affect the reported amounts in the Group income statement or Segment information.

for the year ended 30 June 2025

SECTION 5: OTHER ASSETS, LIABILITIES, EQUITY-ACCOUNTED INVESTMENTS AND ITEMS OF INCOME AND EXPENSE continued

5.11 EXPENSES continued

5.11.3 Marketing and administration expenses

Rmillion Active Group Care Care Care Care Care Care Care Care				Restated
Lease charges	D 111			
Case charges	R million	Notes	2025	2024
Short-term leases 6 6 Low-value item leases 87 116 Low-value item leases 37 116 Low-value item leases 37 122 Staff costs including executive directors¹ Salaries, wages and allowances 11 235 10 438 Medical aid fund contributions 534 499 Social security levies 484 425 Share-based payment expenses - 4715 717 - equity-settled 23 24 Staff training 86 90 Recruitment fees 66 56 Staff training 66 56 Recruitment fees 68 90 Temporary staff 66 56 Frovision for leave pay 48 16 Other 47 18 16 Other 54 14 20 Staff training 54 14 20 Under James 41 20 20 Temporary staff	Auditors remuneration	5.11.5	249	224
Short-term leases 6 6 Low-value item leases 87 116 Low-value item leases 37 116 Low-value item leases 37 122 Staff costs including executive directors¹ Salaries, wages and allowances 11 235 10 438 Medical aid fund contributions 534 499 Social security levies 484 425 Share-based payment expenses - 4715 717 - equity-settled 23 24 Staff training 86 90 Recruitment fees 66 56 Staff training 66 56 Recruitment fees 68 90 Temporary staff 66 56 Frovision for leave pay 48 16 Other 47 18 16 Other 54 14 20 Staff training 54 14 20 Under James 41 20 20 Temporary staff				
Low-value item leases 87 116 Staff costs including executive directors¹ 93 122 Salaries, wages and allowances 11 235 10 438 Medical aid fund contributions 551 600 Defined contribution provident fund contributions 534 499 Social security levies 484 425 Share-based payment expenses 715 717 - equity-settled 23 24 Staff training 86 90 Recruitment fees 54 63 Staff training 86 90 Recruitment fees 54 63 Temporary staff 661 569 Provision for leave pay 18 16 Other 474 282 Amortisation of software 5.4 1450 1411 Amortisation of intanglibles acquired in a business combination 5.4 71 56 Building related and office costs 648 689 Depreciation of property and equipment and intangible assets 12 72	Lease charges			
Staff costs including executive directors¹ 3 122 Staff costs including executive directors¹ 3 10 438 Medical aid fund contributions 551 600 Defined contribution provident fund contributions 554 499 Social security levies 484 425 Share-based payment expenses 775 717 - equity-settled 23 24 4 Staff training 86 90 Recruitment fees 54 63 1 Fernoprary staff 661 569 Provision for leave pay 18 16 Other 474 282 Deter operating costs 471 56 Amortisation of software 54 1450 1411 Amortisation of intangibles acquired in a business combination 5,4 1450 1411 So paymentisation of property and equipment and intangible assets 68 689 Depreciation of property and equipment and intangible assets 65 22 Insparment of property and equipment and intangible assets 65 22 <	Short-term leases		6	6
Staff costs including executive directors	Low-value item leases		87	116
Salaries, wages and allowances 11 235 10 438 Medical ald fund contributions 551 600 Defined contribution provident fund contributions 534 499 Social security levies 484 425 Share-based payment expenses 715 717 - equity-settled 23 24 Staff training 86 90 Recruitment fees 54 63 Temporary staff 661 569 Provision for leave pay 18 16 Other 474 282 Determination of software 54 1450 1411 Amortisation of software 54 1450 1411 Amortisation of software 54 1450 1411 Amortisation of intangibles acquired in a business combination 54 71 56 Building related and office costs 648 689 Depreciation of property and equipment and intangible assets 12 55 Gain on disposal of property and equipment and intangible assets 65 22			93	122
Medical aid fund contributions 551 600 Defined contribution provident fund contributions 534 499 Social security levies 484 425 Share-based payment expenses ************************************				
Defined contribution provident fund contributions 534 499 Social security levies 484 425 Share-based payment expenses 715 717 - equity-settled 715 717 - cash-settled 86 90 Katif training 86 90 Recruitment fees 54 63 Temporary staff 661 569 Provision for leave pay 18 16 Other 474 282 Amortisation of stoware 474 282 Amortisation of intangibles acquired in a business combination 5.4 1450 1 411 Amortisation of intangibles acquired in a business combination 5.4 1450 1 411 Amortisation of property and equipment 5.5 724 709 Loss on derecognition of property and equipment and intangible assets 65 22 Gain on disposal of property and equipment and intangible assets 65 22 NCAHFS impairment 79 - Allowance for expected credit losses on financial receivables and contract receivables <td></td> <td></td> <td></td> <td></td>				
Social security levies 484 425 Share-based payment expenses 715 717 - equity-settled 715 717 - cash-settled 23 24 Staff training 86 90 Recruitment fees 54 63 Temporary staff 661 569 Provision for leave pay 18 16 Other 474 282 Amortisation of software 54 1450 1411 Amortisation of intangibles acquired in a business combination 54 71 56 Building related and office costs 648 689 Depreciation of property and equipment 5.5 724 709 Loss on derecognition of property and equipment and intangible assets 142 55 Gain on disposal of property and equipment and intangible assets 65 22 NCAHFS impairment 79 - Allowance for expected credit losses on financial receivables and contract receivables 86 3 Insurance 91 83 If y				
Share-based payment expenses	·			
equity-settled 715 717 c ash-settled 23 24 Staff training 86 90 Recruitment fees 54 63 Temporary staff 661 569 Provision for leave pay 18 16 Other 474 282 Amortisation of software 5.4 1450 1 411 Amortisation of intangibles acquired in a business combination 5.4 71 56 Building related and office costs 648 689 Depreciation of property and equipment 5.5 724 709 Loss on derecognition of property and equipment and intangible assets 5.5 724 709 Loss on derecognition of property and equipment and intangible assets 65 22 NCAHFS impairment of property and equipment and intangible assets 69 22 NCAHFS impairment and expressed intensive receivables and contract receivables 86 3 If systems and consumables 86 3 If systems and consumables 2136 230 Non-executive director			484	425
- cash-settled 23 24 Staff training 86 90 Recruitment fees 54 63 Temporary staff 661 569 Provision for leave pay 18 16 Other 474 282 Learner 14 835 13 723 Other operating costs Amortisation of software 5.4 1450 1411 Amortisation of intangibles acquired in a business combination 5.4 71 56 Building related and office costs 648 689 Depreciation of property and equipment 5.5 724 709 Loss on derecognition of property and equipment and intangible assets 65 22 Gain on disposal of property and equipment and intangible assets 65 22 NCAHFS impairment 79 - Allowance for expected credit losses on financial receivables and contract 86 3 Insurance 91 83 IT systems and consumables 321 2136 2300 Non-executive directors fees				
Staff training 86 90 Recruitment fees 54 63 Temporary staff 661 59 Provision for leave pay 18 16 Other 474 282 Other operating costs Amortisation of software 5.4 1 450 1 411 Amortisation of intangibles acquired in a business combination 5.4 71 56 Building related and office costs 648 689 Depreciation of property and equipment 5.5 724 709 Loss on derecognition of property and equipment and intangible assets 142 55 Gain on disposal of property and equipment and intangible assets 65 22 NCAHES impairment 79 - Allowance for expected credit losses on financial receivables and contract receivables 86 3 Insurance 91 83 IT systems and consumables 86 3 Marketing and distribution costs 2136 2300 Non-executive directors fees 61 63 Other	· ·		7.0	
Recruitment fees 54 63 Temporary staff 661 569 Provision for leave pay 18 16 Other 474 282 Commonstrating costs Amortisation of software 5.4 1450 1411 Amortisation of intangibles acquired in a business combination 5.4 71 56 Building related and office costs 648 689 Depreciation of property and equipment 5.5 724 709 Loss on derecognition of property and equipment and intangible assets 65 22 Gain on disposal of property and equipment and intangible assets 65 22 NCAHFS impairment 79 - Allowance for expected credit losses on financial receivables and contract receivables 86 3 Insurance 91 83 If systems and consumables 3221 3124 Marketing and distribution costs 2136 2300 Non-executive directors fees 61 63 Vitality benefit expenses 6092 5354				
Temporary staff 661 569 Provision for leave pay 18 16 Other 474 282 Tother operating costs Amortisation of software 5.4 1450 1 411 Amortisation of intangibles acquired in a business combination 5.4 71 56 Building related and office costs 648 689 Depreciation of property and equipment 5.5 724 709 Loss on derecognition of property and equipment and intangible assets 142 55 Gain on disposal of property and equipment and intangible assets 65 22 NCAHFS impairment 79 - Allowance for expected credit losses on financial receivables and contract receivables 86 3 Insurance 91 83 IT systems and consumables 3 221 3 124 Marketing and distribution costs 2 136 2 300 Non-executive directors fees 61 63 Professional fees 966 1 326 Other operating expenses 20 097 18 637	8			
Provision for leave pay Other 18 day	Recruitment fees		54	63
Other 474 282 Other operating costs 14 835 13 723 Amortisation of software 5.4 14 450 1 411 Amortisation of intangibles acquired in a business combination 5.4 71 56 Building related and office costs 648 689 Depreciation of property and equipment 5.5 724 709 Loss on derecognition of property and equipment and intangible assets 142 55 Gain on disposal of property and equipment and intangible assets 65 22 NCAHFS impairment 79 - Allowance for expected credit losses on financial receivables and contract receivables 86 3 Insurance 86 3 Insurance and consumables 86 3 Marketing and distribution costs 2136 2300 Non-executive directors fees 61 63 Professional fees 6092 5354 Vitality benefit expenses 6092 5354 Other operating expenses 4266 343 Subtotal of other operating costs	Temporary staff		661	569
Tother operating costs Amortisation of software 5.4 1450 1411 Amortisation of intangibles acquired in a business combination 5.4 71 56 Building related and office costs 648 689 Depreciation of property and equipment 5.5 724 709 Loss on derecognition of property and equipment and intangible assets 142 55 Gain on disposal of property and equipment and intangible assets 65 22 NCAHFS impairment 79 - Allowance for expected credit losses on financial receivables and contract receivables 86 3 Insurance 91 83 IT systems and consumables 3221 3124 Marketing and distribution costs 2136 2300 Non-executive directors fees 61 63 Professional fees 966 1326 Vitality benefit expenses 6092 5354 Other operating expenses 4 266 343 Subtotal of other operating costs 20 097 18 637 Total expenses ² 4	Provision for leave pay		18	16
Other operating costs Amortisation of software 5.4 1450 1411 Amortisation of intangibles acquired in a business combination 5.4 71 56 Building related and office costs 648 689 Depreciation of property and equipment 5.5 724 709 Loss on derecognition of property and equipment and intangible assets 142 55 Gain on disposal of property and equipment and intangible assets 65 22 NCAHFS impairment 79 - Allowance for expected credit losses on financial receivables and contract receivables 86 3 Insurance 91 83 IT systems and consumables 3221 3124 Marketing and distribution costs 2136 2300 Non-executive directors fees 61 63 Professional fees 966 1326 Vitality benefit expenses 4266 343 Subtotal of other operating costs 20 097 18 637 Total expenses² 44 315 39 766 Represented by: 17 860 Insurance service expense 5.11.1	Other		474	282
Amortisation of software 5.4 1 450 1 411 Amortisation of intangibles acquired in a business combination 5.4 71 56 Building related and office costs 648 689 Depreciation of property and equipment 5.5 724 709 Loss on derecognition of property and equipment and intangible assets 142 55 Gain on disposal of property and equipment and intangible assets 65 22 NCAHFS impairment 79 - Allowance for expected credit losses on financial receivables and contract receivables 86 3 Insurance 91 83 IT systems and consumables 3 221 3 124 Marketing and distribution costs 2 136 2 300 Non-executive directors fees 61 63 Vitality benefit expenses 6 092 5 354 Other operating expenses 4 266 3 43 Subtotal of other operating costs 20 097 18 637 Total expenses² 5.11.1 8 883 8 323 Other: Experience adjustment on CSM 17			14 835	13 723
Amortisation of intangibles acquired in a business combination 5.4 71 56 Building related and office costs 648 689 Depreciation of property and equipment 5.5 724 709 Loss on derecognition of property and equipment and intangible assets 142 55 Gain on disposal of property and equipment (1) (1) Impairment of property and equipment and intangible assets 65 22 NCAHFS impairment 79 - Allowance for expected credit losses on financial receivables and contract receivables 86 3 Insurance 91 83 IT systems and consumables 3 221 3 124 Marketing and distribution costs 3 221 3 124 Marketing and distribution costs 2 136 2 300 Non-executive directors fees 61 63 Vitality benefit expenses 6 092 5 354 Other operating expenses 4 266 3 433 Subtotal of other operating costs 20 097 18 637 Total expenses² 4 3 4 3 3 23 <td>Other operating costs</td> <td></td> <td></td> <td></td>	Other operating costs			
Building related and office costs 648 689 Depreciation of property and equipment 5.5 724 709 Loss on derecognition of property and equipment and intangible assets 142 55 Gain on disposal of property and equipment (1) (1) Impairment of property and equipment and intangible assets 65 22 NCAHFS impairment 79 - Allowance for expected credit losses on financial receivables and contract receivables 86 3 Insurance 91 83 IT systems and consumables 3 221 3 124 Marketing and distribution costs 2 136 2 300 Non-executive directors fees 61 63 Professional fees 966 1 326 Vitality benefit expenses 966 1 326 Vitality benefit expenses 4 266 3 443 Subtotal of other operating costs 20 097 18 637 Total expenses² 44 315 39 766 Represented by: 11 8883 8 323 Other: Experience adjustment on CSM	Amortisation of software	5.4	1 450	1 411
Depreciation of property and equipment 5.5 724 709 Loss on derecognition of property and equipment and intangible assets 142 55 Gain on disposal of property and equipment (1) (1) Impairment of property and equipment and intangible assets 65 22 NCAHFS impairment 79 - Allowance for expected credit losses on financial receivables and contract receivables 86 3 Insurance 91 83 If systems and consumables 3 221 3 124 Marketing and distribution costs 2 136 2 300 Non-executive directors fees 61 63 Professional fees 966 1 326 Vitality benefit expenses 6 092 5 354 Other operating expenses 4 266 3 443 Subtotal of other operating costs 20 097 18 637 Total expenses² 44 315 39 766 Represented by: Insurance service expense 5.11.1 8 883 8 323 Other: Experience adjustment on CSM 17 (86) In	Amortisation of intangibles acquired in a business combination	5.4	71	56
Loss on derecognition of property and equipment and intangible assets 142 55 Gain on disposal of property and equipment (1) (1) Impairment of property and equipment and intangible assets 65 22 NCAHFS impairment 79 - Allowance for expected credit losses on financial receivables and contract receivables 86 3 Insurance 91 83 IT systems and consumables 3 221 3 124 Marketing and distribution costs 2 136 2 300 Non-executive directors fees 61 63 Professional fees 966 1 326 Vitality benefit expenses 6 092 5 354 Other operating expenses 4 266 3 443 Subtotal of other operating costs 20 097 18 637 Total expenses² 44 315 39 766 Represented by: 11 8 883 8 323 Other: Experience adjustment on CSM 17 (86) Insurance acquisition cash flows³ 13 650 11 85 Marketing and administration expenses 21 765	Building related and office costs		648	689
Gain on disposal of property and equipment Impairment of property and equipment and intangible assets (1) (1) NCAHFS impairment 79 - Allowance for expected credit losses on financial receivables and contract receivables 86 3 Insurance 91 83 IT systems and consumables 3 221 3 124 Marketing and distribution costs 2 136 2 300 Non-executive directors fees 61 63 Professional fees 966 1 326 Vitality benefit expenses 6 092 5 354 Other operating expenses 4 266 3 443 Subtotal of other operating costs 20 097 18 637 Total expenses² 44 315 39 766 Represented by: Insurance service expense 5.11.1 8 883 8 323 Other: Experience adjustment on CSM 17 (86) Insurance acquisition cash flows³ 13 650 11 885 Marketing and administration expenses 21 765 19 644	Depreciation of property and equipment	5.5	724	709
Impairment of property and equipment and intangible assets 65 22 NCAHFS impairment 79 - Allowance for expected credit losses on financial receivables and contract receivables 86 3 Insurance 91 83 IT systems and consumables 3 221 3 124 Marketing and distribution costs 2 136 2 300 Non-executive directors fees 61 63 Professional fees 966 1 326 Vitality benefit expenses 6 092 5 354 Other operating expenses 4 266 3 443 Subtotal of other operating costs 20 097 18 637 Total expenses² 44 315 39 766 Represented by: 11 8 883 8 323 Other: Experience adjustment on CSM 17 (86) Insurance acquisition cash flows³ 13 650 11 85 Marketing and administration expenses 21 765 19 644	Loss on derecognition of property and equipment and intangible assets		142	55
NCAHFS impairment 79 - Allowance for expected credit losses on financial receivables and contract receivables 86 3 Insurance 91 83 IT systems and consumables 3 221 3 124 Marketing and distribution costs 2 136 2 300 Non-executive directors fees 61 63 Professional fees 966 1 326 Vitality benefit expenses 6 092 5 354 Other operating expenses 4 266 3 443 Subtotal of other operating costs 20 097 18 637 Total expenses² 44 315 39 766 Represented by: 11.1 8 883 8 323 Other: Experience adjustment on CSM 17 (86) Insurance acquisition cash flows³ 13 650 11 885 Marketing and administration expenses 21 765 19 644	Gain on disposal of property and equipment		(1)	(1)
Allowance for expected credit losses on financial receivables and contract receivables 86 3 Insurance 91 83 IT systems and consumables 3 221 3 124 Marketing and distribution costs 2 136 2 300 Non-executive directors fees 61 63 Professional fees 966 1 326 Vitality benefit expenses 6 092 5 354 Other operating expenses 4 266 3 443 Subtotal of other operating costs 20 097 18 637 Total expenses² 44 315 39 766 Represented by: 11 8 883 8 323 Other: Experience adjustment on CSM 17 (86) Insurance acquisition cash flows³ 13 650 11 885 Marketing and administration expenses 21 765 19 644	Impairment of property and equipment and intangible assets		65	22
Allowance for expected credit losses on financial receivables and contract receivables 86 3 Insurance 91 83 IT systems and consumables 3 221 3 124 Marketing and distribution costs 2 136 2 300 Non-executive directors fees 61 63 Professional fees 966 1 326 Vitality benefit expenses 6 092 5 354 Other operating expenses 4 266 3 443 Subtotal of other operating costs 20 097 18 637 Total expenses² 44 315 39 766 Represented by: 11 8 883 8 323 Other: Experience adjustment on CSM 17 (86) Insurance acquisition cash flows³ 13 650 11 885 Marketing and administration expenses 21 765 19 644	NCAHFS impairment		79	_
Insurance 91 83 IT systems and consumables 3 221 3 124 Marketing and distribution costs 2 136 2 300 Non-executive directors fees 61 63 Professional fees 966 1 326 Vitality benefit expenses 6 092 5 354 Other operating expenses 4 266 3 443 Subtotal of other operating costs 20 097 18 637 Total expenses² 44 315 39 766 Represented by: 5.11.1 8 883 8 323 Other: Experience adjustment on CSM 17 (86) Insurance acquisition cash flows³ 13 650 11 885 Marketing and administration expenses 21 765 19 644	·			
IT systems and consumables 3 221 3 124 Marketing and distribution costs 2 136 2 300 Non-executive directors fees 61 63 Professional fees 966 1 326 Vitality benefit expenses 6 092 5 354 Other operating expenses 4 266 3 443 Subtotal of other operating costs 20 097 18 637 Total expenses² 44 315 39 766 Represented by: 5.11.1 8 883 8 323 Other: Experience adjustment on CSM 17 (86) Insurance acquisition cash flows³ 13 650 11 885 Marketing and administration expenses 21 765 19 644	receivables		86	3
Marketing and distribution costs 2 136 2 300 Non-executive directors fees 61 63 Professional fees 966 1 326 Vitality benefit expenses 6 092 5 354 Other operating expenses 4 266 3 443 Subtotal of other operating costs 20 097 18 637 Total expenses² 44 315 39 766 Represented by: 11 8 883 8 323 Other: Experience adjustment on CSM 17 (86) Insurance acquisition cash flows³ 13 650 11 885 Marketing and administration expenses 21 765 19 644	Insurance		91	83
Non-executive directors fees 61 63 Professional fees 966 1 326 Vitality benefit expenses 6 092 5 354 Other operating expenses 4 266 3 443 Subtotal of other operating costs 20 097 18 637 Total expenses² 44 315 39 766 Represented by: 1 8 883 8 323 Other: Experience adjustment on CSM 17 (86) Insurance acquisition cash flows³ 13 650 11 885 Marketing and administration expenses 21 765 19 644	IT systems and consumables		3 221	3 124
Professional fees 966 1 326 Vitality benefit expenses 6 092 5 354 Other operating expenses 4 266 3 443 Subtotal of other operating costs 20 097 18 637 Total expenses² 44 315 39 766 Represented by: 5.11.1 8 883 8 323 Other: Experience adjustment on CSM 17 (86) Insurance acquisition cash flows³ 13 650 11 885 Marketing and administration expenses 21 765 19 644	Marketing and distribution costs		2 136	2 300
Vitality benefit expenses 6 092 5 354 Other operating expenses 4 266 3 443 Subtotal of other operating costs 20 097 18 637 Total expenses² 44 315 39 766 Represented by: 5.11.1 8 883 8 323 Other: Experience adjustment on CSM 17 (86) Insurance acquisition cash flows³ 13 650 11 885 Marketing and administration expenses 21 765 19 644	Non-executive directors fees		61	63
Other operating expenses 4 266 3 443 Subtotal of other operating costs 20 097 18 637 Total expenses² 44 315 39 766 Represented by: Insurance service expense 5.11.1 8 883 8 323 Other: Experience adjustment on CSM 17 (86) Insurance acquisition cash flows³ 13 650 11 885 Marketing and administration expenses 21 765 19 644	Professional fees		966	1 326
Subtotal of other operating costs 20 097 18 637 Total expenses² 44 315 39 766 Represented by:	Vitality benefit expenses		6 092	5 354
Total expenses² 44 315 39 766 Represented by: 5.11.1 8 883 8 323 Insurance service expense 5.11.1 8 883 8 323 Other: Experience adjustment on CSM 17 (86) Insurance acquisition cash flows³ 13 650 11 885 Marketing and administration expenses 21 765 19 644	Other operating expenses		4 266	3 443
Represented by: Insurance service expense 5.11.1 8 883 8 323 Other: Experience adjustment on CSM 17 (86) Insurance acquisition cash flows³ 13 650 11 885 Marketing and administration expenses 21 765 19 644	Subtotal of other operating costs		20 097	18 637
Insurance service expense5.11.18 8838 323Other: Experience adjustment on CSM17(86)Insurance acquisition cash flows³13 65011 885Marketing and administration expenses21 76519 644	Total expenses ²		44 315	39 766
Other: Experience adjustment on CSM17(86)Insurance acquisition cash flows³13 65011 885Marketing and administration expenses21 76519 644	Represented by:			
Insurance acquisition cash flows ³ 13 650 11 885 Marketing and administration expenses 21 765 19 644	Insurance service expense	5.11.1	8 883	8 323
Marketing and administration expenses 21 765 19 644	Other: Experience adjustment on CSM		17	(86)
	Insurance acquisition cash flows ³		13 650	11 885
Total expenses 44 315 39 766	Marketing and administration expenses		21 765	19 644
	Total expenses		44 315	39 766

¹ Executive directors' and prescribed officers' remuneration is included in employee costs. Refer to Annexure C – Directorate for detailed disclosure.

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 5: OTHER ASSETS, LIABILITIES, EQUITY-ACCOUNTED INVESTMENTS AND ITEMS OF INCOME AND EXPENSE continued

5.11 EXPENSES continued

5.11.4 Claims and benefits

R million (Income)/expenses Note	Group 2025	Group 2024
SA Life (Risk) and UK Life (Risk) insurance claims	8 334	7 357
Death	5 808	4 935
Disability	4 366	4 483
Payback benefits	2 500	2 356
Less: Reinsurance recoveries	(4 340)	(4 417)
SA Invest (Risk) and SA Invest (Participating) investment benefits	608	462
Death	48	42
Annuity payments	560	420
SA Life, Group Life and Other insurance claims	2 097	2 268
Death	1 215	1 109
Disability	1 136	1 401
Payback benefits	29	18
Less: Reinsurance recoveries	(283)	(260)
SA Discovery Insure and Other insurance claims	3 222	4 428
Gross claims	3 270	5 136
Less: Reinsurance recoveries	(48)	(708)
UK Health insurance claims	11 297	9 561
Gross claims	11 299	9 562
Less: Reinsurance recoveries	(2)	(1)
	25 558	24 076
Claims and policyholders' benefits 5.11.1	30 231	29 462
Insurance claims recovered from reinsurers	(4 673)	(5 386)
Net claims and policyholder benefits	25 558	24 076

5.11.5 Auditors remuneration

Group R million	Deloitte	КРМС	Other	Total
Year ended 30 June 2025				
ISA 700 audit fees	124	91	10	225
Current year Prior year	87 37	83 8	7 3	177 48
Other assurance and related services performed under IAASB standard and regulatory related services	10	7	-	17
Subtotal: Auditor services Non-audit services	134 -	98 -	10 7	242 7
Total	134	98	17	249
% Non-audit services compared to auditor services	0%	0%		
Year ended 30 June 2024				
ISA 700 audit fees	130	74	4	208
Current year	130	74	4	208
Prior year	-	_	_	-
Other assurance and related services performed under IAASB standard and regulatory related services	7	8	-	15
Subtotal: Auditor services	137	82	4	223
Non-audit services	1	-	-	1
Total	138	82	4	224
% Non-audit services compared to auditor services	<1%	0%		

 ² Total expenses include commission paid to obtain insurance contracts. Refer to note 5.11.2
 3 The comparative period total commission paid and insurance acquisition cash flows were understated, because not all of the associated cost and corresponding allocation were disclosed. The correction does not affect the reported amounts in the Group income statement or Segment information.







Notes to the group annual financial statements continued for the year ended 30 June 2025

SECTION 5: OTHER ASSETS, LIABILITIES, EQUITY-ACCOUNTED INVESTMENTS

5.12 FOREIGN EXCHANGE LOSSES

For the accounting policies relevant to the recognition and measurement of foreign exchange gains/ (losses), refer to Annexure B, policy 3.

R million	Group 2025	Group 2024
Net foreign exchange losses	(36)	(87)

The net foreign exchange gains and losses arise primarily from foreign denominated loans, some of which are internal.

The total amount of foreign exchange gains/(losses) recognised in profit or loss is a profit of R42 million (2024: R53 million loss) presented in the Income Statement within various lines associated with the underlying transaction.

5.13 ACQUISITION OF BUSINESSES AND SUBSIDIARIES

AND ITEMS OF INCOME AND EXPENSE continued

In November 2024, The Vitality Group acquired 100% of the shares in WellSpark Health Inc. ('WellSpark'), a United States-based company specialising in customised wellbeing, coaching, and disease prevention services. This acquisition enables The Vitality Group to leverage WellSpark's specialised wellness product suite and established customer base.

Vitality Group concluded that substantially all of the value of the acquisition is concentrated in a single identifiable asset, namely the intangible asset – customer relationships. In line with the Group's accounting policy outlined in section 2.1 Business Combinations (Annexure B), Discovery has elected to apply the optional concentration test. Based on the outcome of this assessment, the transaction has been accounted for as an asset acquisition under IFRS 3 with no resultant goodwill.

The table below summarises the recognised assets acquired, and liabilities assumed at the acquisition date:

R million	2025
Recognised assets, comprising of cash, cash equivalents, prepayments and accounts receivable	6
Recognised liabilities, comprising of taxes payable and accrued expenses	(*)
New identified asset acquired: Intangible asset, Customer relationships ¹	310
Total identifiable net assets acquired/Purchase consideration	316

^{*} Amount less than R500 000.



¹ The multi-period excess earnings model was used to measure the fair value of the customer relationship intangible asset. This model considers the present value of net cash flows expected to be generated by the customer relationships, by excluding any cash flows related to contributory assets.

for the year ended 30 June 2025

SECTION 6: CASH FLOW INFORMATION

INTRODUCTION AND OVERVIEW

This section provides more information on the Group statement of cash flows

CASH FLOW INFORMATION

6.2.1 Cash generated from operations

R million	Group 2025	Restated Group 2024 ¹
Profit before income tax Adjusted for items presented separately in Statement of cash flows:	13 647	10 264
Interest received Interest paid Adjusted for non-cash items:	(3 201) 3 324	(2 700) 3 097
 Gains on financial assets at fair value through profit or loss (Gains)/losses from derivative financial instruments 	(23 080) (80)	(14 109) 36
- Fair value adjustment to liabilities under investment contracts	3 810	2 142
 Third-party interest: fair value adjustment to liabilities under investment contracts Cash flow hedge losses/(gains) from derivative financial instruments Other gains on financial instruments Marketing and administration expenses 	4 394 2 9 3 354	2 873 4 (5) 2 996
- Share-based payment expenses – cash settled - Share-based payment expenses – equity settled - Amortisation of software	23 715 1 450	24 717 1 411
Amortisation of intangibles acquired in a business combinationDepreciation of property and equipment	71 336 388	56 347 362
 Depreciation of right of use assets Loss on derecognition of property and equipment Loss on derecognition of intangible assets 	11 131	10 45
 (Gain)/loss on disposal of property and equipment Impairment of property and equipment Impairment of intangible assets (excluding goodwill) 	(1) - 65	(1) 14 8
 Impairment of non-current assets held for sale Allowance for expected credit losses on financial receivables and contract receivables 	79 86	- 3
 Allowance for expected credit losses on loans and advances to customers Impairment of goodwill 	279 20	235
 Loss/(gain) on dilution of equity-accounted investment Share of profits from equity-accounted investments Foreign exchange losses/(gains) 	32 (1 215) (6)	(22) (975) 140
Cash generated from operations	1 289	3 976

¹ The comparative information has been restated due to correction of a prior period error. Refer to note 7.5 for more detail.

6.2.1.1 INCREASE IN OPERATING ASSETS

R million	Group 2025	Restated Group 2024 ¹
- Investments held to back policyholder liabilities	(3 494)	(5 190)
 Loans and advances to customers 	(2 670)	(1 484)
 Contract receivables and other receivables 	(694)	(1 119)
 Trading assets and derivative instruments 	(105)	(553)
- Financial investments	(2 827)	5 573
 Assets arising from contracts with customers 	(1 270)	(451)
	(11 060)	(3 224)

¹ The comparative information has been restated due to correction of a prior period error. Refer to note 7.5 for more detail.

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 6: CASH FLOW INFORMATION continued

CASH FLOW INFORMATION continued

6.2.1 Cash generated/(utilised) from operations continued

6.2.1.2 INCREASE IN OPERATING LIABILITIES

R million	Group 2025	Restated Group 2024 ¹
- Deposits from customers	4 801	4 134
- Other payables at amortised cost	1 695	617
- Investment contract liabilities	2 668	(5 166)
- Third-party interest liabilities	82	237
 Contract liabilities to customers 	1 007	(443)
 Other payables and provisions 	(97)	(687)
 Assets and liabilities arising from insurance contracts issued, adjusted for changes recognised in OCI Assets and liabilities arising from reinsurance contracts held, adjusted for changes 	7 257	4 870
recognised in OCI	2 814	243
	20 227	3 805

¹ The comparative information has been restated due to correction of a prior period error. Refer to note 7.5 for more detail.

6.2.2 Taxation paid

R million	Group 2025	Restated Group 2024 ¹
Balance at beginning of year	18	(124)
Taxation charged for the year in the income statement	(4 089)	(2 715)
Adjustment for movement in deferred taxation	1 902	1 335
Reallocation to separately disclosable items	(45)	4
Translation difference	5	(4)
Balance at end of year	342	(18)
Taxation paid	(1 867)	(1 522)

¹ The comparative information has been restated due to correction of a prior period error. Refer to note 7.5 for more detail.

6.2.3 Movement in borrowings

R million	2025	2024
Balance at beginning of year excluding bank overdraft	21 657	20 553
Leased assets acquired	107	183
Increase in borrowings	3 255	2 000
Raising fees capitalised	9	5
Interest accrued on borrowings	1 964	2 007
Interest paid on borrowings	(1 575)	(1 545)
Repayment of borrowings	(5 573)	(1 385)
Modification to lease assets	(4)	(1)
Translation difference	204	(160)
Balance at end of year	20 044	21 657

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Notes to the group annual financial statements continued for the year ended 30 June 2025

SECTION 6: CASH FLOW INFORMATION *continued*

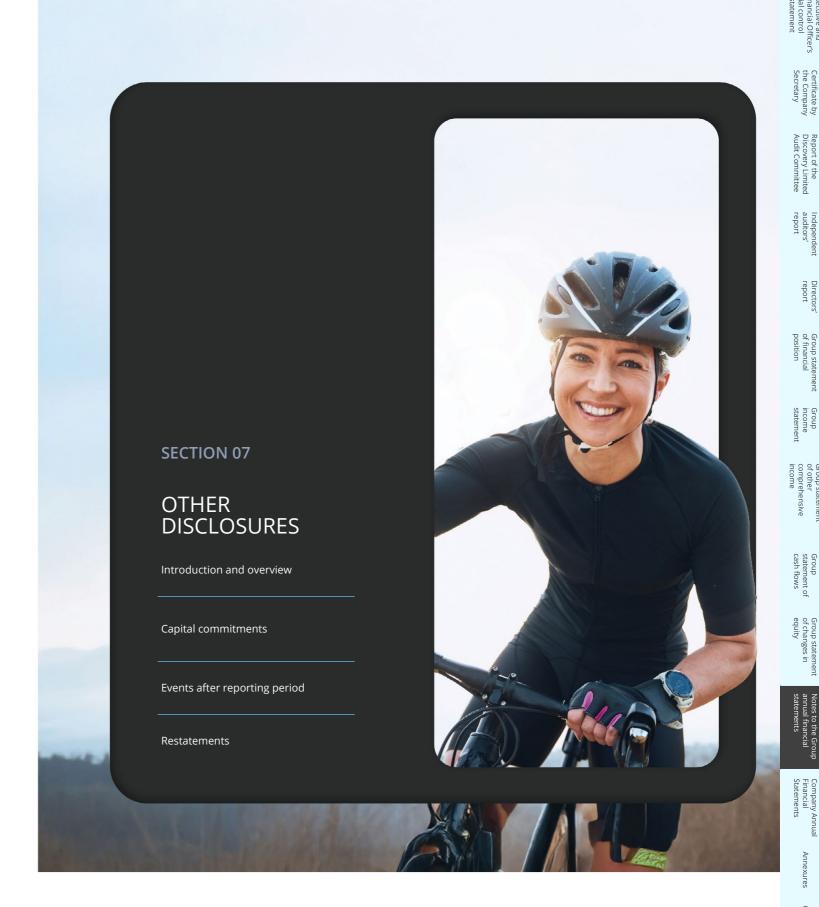
6.2 CASH FLOW INFORMATION *continued*

6.2.4 Interest paid

R million	Group 2025	Group 2024
Interest expenses on borrowings, lease liabilities and bank interest and similar expense per the income statement	(3 324)	(3 097)
Bank interest and similar expense using effective interest rate method	(1 237)	(1 061)
Interest expenses on borrowings and lease liabilities Adjusted for:	(2 087)	(2 036)
- Bank borrowings interest accruals	(29)	29
– Lease liabilities interest accrual not paid	418	433
- Other payables or interest accrual	58	8
Interest paid	(2 877)	(2 627)

6.2.5 Dividends received

R million	Group 2025	Group 2024
Dividends from equity-accounted investments	490	305
Total dividends received	490	305





Notes to the group annual financial statements continued for the year ended 30 June 2025

SECTION 7: OTHER DISCLOSURES

INTRODUCTION AND OVERVIEW

This section provides information on other disclosures that are non-recurring. Disclosures include restatements, capital commitments, any contingent liabilities and assets, as well as events after reporting date including dividend declarations.

PRIMARY FINANCIAL STATEMENTS AND INFORMATION ANALYSED IN THIS SECTION

Additional information	Note
Capital commitments	7.3
Events after the reporting period	7.4
Restatements	7.5

CAPITAL COMMITMENTS

R million	Group 2025	Group 2024
Capital expenditure approved but not contracted for at the reporting date as follows:		
- Property and equipment	252	32
- Intangible assets	84	170
- Developments costs for Discovery Bank	280	280
	616	482

7.4 **EVENTS AFTER THE REPORTING PERIOD**

The following non-adjusting events occurred between the end of the reporting period and the date when the financial statements were authorised for issue.

Dividend declared

7.4.1.1 B PREFERENCE SHARES

B PREFERENCE SHARE CASH DIVIDEND DECLARATION

On Thursday, 4 September 2025, the Board of directors declared a final gross cash dividend of 545.47945 cents (436.38356 cents net of dividend withholding tax) per B preference share for the period 1 January 2025 to 30 June 2025, payable from the income

A dividend withholding tax of 20% will be applicable to all shareholders who are not exempt.

The issued preference share capital at the declaration date is 8 million B preference shares.

The salient dates for the dividend will be as follows:

Last day of trade to receive a dividend	Monday, 22 September 2025
Shares commence trading "ex" dividend	Tuesday, 23 September 2025
Record date	Friday, 26 September 2025
Payment date	Monday, 29 September 2025

B preference share certificates may not be dematerialised or rematerialised between Tuesday, 23 September 2025 and Friday, 26 September 2025, both days inclusive.

7.4.1.1.2 B PREFERENCE SHARE CASH DIVIDEND HISTORY

Payment date	Nature and financial period	Dividend declared per share
17 March 2025	Interim dividend, financial year 2025	582.67123 cents (466.13699 cents net of dividend withholding tax)
23 September 2024	Final dividend, financial year 2024	585.89041cents (468.71233 cents net of dividend withholding tax)
25 March 2024	Interim dividend, financial year 2024	592.32877 cents (473.86302 cents net of dividend withholding tax)
26 September 2023	Final dividend, financial year 2023	548.49315 cents (438.79452 cents net of dividend withholding tax)

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 7: OTHER DISCLOSURES continued

EVENTS AFTER THE REPORTING PERIOD CONTINUED

The following non-adjusting events occurred between the end of the reporting period and the date when the financial statements were authorised for issue.

Dividend declared continued 7.4.1

7.4.1.2 ORDINARY SHARES

7.4.1.2.1 ORDINARY SHARE CASH DIVIDEND DECLARATION

On Wednesday, 10 September 2025, the Board of Directors declared a final gross cash dividend of 201.00000cents (160.80000 cents net of dividend withholding tax) per ordinary share, out of the income reserves of the Company. A dividend withholding tax of 20% will be applicable to all shareholders who are not exempt.

The number of ordinary shares in issue at the date of declaration is 679 680 841.

The salient dates for the dividend will be as follows:

Last day of trade to receive a dividend	Tuesday, 14 October 2025
Shares commence trading "ex" dividend	Wednesday, 15 October 2025
Record date	Friday, 17 October 2025
Payment date	Monday, 20 October 2025

Ordinary share certificates may not be dematerialised or rematerialised between Wednesday, 15 October 2025 and Friday, 17 October 2025, both days inclusive.

7.4.1.2.2 ORDINARY SHARE CASH DIVIDEND DECLARATION HISTORY

Payment date	Nature and financial period	Dividend declared per share
31 March 2025	Interim dividend, financial year 2025	87.00000 cents (69.60000 cents net of dividend withholding tax)
21 October 2024	Final dividend, financial year 2024	152.00000 cents (121.60000 cents net of dividend withholding tax)

Item 1

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 7: OTHER DISCLOSURES continued

RESTATEMENTS

7.5.1 Restatement as a result of prior period error

This section provides summary information of the impact as a result of the correction of prior period errors. The corrections impacted the Group statement of financial position as at 1 July 2023 and 30 June 2024, the Group income statement and Group statement of other comprehensive income for the year ended 30 June 2024 as well as the Group statement of cash flows for the year ended 30 June 2024. The information is set out to reconcile the previously published information to the final restated financial positions and performance.

ITEM 1: CORRECTION OF SA LIFE AND SA INVEST INSURANCE RESULTS

In the previous financial year ended 30 June 2024, Discovery adopted IFRS 17 Insurance Contracts for the first time, with full retrospective effect. The impacts of adoption of IFRS 17 were fully disclosed in the prior year's financial statements.

During the current year under review, Discovery identified the need to correct a coding error that impacted the quantification of the transitional impact of IFRS 17. This error affected the way in which the SA Life and SA Invest businesses accounted for changes in estimates. The correction resulted in a reallocation from the Insurance Finance Reserve, a component of equity, with a resultant increase in the Contractual Service Margin (CSM).

As explained during transition to IFRS 17, the positive increase in CSM represents a "store of value" that is expected to release to the income statement, and ultimately to equity as retained earnings, over time. The CSM releases to the income statement as services are provided based on the coverage units of the underlying groups of insurance contracts.

Notably, the strengthening of the CSM resulted in a decrease in the number of groups classified as onerous. The decrease in the onerous contract groups resulted in an increase in retained earnings as well as an increase in earnings of the prior year.

The other measurement components of insurance contract balances, namely the present value of fulfilment cash flows and the risk adjustment, were unaffected by this correction. Importantly, the correction had a cumulative impact on the later years of the fully retrospective transition.

Discovery corrected the error in the earliest period presented (1 July 2023) and in the comparative period ended 30 June 2024. The restatement has had no effect on operating, investing, or financing cash flows. While there was no overall impact on cash flows from operating activities, the correction resulted in an increase of R253 million in cash generated from operations, with an equal and opposite adjustment to operating liabilities. Consistent with the impacts explained upon transition, the restatement does not affect regulatory solvency positions or embedded value.

RECONCILIATION OF THE RESTATED GROUP STATEMENT OF FINANCIAL POSITION AS AT 1 JULY 2023

R million	Group 30 June 2023 (previously reported)	Item 1 Correction Increase/ (Decrease)	Group 1 July 2023 Restated
Assets			
Assets arising from insurance contracts issued	33 624	(3 400)	30 224
- Estimates of PVFCF	80 340	_	80 340
- RA for non-financial Risk	(8 981)	-	(8 981)
- Contractual service margin	(41 244)	(3 400)	(44 644)
 Portfolios applying the PAA approach 	3 509	-	3 509
Total of assets unaffected by restatement	225 115	-	225 115
TOTAL ASSETS	258 739	(3 400)	255 339
Equity			_
Other reserves	4 690	(3 128)	1 562
Retained earnings	33 900	646	34 546
Total of equity unaffected by restatement	11 134	-	11 134
TOTAL EQUITY	49 724	(2 482)	47 242
Liabilities			
Deferred tax liability	6 706	(918)	5 788
Total of liabilities unaffected by restatement	202 309	-	202 309
TOTAL LIABILITIES	209 015	(918)	208 097
TOTAL EQUITY AND LIABILITIES	258 739	(3 400)	255 339

Notes to the group annual financial statements continued

for the year ended 30 June 2025

SECTION 7: OTHER DISCLOSURES continued

RESTATEMENT continued

Restatement as a result of prior period error continued

RECONCILIATION OF THE RESTATED GROUP STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	30 June 2024 (previously	Correction Increase/	Group 30 June 2024
R million	reported)	(Decrease)	Restated
Assets			
Assets arising from insurance contracts issued	41 816	(4 477)	37 339
- Estimates of PVFCF	85 318	_	85 318
- RA for non-financial Risk	(10 050)	-	(10 050)
- Contractual service margin	(37 676)	(4 477)	(42 153)
 Portfolios applying the PAA approach 	4 224	-	4 224
Total of assets unaffected by restatement	242 295	_	242 295
TOTAL ASSETS	284 111	(4 477)	279 634
Equity			
Other reserves	6 275	(4 099)	2 176
Retained earnings	39 998	831	40 829
Total of equity unaffected by restatement	11 446	-	11 446
TOTAL EQUITY	57 719	(3 268)	54 451
Liabilities			
Deferred liability	8 184	(1 209)	6 975
Total of liabilities unaffected by restatement	218 208	-	218 208
TOTAL LIABILITIES	226 392	(1 209)	225 183
TOTAL EQUITY AND LIABILITIES	284 111	(4 477)	279 634

RECONCILIATION OF GROUP INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2024¹

R million	Group 30 June 2024 (previously reported)	Item 1 Correction Increase/ (Decrease)	Group 30 June 2024 Restated
Insurance revenue	51 857	273	52 130
Insurance service expenses	(46 145)	28	(46 117)
Net income/(expenses) from reinsurance contracts	(915)	-	(915)
Insurance service result	4 797	301	5 098
Net financial result from insurance finance income and expense	(7 245)	(48)	(7 293)
Net finance expense from insurance contracts	(6 902)	(48)	(6 950)
Net finance expense from reinsurance contracts	(343)	_	(343)
Net insurance and investment results	9 647	253	9 900
Net income	31 952	253	32 205
Operating profit	11 137	253	11 390
Profit before financing and income tax	12 134	253	12 387
Profit before income tax	10 011	253	10 264
Income tax expense	(2 647)	(68)	(2 715)
Profit for the year	7 364	185	7 549
Earnings per share for profit attributable to ordinary shareholders of the company during the year (cents):			
- Basic	1 082.7	27.6	1 110.3
- Diluted	1 076.3	27.4	1 103.7

¹ Only the financial statement line items impacted by the adjustments have been included in this note; therefore, the note does not reproduce all line items from the Group income statement.







Notes to the group annual financial statements continued for the year ended 30 June 2025

SECTION 7: OTHER DISCLOSURES continued

RESTATEMENT continued

7.5.1 Restatement as a result of prior period error continued

RECONCILIATION OF GROUP STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE $2024^{\rm 1}$

	Group	Item 1	C
	30 June 2024	Correction	Group
D 199	(previously	Increase/	30 June 2024
R million	reported)	(Decrease)	Restated
Profit for the year	7 364	185	7 549
Net finance income/(expense) from insurance contracts issued	2 672	(971)	1 701
- Unrealised income/(expense)	3 595	(1 330)	2 265
- Tax on unrealised (income)/expense	(923)	359	(564)
Total income and expenses that will be reclassified to profit or loss			
when specific conditions are met	1 331	(971)	360
Other comprehensive income for the year, net of tax	1 348	(971)	377
Total comprehensive income for the year	8 712	(786)	7 926

¹ Only the financial statement line items impacted by the adjustments have been included in this note; therefore, the note does not reproduce all line items from the Group statement of other comprehensive income.

ITEM 2: CORRECTION OF THE NON-INSURANCE ACQUISITION COSTS FOR DISCOVERY INVEST

During the year ended 30 June 2025, Discovery identified that it had not eliminated intragroup transactions for the reimbursement of the acquisition costs incurred within the SA Invest segment. This incorrect treatment resulted in an overstatement of both the fee income from administration business and non-insurance acquisition costs in the period

The correction does not impact the Group income statement's total profit, basic earnings per share, or diluted earnings per share. The restatement has had no impact on operating, investing, or financing cash flows.

RECONCILIATION OF GROUP INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2024¹

R million	30 June 2024 (post item 1 correction)	Item 2 Correction Increase/ (Decrease)	Group 30 June 2024 Restated
Fee income from administration business	14 093	(497)	13 596
Non-insurance revenue and income	22 305	(497)	21 808
Net income	32 205	(497)	31 708
Non-insurance acquisition costs	(988)	497	(491)
Operating profit	11 390	-	11 390
Profit before financing and income tax	12 387	-	12 387
Profit before income tax	10 264	-	10 264
Income tax expense	(2 715)	_	(2 715)
Profit for the year	7 549	-	7 549

¹ Only the financial statement line items impacted by the adjustments have been included in this note; therefore, the note does not reproduce all line items from the Group income statement

ITEM 3: GROUP STATEMENT OF CASH FLOWS

Discovery regularly reviews its presentation and disclosures in line with evolving market practices, IFRS Accounting Standards, and changes in its business to enhance clarity and understanding. The Group has accordingly updated its statement of cash flows, applying the changes to the year ended 30 June 2025 and restating the prior year for comparability, with a reconciliation provided between the originally published 2024 figures and the restated balances.

Previously, changes in 'Fair value adjustments to liabilities under investment contracts' and 'Third-party interest: fair value adjustment to liabilities under investment contracts' were recorded as cash outflows in Cash generated from operations with a corresponding entry within changes in operating liabilities. These fair value adjustments are now appropriately recognised as non-cash movements, with an equal and opposite change to the operating liabilities. In addition, the method for determining realised gains and losses on investments has been revised, and the prior year corrected accordingly.

Importantly, the restatements have no impact on total 'Cash flows from operating activities', as reflected below.

Notes to the group annual financial statements continued

for the year ended 30 June 2025

RECONCILIATION OF GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024¹

R million	Group 30 June 2024 As previously published, including correction of item 1 as set out above	Item 3 Correction Increase/ (Decrease)	Group 30 June 2024 Restated
Cash flow from operating activities	2 733	-	2 733
Cash generated by operations	3 250	726	3 976
Net movement in operating assets and liabilities	1 307	(726)	581
- Increase in operating assets	(7 513)	4 289	(3 224)
- Increase in operating liabilities	8 820	(5 015)	3 805

¹ Only the financial statement line items impacted by the adjustments have been included in this note; therefore, the note does not reproduce all line items from the Group statement, of cash flows

ODiscovery

Company annual — financial statements

for the year ended 30 June 2025

Company statement of financial position

as at 30 June 2025

R million Not	es	Company 2025	Company 2024
Assets			
Deferred tax asset	3.5	_	3
Investments in subsidiaries	3.3	36 579	35 115
Investment in associate	3.4	2 584	2 584
Financial assets			233.
- Loans to subsidiaries at amortised cost	1.3	9 690	8 260
- Loans to BEE partners	1.4	363	271
- Derivative financial instruments at fair value through profit or loss	1.5	1	14
Other receivables	3.6	57	-
Current tax asset		-	12
Cash and cash equivalents 4.2	2.5	613	1 992
Total assets		49 887	48 251
Equity			
Capital and reserves			
Ordinary share capital and share premium	2.3	11 474	10 783
Perpetual preference share capital	2.4	779	779
Other reserves		1 765	1 824
Retained earnings		17 693	12 804
Total equity		31 711	26 190
Liabilities			
Financial liabilities			
- Borrowings at amortised cost	1.6	9 991	11 464
- Loans from subsidiaries at amortised cost	1.7	7 937	10 546
- Financial guarantee contracts	1.8	8	11
- Other financial payables at amortised cost	1.9	69	16
- Derivative financial instruments at fair value through profit or loss	1.5	117	24
Current tax liability		54	_
Total liabilities		18 176	22 061
Total equity and liabilities		49 887	48 251

Company income statement

for the year ended 30 June 2025

R million	Notes	Company 2025	Company 2024
Investment income	3.8	7 679	3 882
At amortised cost interest income, using the effective interest rateDividends received from subsidiaries		1 014 6 665	1 079 2 803
Other income Marketing and administration expenses	3.9 3.10	21 (83)	24 (18)
Movement in allowance for expected credit losses	3.11	-	(3)
Profit before financing and income tax Interest expenses on borrowings Foreign exchange gains/ (losses)		7 617 (1 030) 111	3 885 (993) (100)
Profit before income tax Income tax expense	3.7	6 698 (79)	2 792 (19)
Profit for the year		6 619	2 773
Attributable to: - Ordinary shareholders - Preference shareholders		6 526 93	2 682 91
		6 619	2 773

Company statement of other comprehensive income

for the year ended 30 June 2025

R million	Company 2025	Company 2024
Profit for the year	6 619	2 773
Income and expenses that will be reclassified to profit or loss when specific conditions are met:		
Cash flow hedges	(104)	(62)
- unrealised losses	(106)	(66)
 losses reclassified to profit or loss 	2	4
Other comprehensive (loss)/income for the year, net of tax	(104)	(62)
Total comprehensive income for the year	6 515	2 711
Attributable to:		
- Ordinary shareholders	6 422	2 620
- Preference shareholders	93	91
Total comprehensive income for the year	6 515	2 711

Company statement of cash flows

for the year ended 30 June 2025

R million	Notes	Company 2025	Restated ¹ Company 2024
Cash flows from operating activities		(1 947)	1 865
Cash (utilised)/generated by operations	4.2.1	(78)	3
Interest received	4.2.7	459	265
Interest paid	4.2.8	(1 052)	(966)
Taxation paid	4.2.2	(10)	(74)
Net movement in operating assets and liabilities		(1 266)	2 637
- Decrease in operating assets		(172)	(54)
- (Decrease)/Increase in operating liabilities		(1 094)	2 691
Cash flows from investing activities		(623)	(668)
Dividends received	4.2.6	1 431	1 379
Increase in investments in subsidiaries	4.2.3	(1 375)	(4 358)
Increase in loans granted to subsidiaries		(3 210)	(3 472)
Proceeds from settlement of subsidiary loans		2 531	5 783
Cash flows from financing activities		1 187	529
Repurchase of treasury shares		_	(131)
Proceeds from issuance of ordinary shares		626	432
Proceeds from long-term borrowings	4.2.4	3 255	2 000
Repayment of long-term borrowings	4.2.4	(4 703)	(504)
Premium refunded/(paid) on interest rate swap		1	2
Increase in loans from subsidiaries		3 772	-
Refunds of collateral in terms of CSA Margin		105	-
Payment of collateral in terms of CSA Margin		(160)	-
Dividends paid to ordinary shareholders		(1 616)	(1 179)
Dividends paid to preference shareholders		(93)	(91)
Net (decrease)/increase in cash and cash equivalents		(1 383)	1 726
Cash and cash equivalents at beginning of the year		1 992	282
Effects of exchange rate changes on cash and cash equivalents		4	(16)
Cash and cash equivalents at end of the year	4.2.5	613	1 992

¹ Restated, refer to section 5 for more details on the restatement.

Company statement of changes in equity

for the year ended 30 June 2025

Company R million	Share capital and share premium	Perpetual Preference share capital	Share-based payment reserve	Hedging reserve	Retained earnings	Total
Year ended 30 June 2025						
At beginning of the year	10 783	779	1 845	(21)	12 804	26 190
Total comprehensive income for the year		93	-	(104)	6 526	6 515
Profit for the year	_	93	-	-	6 526	6 619
Other comprehensive income	-	-	-	(104)	-	(104)
Transactions with owners	691	(93)	45	-	(1 637)	(994)
Issue of shares	626	-	-	-	-	626
Increase in treasury shares	(626)	-	-	-	-	(626)
Delivery of treasury shares Employee share option schemes:	691	-	(691)	-	-	-
 Value of employee services net of tax 	_	_	715	_	_	715
Transfer of vested shares	_	-	21	_	(21)	_
Dividends paid to ordinary shareholders	_	_	_	-	(1 616)	(1 616)
Dividends paid to preference shareholders	_	(93)	-	-	-	(93)
Balance at 30 June 2025	11 474	779	1 890	(125)	17 693	31 711
Year ended 30 June 2024						
At beginning of the year	10 467	779	1 560	41	11 315	24 162
Total comprehensive income for the year	_	91	_	(62)	2 682	2 711
Profit for the year	_	91	_	_	2 682	2 773
Other comprehensive income	_	_	-	(62)	_	(62)
Transactions with owners	316	(91)	285	_	(1 193)	(683)
Issue of shares	433	-	-	-	_	433
Increase in treasury shares	(564)	-	_	-	-	(564)
Delivery of treasury shares	447	-	(447)	-	-	-
Employee share option schemes:						-
 Value of employee services net of tax 	-	-	718	-	-	718
Transfer of vested shares	-	-	14	-	(14)	-
Dividends paid to ordinary shareholders					(1 179)	(1 179)
Dividends paid to preference shareholders	_	(91)	-	-	-	(91)
Balance at 30 June 2024	10 783	779	1 845	(21)	12 804	26 190

Notes to the company annual financial statements

for the year ended 30 June 2025

The principal accounting policies applied in the preparation of these separate financial statements are consistent with those set out in Annexure B.

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Financial instruments and management of financial risk

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- Borrowings at amortised cost
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Introduction and overview

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Cash flow information

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- Taxation paid
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SECTION 1: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL RISK

INTRODUCTION AND OVERVIEW

This section provides information on financial instruments including the disclosure and reconciliation of all financial assets and liabilities and cash and cash equivalents. This section also details how the financial risk is managed.

PRIMARY FINANCIAL STATEMENT AND INFORMATION ANALYSED IN THIS **SECTION**

R million	Notes	Company 2025	Company 2024
Statement of financial position			
ASSETS			
Financial assets			
 Loans to subsidiaries at amortised cost 	1.3	9 690	8 260
- Loans to BEE partners	1.4	363	271
- Derivative financial instruments at fair value through profit or loss	1.5	1	14
Cash and cash equivalents	4.2.5	613	1 992
		10 667	10 537
LIABILITIES			
Financial liabilities			
- Borrowings at amortised cost	1.6	9 991	11 464
 Loans from subsidiaries at amortised cost 	1.7	7 937	10 546
- Financial guarantee contracts	1.8	8	11
 Other financial payables at amortised cost 	1.9	69	16
- Derivative financial instruments at fair value through profit or loss	1.5	117	24
		18 122	22 061

LOANS TO SUBSIDIARIES¹ 1.3

R million	Company 2025	Company 2024
Interest bearing loans	9 379	8 035
Discovery Group Europe Limited	2 797	2 625
Discovery Health Proprietary Limited	4 616	4 169
Discovery Central Services Proprietary Limited	1 966	1 241
Non-interest bearing loans ²	322	236
Discovery Connect Distribution Services Proprietary Limited	-	2
Discovery Green Proprietary Limited	1	1
Discovery Group Europe Limited	2	2
Discovery Holdings Europe Limited	2	2
Discovery Insure Limited	-	-
Discovery Life Investment Services Proprietary Limited	3	93
Discovery Telematic Services Proprietary Limited	*	16
Discovery Vitality Proprietary Limited	108	108
Vitality Corporate Services Limited	14	12
Vitality Group International Incorporated	192	-
Total gross loans	9 701	8 271
Less: IFRS 9 Expected credit losses (ECL)	(11)	(11)
Total net loans	9 690	8 260
Current	3 895	1 478
Non-current	5 795	6 782
	9 690	8 260
Balance at beginning of the year	8 260	9 840
Additional loan granted	3 554	3 999
Repayment of loans		
- capital portion	(2 784)	(6 299)
- interest portion	(354)	(214)
Interest receivable	900	1 020
Movement in allowance for expected credit losses	-	(2)
Exchange differences	114	(84)
Balance at end of the year	9 690	8 260

¹ All loans to subsidiaries are measured at amortised cost, which approximates to fair value, as the loans bear interest at market related terms. For those that are non-interest bearing and repayable on demand, the amortised cost approximates fair value.

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Notes to the company annual financial statements continued

for the year ended 30 June 2025

SECTION 1: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL RISK

1.3 **LOANS TO SUBSIDIARIES** continued

Terms for interest-bearing loans

GBP DENOMINATED

Discovery Limited has granted GBP denominated loans to Discovery Group Europe Limited. The terms are as follows:

			Carrying value			
Original loan value	Variable rate	Capital repayment and maturity date	2	npany 025 GBP million	Compa R million	iny 2024 GBP million
GBF IIIIIIIIII	variable rate	maturity date	KIIIIIIIIII	GBP IIIIIIIIII	KIIIIIIIIII	GBF IIIIIIIIII
	Bank of England base					
25	rate + 600bps	At maturity - 1 April 2027	600	25	569	25
	Bank of England base					
6	rate + 600bps	At maturity - 1 November 2027	146	6	138	6
	Bank of England base					
11	rate + 600bps	At maturity - 1 June 2028	256	10	242	11
٥	Bank of England base rate + 600bps	At maturity - 21 August 2028	219	9	208	9
9		At Maturity - 21 August 2020	219	9	200	9
7	Bank of England base rate + 600bps	At maturity - 24 November 2028	158	7	150	6
	Bank of England base					
12	rate + 400bps	At maturity - 31 December 2028	499	20	433	19
	Bank of England base					
3	rate + 615bps	At maturity - 1 March 2029	68	3	64	3
	Bank of England base					
7	rate + 615bps	At maturity - 1 June 2029	173	7	164	7
	Bank of England base					
7	rate + 615bps	At maturity - 1 August 2029	158	7	150	7
			2 277	94	2 118	92

ZAR DENOMINATED

Discovery Limited has granted ZAR denominated loans to subsidiaries. The terms are as follows:

				Carrying Rand r	
Subsidiary the loan was granted to	Original loan value R million	Variable rate	Capital repayment and maturity date	Company 2025	Company 2024
Discovery Group Europe Limited	268	3-month JIBAR + 200bps	At maturity – 31 July 2030	520	507
Discovery Health Proprietary Limited ¹	727	3-month JIBAR + 240bps	At maturity – 30 June 2026	1 607	1 451
Discovery Health Proprietary Limited ^{1,2}	93		At maturity – 30 September 2027	227	205
Discovery Health Proprietary Limited ^{1,2}	282		At maturity – 30 September 2027	688	622
Discovery Health Proprietary Limited ^{1,2}	235		At maturity – 15 December 2027	562	507
Discovery Health Proprietary Limited ^{1,2}	173		At maturity – 28 March 2027	402	363
Discovery Health Proprietary Limited ^{1,2}	288		At maturity – 30 June 2027	651	588
Discovery Health Proprietary Limited ^{1,2}	212		At maturity – 3 July 2027	479	433
Discovery Central Services Proprietary Limited	2 932	3-month JIBAR + 115bps	On demand	1 966	1 241
				7 102	5 917

¹ Interest payable quarterly in arrears, with the option available for Discovery Health to capitalise the interest to the value of the loan.

For the loans to Discovery Group Europe Limited, interest of R277 million was earned in respect of these loans in the current financial year (2024: R284 million) and R118 million foreign exchange gain was recognised in profit and loss

² Non-interest bearing loans are repayble on demand.

^{*} Amount is less than R500 000.

² Interest accrues at a fixed rate of 10.2% per annum.

for the year ended 30 June 2025

SECTION 1: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL RISK

LOANS TO BEE PARTNERS¹

R million	Company 2025	Company 2024
Balance at beginning of the year	271	219
Interest receivable	23	18
Additional loan granted	84	58
Repayment of loans	(15)	(24)
- Capital	-	(14)
- Interest	(15)	(10)
Balance at end of the year	363	271
Current	363	271

¹ All loans to BEE partners are measured at amortised cost, which approximates to fair value.

These loans are due from Mohau Equity Partners. R318 million (2024: R219 million) is a bridge loan that accrues interest at prime rate less 2%. R45 million (2024: R52 million) is an interest-free loan to provide empowerment financing towards a newly formed brokerage. There are no repayment terms for these loans.

DERIVATIVE FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

R million	Company 2025 Assets	Company 2025 Liabilities	Company 2024 Assets	Company 2024 Liabilities
Interest rate derivatives – used as cash flow hedges ¹	1	117	14	24
Total	1	117	14	24
Current	-	-	6	1
Non-current	1	117	8	23
Total	1	117	14	24

¹ For further information, refer to Group note 3.4 in section 3 which sets out information on the 'Interest Rate Swaps' which equally apply to the Company.

1.6 **BORROWINGS AT AMORTISED COST**

R million	Company 2025	Company 2024
Borrowings from banks ¹	9 991	11 464
Current	3 224	2 304
Non-current	6 767	9 160
	9 991	11 464

¹ Collateral in the form of financial guarantees by Discovery Health Proprietary Limited and Discovery Vitality Proprietary Limited has been given to secure

The borrowings were acquired for general corporate purposes in order to fund the various growth initiatives within the Group. For variable rate loans the carrying amount approximates the fair value because the variable rate is set on market related terms. For fixed rate loans, the fair value is R1 989 million (2024: R4 351 million) relative to the carrying value of R2 050 million (2024: R4 387 million).

Notes to the company annual financial statements continued

for the year ended 30 June 2025

SECTION 1: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL RISK

1.6 **BORROWINGS AT AMORTISED COST** continued

Credit rating

In November 2024, Moody's Investors Service ("Moody's") reaffirmed Discovery Limited's global-scale long-term issuer rating of Ba3 and upgraded the national-scale long-term issuer rating to Aa3.za from A1.za. The outlook remained unchanged as stable, aligned to the outlook of the country.

Domestic Medium Term Notes (DMTN) and other

					g value illion
Facility amount R million	Variable rate	Interest per annum	Capital repayment and maturity date	Company 2025	Compan 202
Listed DMTN					
200	-	10.46% ²	At maturity - 21 November 2024	_	20
800	3-month JIBAR + 191bps	8.4%1,3	At maturity - 21 November 2024	_	80
1 200	3-month JIBAR + 191bps	7.30%1,3	At maturity - 21 November 2024	_	1 21
404	-	7.90%	At maturity - 21 November 2025	392	
1 111	3-month JIBAR + 95bps	7.46% ³	At maturity - 21 May 2026	1 120	
700	3-month JIBAR + 180bps	8.49%1,3	At maturity - 21 August 2026	707	70
300	3-month JIBAR + 180bps	7.60%1,3	At maturity - 21 August 2026	303	30
792	3-month JIBAR + 173bps	7.98% ^{1, 3}	At maturity - 21 May 2027	799	80
576	3-month JIBAR + 140bps	7.50% ^{1, 3}	At maturity - 21 November 2027	581	58
750	3-month JIBAR + 140bps	7.19%1,3	At maturity - 21 November 2027	758	
226	3-month JIBAR + 180bps	7.98%1,3	At maturity - 21 May 2029	228	22
924	3-month JIBAR + 159bps	8.17%1,3	At maturity - 21 November 2029	932	93
1 000	3-month JIBAR + 159bps	8.17% ^{1, 3}	At maturity - 21 November 2029	1 012	
Unlisted DMTN ⁴					
2 500	-	9.62% ³	At maturity – 22 February 2025	-	2 52
1 650	-	9.55% ³	At maturity – 10 March 2026	1 659	1 65
Other					
1 000	3-month JIBAR + 190bps	8.38% ^{1,3}	At maturity – 02 March 2028	1 000	99
500	3-month JIBAR + 190bps	7.51% ^{1,3}	At maturity – 02 March 2028	500	49
otal Discovery	Limited Borrowings			9 991	11 46

¹ The interest rate has been fixed through interest rate swaps.

The borrowings are unsecured senior debt and are not callable or convertible. Interest is payable quarterly in arrears other than footnote 2 in the table above. Refer to company note 4.2.4 for movement analysis and Group Note 3.7.

² Interest is payable semi-annually in arrears.

⁴ During the financial year ended 30 June 2020, Discovery Limited refinanced R3.6 billion bank syndicated loans through the issue of unlisted DMTN notes. The notes, although underwritten by a bank until maturity, are structured to enable short-term issuances into the commercial paper market on an

Notes to the company annual financial statements continued for the year ended 30 June 2025

SECTION 1: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL RISK

LOANS FROM SUBSIDIARIES¹ 1.7

R million	Company 2025	Company 2024
Discovery Bank Limited	4	3
Discovery Health Proprietary Limited	3 247	5 744
Discovery Insure Limited	-	19
Discovery Life Limited	4 686	4 780
Total loans	7 937	10 546
Current	7 937	10 546
	7 937	10 546
Balance at beginning of the year	10 546	9 384
Additional loan granted	4 223	5 928
Repayment of loans	(6 832)	(4 766)
Balance at end of the year	7 937	10 546

¹ All loans from subsidiaries are measured at amortised cost, which approximates fair value, either due to their repayable on demand terms or because they

Discovery Limited receives funds from its subsidiaries, through intercompany accounts, to assist with operational requirements. These loans are interest free and are settled as and when sufficient cash becomes available.

For the purposes of determining which cash flows the Company presents as 'cash flows from operating activities' and 'cash flows from financing activities,' the Company considers the nature of the liabilities. Cash flows related to long-term borrowings and the financing of the Company are presented as part of 'cash flows from financing activities.' In contrast, cash flows associated with the Company's revenue activities, such as investment income or working capital requirements, are presented as 'cash flows from operating activities.' Working capital includes current receivables and payables with no stated repayment terms and that are

Loans from subsidiaries, as noted above, amounting to approximately R7.9 billion (2024: R9.3 billion), are considered part of financing. Therefore, cash flows used to repay these loans are classified as 'cash flows from financing activities.' Cash flows exceeding this base amount are regarded as part of working capital and included in 'cash flows from operating activities.' The loans considered part of financing will be reviewed at specified intervals to ensure they reflect the Company's long-term funding. Where applicable, the base amount and the associated classification of cash flows as 'financing' will be adjusted

Notes to the company annual financial statements continued

for the year ended 30 June 2025

SECTION 1: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL RISK

1.8 FINANCIAL GUARANTEE CONTRACTS

	Company 2025	Company 2024
Discovery Limited has accrued for financial guarantees issued for the following subsidiary:		
Discovery Central Services Proprietary Limited	8	11
Total	8	11
Balance at the beginning of the year	11	12
New guarantee contracts	_	1
Fee income released	(3)	(3)
Expected credit losses	-	1
Balance at end of year	8	11

- i. Discovery Limited has guaranteed the following borrowing facilities of Discovery Central Services Proprietary Limited:
 - R650 million facility to fund the systems build of Discovery Bank. The full amount has been drawn down and the balance outstanding at 30 June 2025 is R300 million (2024: R396 million).
 - a 5 year borrowing facility for an amount of R1.4 billion. These funds were acquired for general corporate purposes and the full amount has been drawn down and the balance outstanding at 30 June 2025 is R1 408 million
 - A R1.5 billion financial credit facility was in place during the year and remains undrawn. The outstanding balance of R154 million was fully settled on 7 June 2024 upon the facility's expiry, resulting in no balance outstanding at 30 June 2025 (2024: Rnil). The facility was renewed at the end of June 2024 for a further two years, to June 2026.
 - a R691 million facility, drawn down in full. The balance outstanding at 30 June 2025 is R694 million (2024: R695 million).
 - a R500 million facility, undrawn at 30 June 2025. This facility is a committed 364-day notice facility granted in November 2023.
- ii. In December 2022, Discovery Finance Company Europe Limited entered into borrowing facilities for an amount of GBP 56 million. The facility has been guaranteed by Discovery Limited. Discovery Limited charges a financial guarantee fee on an arms length basis. For more information refer to company note 3.9. As at 30 June 2025, Discovery Finance Company Europe Limited owed GBP 52 million (2024: GBP 54 million) in respect of these borrowings.
- iii. During 2020, Discovery Holdings Europe Limited entered into borrowing facilities for an amount of GBP 100 million to fund its operations. The loan was reduced to GBP 25 million in December 2022. This facility has been guaranteed by Discovery Limited. Discovery Limited charges a financial guarantee fee on an arms length basis. For more information refer to company note 3.9.

OTHER FINANCIAL PAYABLES AT AMORTISED COST

R million	Company 2025	Company 2024
Accrued expenditure	54	6
Dividends due to shareholders	15	10
	69	16

The amortised cost of the financial payables approximate the fair value due to the short-term nature of these payables.

for the year ended 30 June 2025

SECTION 1: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL RISK continued

1.10 MANAGEMENT OF FINANCIAL RISK

The Company's activities expose it to a variety of financial risks. Financial risks include market risk, credit risk and liquidity risk. Refer to the Group note 3.13 Management of financial risk for a detailed explanation of financial risks and how they are managed.

1.10.1 Interest rate risk

Sensitivity to changes in interest rates is relevant to financial assets or liabilities bearing floating interest rates due to the risk that future cash flows fluctuate. However, sensitivity will also be relevant to fixed-rated financial assets and financial liabilities that are re-measured to fair value.

The table below details the specific interest rate risk that the Company is exposed to:

Company R million	Carrying amount	Fixed	Floating	Non-interest bearing
At 30 June 2025				
Derivative financial instruments at fair value:				
 used as cash flow hedges¹ 	1	1	-	-
Loans to subsidiaries at amortised cost	9 690	3 010	6 358	322
Loans to BEE partners	363	-	318	45
Other receivables	57	-	57	-
Cash and cash equivalents	613	237	376	-
Total financial assets	10 724	3 248	7 109	367
Borrowings at amortised cost	9 991	2 050	7 941	-
Derivative financial instruments at fair value:				
 used as cash flow hedges¹ 	117	117	-	-
Loans from subsidiaries at amortised cost	7 937	-	-	7 937
Financial guarantee contracts	8	-	-	8
Trade and other payables	69	-		69
Total financial liabilities	18 122	2 168	7 941	8 014
At 30 June 2024				
Derivative financial instruments at fair value:				
 used as cash flow hedge¹ 	14	14	-	-
Loans to subsidiaries at amortised cost	8 260	2 715	5 309	236
Loans to BEE partners	271	-	219	52
Cash and cash equivalents	1 992	231	1 761	_
Total financial assets	10 537	2 960	7 289	288
Borrowings at amortised cost	11 464	4 385	7 079	_
Derivative financial instruments at fair value:	-			
 used as cash flow hedges¹ 	24	24	-	-
Loans from subsidiaries at amortised cost	10 546	-	-	10 546
Financial guarantee contracts	11	-	-	11
Trade and other payables	16	_	_	16
Total financial liabilities	22 061	4 409	7 079	10 573

¹ For further information on the use of interest rate swaps to manage the interest rate risk of Discovery Limited, refer to the following note in the Group financials, which equally applies to Discovery Limited:

For those financial assets at amortised cost, a 1% increase or decrease in the interest rate would result in an increase/decrease in profit or loss (interest income) and equity, before tax, of R77 million (2024: R84 million). The sensitivity is based on the assumption that the interest rate has increased/decreased by 1% with all other variables held constant.

Borrowings at amortised cost include facilities at floating interest rates, which expose Discovery Limited to cash flow interest rate risk. This risk has been managed by using floating-to-fixed interest rate swaps. These interest rate swaps have the economic effect of converting the borrowings from floating to fixed rates. Interest is payable quarterly in arrears, with capital repayable on maturity. The hedge ratio is 1:1. For borrowings at floating interest rates that have not been hedged, a change of 1% in the interest rate would result in an increase of R1 million (2024: R6 million) in finance costs. The sensitivity is based on the assumption that the interest rate has increased/decreased by 1% with all other variables held constant.

Notes to the company annual financial statements continued

for the year ended 30 June 2025

SECTION 1: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL RISK continued

1.10 MANAGEMENT OF FINANCIAL RISK continued

1.10.2 Currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the UK pound. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities

The following table segregates the currency exposure by major currency:

Company R million	Total	Rand	GBP	USD
At 30 June 2025				
Derivative financial instruments at fair value:				
- used as cash flow hedges	1	1	-	-
Loans to subsidiaries	9 690	7 224	2 274	192
Loans to BEE partners	363	363	-	-
Other receivables	57	57	-	-
Cash and cash equivalents	613	289	291	33
Total financial assets	10 724	7 934	2 565	225
Borrowings at amortised cost	9 991	9 991	-	-
Derivative financial instruments at fair value:				
 used as cash flow hedges 	117	117	-	-
Loans from subsidiaries at amortised cost	7 937	7 937	-	-
Financial guarantee contracts	8	8	-	-
Other payables	69	69	-	-
Total financial liabilities	18 122	18 122	-	-
At 30 June 2024				
Derivative financial instruments at fair value:				
- used as cash flow hedges	14	14	_	_
Loans to subsidiaries	8 260	6 144	2 116	_
Loans to BEE partners	271	271	-	-
Cash and cash equivalents	1 992	1 563	429	*
Total financial assets	10 537	7 992	2 545	*
Borrowings at amortised cost	11 464	11 464	-	_
Derivative financial instruments at fair value:				
 used as cash flow hedges 	24	24	-	-
Loans from subsidiaries at amortised cost	10 546	10 546	-	-
Financial guarantee contracts	11	11	-	-
Other payables	16	16	-	-
Total financial liabilities	22 061	22 061	-	_

^{*} Amount is less than R500 000.

A 10% increase on respective foreign exchange rates of GBP: ZAR would result in additional gains of R267 million (2024: R235 million), or in the case of decrease, a loss of R267 million (2024: R235 million), recognised in profit or loss and equity (before tax).

Note 3.13.4.1 Shareholder financial assets and liabilities, "Borrowings at amortised cost and related hedges".

for the year ended 30 June 2025

SECTION 1: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL RISK

1.10 MANAGEMENT OF FINANCIAL RISK continued

1.10.3 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The credit risk associated with Cash and cash equivalents is managed by monitoring exposure to external financial institutions against limits set by the CCIC.

CREDIT EXPOSURE FOR DEBT INSTRUMENTS, MONEY MARKET INSTRUMENTS AND CASH AND CASH **EQUIVALENTS**

The following table provides information regarding the credit risk exposure categorised by Moody's credit ratings. These assets are all in stage 1 for purposes of determining expected credit losses.

Company R million	Total	Aa1-3	A1-3	Baa1-3	Ba1-3	B1-3	rated/ assessed
At 30 June 2025							
Derivative financial instruments at fair value:							
 used as cash flow hedges 	1	-	-	1	-	-	-
Loans to subsidiaries	9 690	-	2	2 807	6 876	5	-
Loans to BEE partners	363	-	-	-	-	-	363
Other receivables	57	-	-	57	-	-	-
Cash and cash equivalents	613	23	-	582	8	-	-
Total financial assets	10 724	23	2	3 447	6 884	5	363
Financial guarantee contracts	8	-	-	-	8	-	-
At 30 June 2024							
Derivative financial instruments at fair value:							
 used as cash flow hedges 	14	-	-	-	14	-	-
Loans to subsidiaries	8 260	-	2	2 634	5 513	111	-
Loans to BEE partners	271	-	-	-	-	-	271
Cash and cash equivalents	1 992	481	-	564	947	-	_
Total financial assets	10 537	481	2	3 198	6 474	111	271
Financial guarantee contracts	11	-	-	-	11	-	-

Long-term credit ratings were used on the credit risk analysis above. Refer to Group Note 3.13 Management of financial risk in section 3, 'Discovery's approach in monitoring credit risk' for a summary of how credit ratings are aligned to external credit

Loans to BEE partners are not assigned formal credit ratings externally or internally. These loans are structured considering creditworthiness of the individual partners, and the purpose of the BEE relationship. These loans are managed and monitored on an individual basis, and ECL is accordingly recognised on an individual basis using management's best estimate.

Discovery Limited has issued financial guarantees as security for loans incurred by subsidiaries in the group. The maximum credit risk that Discovery Limited is exposed to on these contracts is the carrying amount, which amounted to R3 268 million (2024: R5 729 million). For majority of the issued financial guarantees, Discovery Limited is co-guarantor with Discovery Health (Pty) Ltd and Discovery Vitality (Pty) Ltd.

Loans to subsidiaries and financial guarantee contracts do not have external credit ratings. Credit ratings are internally assigned using the RW rating scale.

Notes to the company annual financial statements continued

for the year ended 30 June 2025

SECTION 1: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL RISK

1.10 MANAGEMENT OF FINANCIAL RISK continued

1.10.4 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities due to insufficient cash available to meet commitments as and when due.

Liquidity is managed through the Group Treasury Management function, which considers the liquidity position at the respective Company level as well as the overall Group position. As part of this assessment, the liquidity position in each entity is optimised and takes account of available credit facilities to the Group within the Board approved maximum financial leverage ratio. The Company is in the process of refinancing short term borrowings as part of its ongoing debt capital management activities. The group structure is conducive for the Company to receive dividends and other forms of funding from underlying subsidiaries to enable it to meet its obligations.

Cash flow forecasting is performed by the Company and liquidity requirements are monitored to ensure it has sufficient cash to meet operational needs. Such forecasting takes into consideration the Company's debt financing plans and covenant

Cash held by the Company is invested in interest-bearing accounts, term deposits and money-market deposits with appropriate maturities or sufficient liquidity to provide headroom as determined by the above-mentioned forecasts. At the reporting date, the Company had money market funds and cash and cash equivalents of R613 million (2024: R1 992 million).

The table below analyses Discovery Limited's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. These amounts do not agree to the Statement of financial position as these are the undiscounted contractual payments.

Company R million	Total	<1 year	1 – 2 years	3 – 5 years	6 – 10 years
At 30 June 2025					
Borrowings	11 946	3 993	2 339	5 614	-
Derivative financial instruments:					
 used as cash flow hedges 	117	-	23	94	-
Loans from subsidiaries at					
amortised cost	7 937	7 937	-	-	-
Trade and other payables	69	69	-	-	
	20 069	11 999	2 362	5 708	-
Financial guarantees	3 268	3 268	-	-	-
	23 337	15 267	2 362	5 708	-
At 30 June 2024					
Borrowings	13 800	5 662	2 274	4 894	970
Derivative financial instruments:	-				
 used as cash flow hedges 	14	6	-	8	-
Loans from subsidiaries at					
amortised cost	10 546	10 546	-	-	-
Trade and other payables	16	16	-	-	-
	24 376	16 230	2 274	4 902	970
Financial guarantees	5 729	5 729	-	-	-
	30 105	21 959	2 274	4 902	970

for the year ended 30 June 2025

SECTION 1: FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL RISK continued

1.10 MANAGEMENT OF FINANCIAL RISK continued

1.10.5 Fair value hierarchy

Discovery Limited's financial instruments measured at fair value have been disclosed using a fair value hierarchy. The hierarchy has three levels that reflect the significance of the inputs used in measuring fair value. Refer to Group Note 3.13.6 Fair value hierarchy for more details on the valuation techniques.

These are as follows:

Level 1: includes financial instruments that are measured using unadjusted, quoted prices in an active market for identical financial instruments. An active market in which transactions for the asset or liability take place with sufficient frequency and volume to provide information on an ongoing basis. Quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2: includes financial instruments that are valued using techniques based significantly on observable market data. Instruments in this category are valued using:

- (a) Quoted prices for similar instruments or identical instruments in markets which are not considered to be active; or
- (b) Valuation techniques where all the inputs that have a significant effect on the valuation are directly or indirectly based on observable market data

Level 3: includes financial instruments that are valued using valuation techniques that incorporate information other than observable market data and where at least one input (which could have a significant effect on instruments' valuation) cannot be based on observable market data

Company R million	Total	Level 1	Level 2	Level 3
At 30 June 2025				
Derivative financial instruments at fair value:				
 Used as cash flow hedges 	1	-	1	-
Total financial assets	1	-	1	-
Derivative financial instruments at fair value:				
 Used as cash flow hedges 	117	-	117	-
Total financial liabilities	117	-	117	-
At 30 June 2024				
Derivative financial instruments at fair value:				
 Used as cash flow hedges 	14	-	14	-
Total financial assets	14	-	14	0
Derivative financial instruments at fair value:				
 Used as cash flow hedges 	24	-	24	-
Total financial liabilities	24	-	24	-

Notes to the company annual financial statements continued

for the year ended 30 June 2025

SECTION 2: EQUITY

2.1 INTRODUCTION AND OVERVIEW

This section provides information on the approved, outstanding and changes in the Company's ordinary and preference share capital and share premium

2.2 PRIMARY FINANCIAL STATEMENTS AND INFORMATION ANALYSED IN THIS SECTION

Notes	Company 2025	Company 2024
2.3	11 474	10 783
2.4	779	779
	12 253	11 562
	2.3	Notes 2025 2.3 11 474 2.4 779

for the year ended 30 June 2025

SECTION 2: EQUITY continued

ORDINARY SHARE CAPITAL AND SHARE PREMIUM

	Issued		Treasury Shares		
		Share	BEE		Total
R million	Share capital	premium	Share Trust	LTIP	Outstanding
Issued					
At 1 July 2023	1	12 202	(44)	(1 692)	10 467
Share movements:					
 shares issued 	*	433	-	-	433
 treasury shares delivered 	-	-	2	445	447
 treasury shares purchased 	-	-	(18)	(546)	(564)
At 30 June 2024	1	12 635	(60)	(1 793)	10 783
Share movements:					-
 shares issued 	*	626	-	-	626
 treasury shares delivered 	-	-	2	689	691
 treasury shares purchased 	-	-	-	(626)	(626)
At 30 June 2025	1	13 261	(58)	(1 730)	11 474

^{*} Amount is less than R500 000.

The total authorised number of ordinary shares is 1 billion (2024: 1 billion), with a par value of 0.1 cent per share.

		Treasury		
Number of shares	Company	BEE Share Trust	Long-term incentive plan	Total Outstanding
Issued				
At 1 July 2023	673 146 417	(589 143)	(13 453 406)	659 103 868
Share movements:				
- shares issued	3 227 675	-	-	3 227 675
 treasury shares delivered 	-	46 991	3 660 857	3 707 848
 treasury shares purchased 	-	(150 000)	(4 187 976)	(4 337 976)
At 30 June 2024	676 374 092	(692 152)	(13 980 525)	661 701 415
Share movements:				
- shares issued	3 306 749	-	-	3 306 749
 treasury shares delivered 	-	33 841	5 402 773	5 436 614
 treasury shares purchased 	-	-	(3 306 749)	(3 306 749)
At 30 June 2025	679 680 841	(658 311)	(11 884 501)	667 138 029

PERPETUAL PREFERENCE SHARE CAPITAL

R million	Company 2025	Company 2024
Authorised		
40 000 000 A no par value preference shares	-	_
20 000 000 B preference shares of R100 each	2 000	2 000
20 000 000 C no par value preference shares	-	-
	2 000	2 000
Issued		
8 000 000 B preference shares of R100 each	800	800
Share issue costs	(21)	(21)
	779	779

The B preference shares are non-compulsory, non-cumulative, non-participating, non-convertible, voluntary redeemable (at the option of Discovery Limited) preference shares and were issued at a coupon rate of 85% prime rate. With the introduction of dividend withholding tax on 1 April 2012, the coupon rate on the preference shares was increased to 100% of the prime rate.

Notes to the company annual financial statements continued

for the year ended 30 June 2025

SECTION 3: OTHER ASSETS, LIABILITIES AND ITEMS OF INCOME AND EXPENSE

INTRODUCTION AND OVERVIEW

This section provides information on the remainder of the assets, liabilities, income and expense in the rest of the annual financial statements.

PRIMARY FINANCIAL STATEMENTS AND INFORMATION ANALYSED IN THIS SECTION

R million	Notes	Company 2025	Company 2024
Statement of financial position			
Assets			
Deferred tax asset	3.5	-	3
Investment in subsidiaries	3.3	36 579	35 115
Investment in associate	3.4	2 584	2 584
Other receivables	3.6	57	-
		39 220	37 702
Income statement			
Investment income	3.8	7 679	3 882
Other income	3.9	21	24
Marketing and administration expenses	3.10	(83)	(18)
Movement in allowance for expected credit losses	3.11	-	(3)
Income tax expense	3.7	(79)	(19)
		7 538	3 866

for the year ended 30 June 2025

SECTION 3: OTHER ASSETS, LIABILITIES AND ITEMS OF INCOME AND EXPENSE

3.3 **INVESTMENTS IN SUBSIDIARIES**

	lssu ordinary R mil	capital	Effec percer holdii	ntage	Investm subsidi R mil	aries ³
	Company 2025	Company 2024	Company 2025	Company 2024	Company 2025	Company 2024
Cogence Proprietary Limited	37	37	100	100	37	37
Discovery Bank Holdings Limited	11 512	10 715	100	100	11 887	11 040
Discovery Connect Distribution Services						
Proprietary Limited	555	555	100	100	546	543
Discovery Central Services Proprietary						
Limited	3 000	3 000	100	100	3 064	3 073
Discovery Finance Company Europe						
Limited ¹	393	393	100	100	394	394
Discovery Group Europe Limited ¹	14 172	14 172	100	100	14 147	14 153
Discovery Health Proprietary Limited	271	271	100	100	298	277
Discovery Insure Limited	2 552	2 552	100	100	1 600	1 601
Discovery Life Limited	1 416	1 416	100	100	1 587	1 567
Discovery Life Collective Investments						
Proprietary Limited	15	15	100	100	15	15
Discovery Life Investment Services						
Proprietary Limited	203	203	100	100	223	211
Discovery Mauritius Asset Management	1	1	100	100	1	1
Discovery Vitality Proprietary Limited	*	*	100	100	12	8
Discovery Partner Markets Asia Private						
Limited ²	211	211	100	100	113	113
Vitality Group International Incorporated ⁴	4 527	3 948	100	100	2 653	2 082
Discovery Green Proprietary Limited	*	*	100	100	*	*
Discovery Telematic Services Proprietary						
Limited ⁵	-	-	-	-	1	-
Vitality Corporate Services Limited ⁵	-	_	-	-	1	_
Balance at the end of the year					36 579	35 115

- * Amount is less than R500 000.
- 1 Incorporated in England and Wales.
- 2 Incorporated in Singapore.
- Investments in subsidiaries include cost less impairments plus the value of share options issued to subsidiary staff.
- 4 Incorporated in the United States of America.
- 5 These subsidiaries are indirect subsidiaries. The investment cost arose as a result of the Group-wide equity-settled long term incentive scheme.

Refer to company note 4.2.3 in section 4 for a detailed movement analysis.

Refer to Group note 4.6 for additional details on related parties.

Notes to the company annual financial statements continued

for the year ended 30 June 2025

SECTION 3: OTHER ASSETS, LIABILITIES AND ITEMS OF INCOME AND EXPENSE

INVESTMENT IN ASSOCIATE 3.4

	% ownership interest			
R million	Company 2025	Company 2024	Company 2025	Company 2024
Investment at cost:				
- Ping An Health Insurance Company of China, Limited	24.99 %	24.99 %	2 584	2 584
Refer to Group note 5.7 for disclosure of the investment in associate.				

DEFERRED TAX ASSET

R million	2025	2024
Deferred tax asset – non-current	-	3
Movement summary:		
Balance at beginning of the year	3	5
Income statement charge	(3)	(2)
Balance at end of the year	-	3
Deferred taxation comprises:		
Section 6 quat credits	-	_
Capital loss	-	3
	-	3

OTHER RECEIVABLES

R million	Company 2025	Company 2024
Margin call	57	_
Balance at end of the year	57	_

for the year ended 30 June 2025

SECTION 3: OTHER ASSETS, LIABILITIES AND ITEMS OF INCOME AND EXPENSE

3.7 **INCOME TAX EXPENSE**

R million	Company 2025	Company 2024
Charge for the year:		
Current taxation	76	17
Normal taxation		
 prior year (over)/under provision 	(1)	1
- current year charge	57	16
Capital gains tax	20	-
Deferred taxation	3	2
- prior year under provision	_	3
- current year charge	3	(1)
Total income tax expense recognised in profit or loss	79	19
	%	%
Taxation rate reconciliation		
Effective taxation rate	1.2	0.7
Non-taxable income: Dividend income	26.9	27.1
Exempt income	*	*
Non-deductible expenditure including items of a capital nature	(0.4)	(0.1)
Prior year over/(under) provision	*	(0.2)
Accounting gains and losses taxable at CGT rates	(0.4)	*
Controlled foreign imputations and foreign tax credits Tax rate differences	(0.3)	(0.5)
Standard rate of taxation	27.0	27.0

^{*} Amount is less than R500 000.

Tax has been provided at 27% (2024: 27%). The company uses the South African tax rate in respect of its tax rate reconciliation as Discovery Limited (holding company listed on the JSE) is domiciled in South Africa and the most significant operations are in

Notes to the company annual financial statements continued

for the year ended 30 June 2025

SECTION 3: OTHER ASSETS, LIABILITIES AND ITEMS OF INCOME AND EXPENSE

3.8 INVESTMENT INCOME¹

R million	Company 2025	Company 2024
At amortised cost interest income, using the effective interest rate	1 014	1 079
- cash and cash equivalents	91	41
- BEE partners	23	18
- subsidiaries	900	1 020
Dividends received from subsidiaries and associate	6 665	2 803
	7 679	3 882
Interest income was received from the following subsidiaries:		
- Discovery Central Services Proprietary Limited	175	325
- Discovery Group Europe Limited	277	284
- Discovery Health Proprietary Limited	447	411
	900	1 020
Dividends were received from the following subsidiaries and associate:		
- Discovery Central Services Proprietary Limited	-	-
- Discovery Finance Company Europe Limited	-	24
- Discovery Green Proprietary Limited	-	1
 Discovery Health Proprietary Limited² 	5 234	1 420
- Discovery Life Collective Investments Proprietary Limited	90	-
- Discovery Life Limited	830	1 100
- Discovery Mauritius Asset Management	68	-
- Discovery Telematic Services Proprietary Limited	-	2
- PingAn Health Insurance Company of China Limited	443	255
- Vitality Corporate Services Limited	-	1
	6 665	2 803

1 Investment Income for Discovery Limited is seen as Revenue.

OTHER INCOME

R million		Company 2025	Company 2024
Guarantee fees	i	18	21
Amortisation of financial guarantee contracts	ii	3	3
		21	24

i. Discovery Limited issued guarantees in respect of Discovery Finance Company Europe Limited and Discovery Holdings Europe Limited obligations. A guarantee fee is charged by Discovery Limited to Discovery Finance Company Europe Limited of R12 million (2024: R13 million) and Discovery Holdings Europe Limited of R6 million (2024: R8 million).

² The dividends received settled a portion of the loan due to Discovery Health Proprietary Limited and was not received in cash.

ii. Amortisation of initial financial guarantee contracts over the term of the loan. Refer to company note 1.8 in section 1 for a list of guarantees that Discovery Limited has issued.

Restated

Notes to the company annual financial statements continued for the year ended 30 June 2025

SECTION 3: OTHER ASSETS, LIABILITIES AND ITEMS OF INCOME AND EXPENSE

3.10 MARKETING AND ADMINISTRATION EXPENSES

R million	Company 2025	Company 2024
Marketing and administration expenses comprise:		
- Audit fees	8	7
ISA 700 audit fees	5	5
Other assurance and related services performed under IAASB standard and regulatory		
related services	3	2
- Professional fees	50	8
- Other	25	3
	83	18

3.11 MOVEMENT IN ALLOWANCE FOR EXPECTED CREDIT LOSSES¹

R million	Company 2025	Company 2024
Financial guarantee contracts:		
- Discovery Central Services Proprietary Limited	*	1
Loans to subsidiaries:		
- Discovery Central Services Proprietary Limited	*	(2)
- Discovery Group Europe Limited	(1)	1
- Discovery Health Proprietary Limited	1	4
- Discovery Life Collective Investments Proprietary Limited	-	(1)
	_	3

1 In determining the expected credit loss, credit ratings are internally assigned using the RW rating scale. Refer to company note 1.10.3 Credit risk in section 1,

for more information.

* Amount is less than R500 000.

R million	12 month credit losses	Total
30 June 2025		
Balance at beginning of the year	(11)	(11)
Increase in allowance	(1)	(1)
Decrease in allowance	1	1
Balance at end of the year	(11)	(11)
30 June 2024		
Balance at beginning of the year	(8)	(8)
Increase in allowance	(6)	(6)
Decrease in allowance	3	3
Balance at end of the year	(11)	(11)

Notes to the company annual financial statements continued

for the year ended 30 June 2025

SECTION 4: CASH FLOW INFORMATION

INTRODUCTION AND OVERVIEW

This section provides more information on the Company statement of cash flows.

CASH FLOW INFORMATION

4.2.1 Cash generated/(utilised) from operations:

R million	Company 2025	Company 2024
Profit before income tax	6 698	2 792
Adjusted for items presented separately in statement of cash flows:		
- Interest received	(1 014)	(1 079)
- Dividends received	(6 665)	(2 803)
- Interest expenses on borrowings	1 030	993
Adjusted for non-cash items:		
- Movement in expected credit losses	_	3
- Amortisation of financial guarantee contracts	(3)	(3)
- Unrealised foreign exchange (losses)/gains	(124)	100
Cash (utilised)/generated from operations	(78)	3

4.2.1.1 INCREASE IN OPERATING ASSETS

R million	Company 2025	Company 2024
- Loans to BEE Partners	(84)	(44)
 Loans and advances to subsidiaries 	(88)	(10)
	(172)	(54)

4.2.1.2 INCREASE IN OPERATING LIABILITIES

R million	Company 2025	Company 2024
Other payables at amortised cost Loans from subsidiaries	53 (1 147)	76 2 615
- Louis Holli Subsidialies	(1 094)	2 691

4.2.2 Taxation paid

R million	Company 2025	Company 2024
Balance at beginning of the year	12	(45)
Current taxation charged for the year in the income statement	(76)	(17)
Balance at end of the year	54	(12)
	(10)	(74)

for the year ended 30 June 2025

SECTION 4: CASH FLOW INFORMATION continued

CASH FLOW INFORMATION continued

4.2.3 Increase in investments in subsidiaries

R million	Company 2025	Company 2024
Balance at beginning of the year	35 115	30 579
Value of share options issued to subsidiary staff	715	718
Financial guarantee contracts raised	-	1
Deemed dividends	-	4
Long-term incentive plan share recharges	(626)	(545)
Balance at end of the year	(36 579)	(35 115)
Increase in investment in subsidiary	(1 375)	(4 358)

4.2.4 Long-term borrowings

R million	Company 2025	Company 2024
Balance at beginning of the year	11 464	9 948
Interest accrued	1 024	998
Interest paid	(1 050)	(978)
Increase in borrowings	3 255	2 000
Raising fees capitalised	(5)	(6)
Raising fees amortised	6	6
Repayment of borrowings	(4 703)	(504)
Balance at end of the year	9 991	11 464

4.2.5 Cash and cash equivalents

R million	Company 2025	Company 2024
Cash at bank and in hand	102	235
Short-term deposits	487	796
Money market instruments ¹	24	961
	613	1 992

The carrying value of cash and cash equivalents approximates the fair value due to the relatively short-term nature of the

- 1 To meet the requirements for cash equivalents, as outlined in Annexure B, Policy 10 Cash and Cash Equivalents, Discovery conducts assessments of its
- money market instruments. These instruments will only be classified as cash equivalents if they meet the following criteria

 (1) The purpose of the investment is to fulfil short-term cash commitments

 (2) The instrument demonstrates high credit quality within the relevant jurisdiction, as indicated by its credit rating

 (3) The primary objective of the investment is to protect capital and provide liquidity
- (4) The investment can be readily converted into known amounts of cash, similar to bank balances
- (5) The fund is invested solely in interest-bearing instruments, similar to deposits, with institutions of high credit quality.

Additionally, the investment must not introduce speculative grade or equity-type risks and exposures. This can be demonstrated by the yield returns relative to other deposit-type investments within the same jurisdiction

Notes to the company annual financial statements continued

for the year ended 30 June 2025

SECTION 4: CASH FLOW INFORMATION continued

CASH FLOW INFORMATION continued

4.2.6 Dividends received

R million	2025	Company 2024
Dividends received per income statement	6 665	2 803
Dividends used to settle subsidiary loan (note 3.8)	(5 234)	(1 420
Deemed dividends allocated to investments in subsidiaries (note 4.2.3)	-	(4
	1 431	1 379

4.2.7 Interest received

R million	Company 2025	Company 2024
At amortised cost interest income, using the effective interest rate Interest received from Loans to subsidiaries (note 1.3)	1 014 (547)	1 079 (806)
accruedreceived	(900) 353	(1 020) 214
Interest received from Loans to BEE partners (note 1.4)	(8)	(8)
accruedreceived	(23) 15	(18) 10
	459	265

4.2.8 Interest paid

R million	Company 2025	Company 2024
Interest expense on borrowings	1 030	993
Interest on long-term borrowings	26	(20)
- accrued	(1 024)	(998)
- paid	1 050	978
IFRS9 cost of hedging transferred from hedging reserve	(4)	(4)
Amortisation of contract fees transferred from prepayments	-	(3)
	1 052	966

for the year ended 30 June 2025

SECTION 5: OTHER DISCLOSURES

INTRODUCTION AND OVERVIEW

This section provides information on other disclosures that are non-recurring, restatements and events after reporting date.

5.2 RESTATEMENTS FOR CHANGES IN PRESENTATION OF SPECIFIED ITEMS IN THE STATEMENT OF CASH FLOWS AND ASSOCIATED RESTATEMENTS

Discovery continuously evaluates its presentation and disclosures to developing market practices, changes in IFRS Accounting Standards and changes in its business composition that may indicate a need for change in presentation or disclosures in order to enhance the relevance and understanding gained by users of the financial statements.

CHANGES IN PRESENTATION OF GROUP STATEMENT OF CASH FLOWS

Discovery had implemented changes to its Group statement of cash flows for the year ended 30 June 2024 to enhance the understandability and to align with best practices in the market. These changes have now been applied to the Company statement of cash flows. As such, these changes have been applied retrospectively to the comparative year ended 30 June 2024 and are detailed below.

Other operating assets and liabilities: Discovery has reclassified certain items that are working capital in nature, previously recognised under cash generated from operations as non-cash adjustments to profit before tax, to now be presented as changes in working capital. This includes movements in loans to/from subsidiaries, assets arising from contracts with customers, liabilities related to customers, as well as trading and derivative assets and liabilities.

Dividends received: Discovery has reclassified dividends received from operating activities to investing activities, in accordance with IAS 7 Statement of Cash Flows and in line with Discovery Group's accounting policy. This classification better reflects the nature of dividends as returns on investments rather than operating inflows, and ensures that all dividends received are presented on a consistent basis.

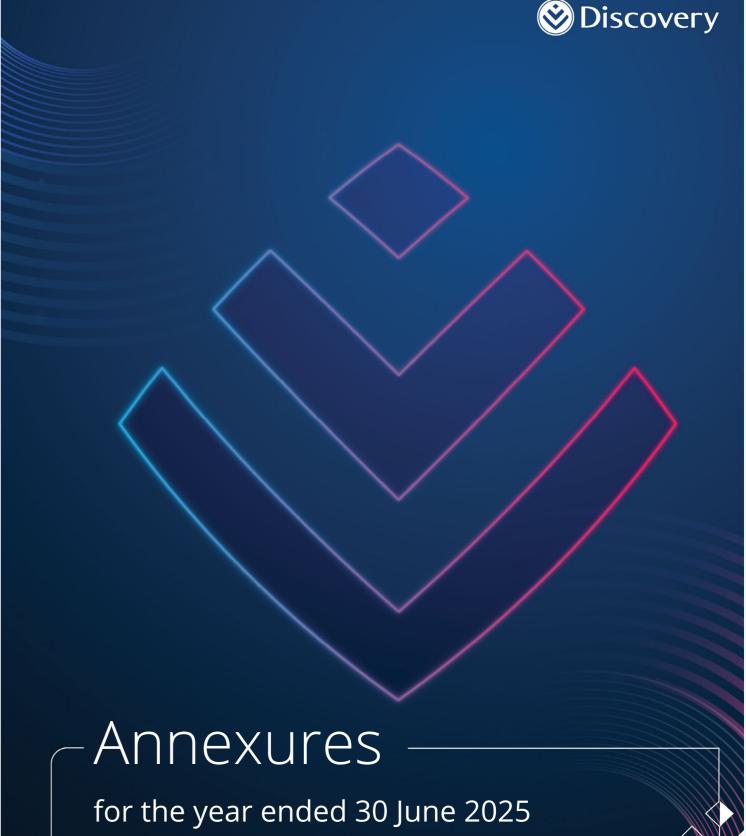
Company statement of cash flows

for the year ended 30 June 2024

R million	Notes	Company As previously reported 2024	Working capital changes	Change in presentation of dividend received	Company Restated 2024
Cash flow from operating activities	_	3 244	-	(1 379)	1 865
Cash generated by operations		2 640	(2 637)		3
Dividends received		1 379	-	(1 379)	-
Interest received		265	-	-	265
Interest paid		(966)	-	-	(966)
Taxation paid		(74)	-	-	(74)
Net movement in operating assets and liabilities		_	2 637	_	2 637
 Decrease in operating assets 			(54)	-	(54)
 Increase in operating liabilities 		_	2 691	_	2 691
Cashflow from investing activities		(2 047)	-	1 379	(668)
Dividend received		-	-	1 379	1 379
Cashflow from financing activities		529	-	-	529
Net increase in cash and cash equivalents		1 726	_	_	1 726
Cash and cash equivalents at beginning of the year		282	_	_	282
Effects of exchange rate changes on cash and					
cash equivalents		(16)			(16)
Cash and cash equivalents at end of the year		1 992	_	-	1 992

5.3 **EVENTS AFTER REPORTING DATE**

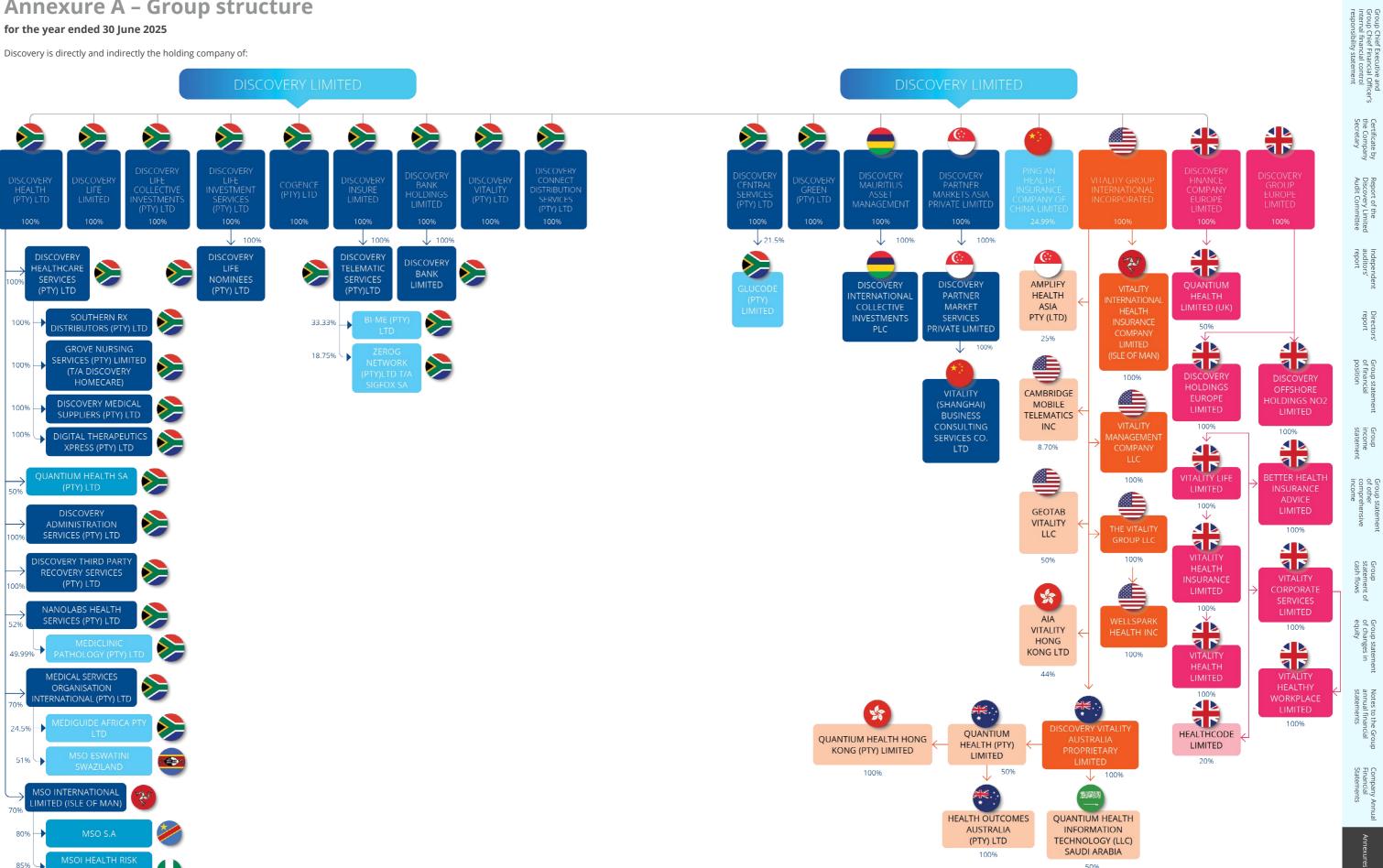
Refer to Group note 7.4 in section 7 for a list of the events after the reporting date.



Annexure A - Group structure

for the year ended 30 June 2025

Discovery is directly and indirectly the holding company of:



Annexure A – Group structure continued

for the year ended 30 June 2025

In addition to the above subsidiaries, Discovery consolidates unit trusts which are deemed to be under the Group's control in terms of IFRS 10 Consolidated Financial Statements. The consolidated unit trusts include:

Cogence Discovery Balanced Dynamic Asset Optimiser Fund
of Funds

- Discovery Balanced Fund
- Discovery Cautious Balanced Fund
- Cogence Discovery Cautious Dynamic Asset Optimiser Fund
- Discovery Diversified Income Fund
- Discovery Equity Fund
- Discovery Flexible Property Fund
- Discovery Global Equity Feeder Fund
- Discovery Global Real Estate Securities Feeder Fund
- Discovery Global Value Equity Feeder Fund
- Discovery Moderate Balanced Fund
- Cogence Discovery Moderate Dynamic Asset Optimiser Fund
- Discovery Money Market Fund
- Discovery Target Retirement 2015 Fund
- Discovery Target Retirement 2020 Fund

Discovery	Target	Retirement	2025	Fund

- Discovery Target Retirement 2030 Fund
- Discovery Target Retirement 2035 Fund
- Discovery Target Retirement 2040 Fund
- Discovery Target Retirement 2045 Fund
- Discovery Target Retirement 2050 Fund
- Discovery Target Retirement 2055 Fund ■ Discovery Target Retirement 2060 Fund
- Discovery Global Multi Asset Fund (previously named Discovery Worldwide Best Ideas Fund)
- Discovery Strategic Bond Fund
- Cogence Global Cautious Portfolio (Mauritius)
- Cogence Global Balanced Portfolio (Mauritius)
- Cogence Global Growth Portfolio Fund (Mauritius)

Annexure B – Group accounting policies

for the year ended 30 June 2025

SUMMARY OF MATERIAL ACCOUNTING POLICIES

BASIS OF PRESENTATION

The consolidated and separate Annual Financial Statements have been prepared in accordance with JSE Limited (JSE) Listings Requirements, IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards), the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council (FRSC), and the requirements of the South African Companies Act. The Group Annual Financial Statements have been prepared in accordance with the going concern principle using the historical cost basis, except where otherwise stated in the accounting policies below.

The preparation of the Group Annual Financial Statements, in conformity with the IFRS Accounting Standards, requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying The Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are material to the consolidated financial statements, are outlined in the following notes to the Annual Financial

Notes	Торіс
2.3.18	Insurance and reinsurance contracts and management of insurance risk
5.3	Goodwill
5.9.1	Deferred tax assets and liabilities

New standards and amendments that became effective during the financial year

The Group has not early adopted any IFRS Accounting Standards, amendments, or interpretations that have been issued but have yet to be effective.

The Group does not expect other new IFRS Accounting standards, amendments, or interpretations that became effective during the financial year to have a material impact on recognised or disclosed amounts.

New standards and amendments to published standards not yet effective

- The Group does not expect the IFRS Accounting Standards, amendments, or annual improvements it has not listed below to have a material impact on recognised or disclosed amounts
- The Group expects the following IFRS Accounting Standards, amendments, and annual improvements that were issued during the financial year but are not yet effective to have a material effect on recognised and disclosed accounts:

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 supersedes IAS 1 Presentation of Financial Statements and provides additional requirements for the presentation and disclosure of information in the primary financial statements and the notes to improve transparency and comparability of information.

IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027. For the Group it will be effective from 1 July 2027.

IFRS 18 will impact The Group's Income statement and related note disclosures. The Group will assess additional disclosure requirements required.

INTEREST RATE BENCHMARK REFORMS (IBOR)

In recent years, major interest rate benchmarks have been reformed globally, including the replacement of certain interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as "IBOR reform"). Discovery has financial instruments that have been or will be affected by these market-wide changes, most notably the transition from LIBOR to Sterling Overnight Index Average (SONIA) in the UK and the upcoming replacement of Johannesburg Interbank Average Rate (JIBAR) with South African Rand Overnight Index Average Rate (ZARONIA).

JIBAR will be replaced by the ZARONIA. Following an observation period from 1 November 2022 to 31 October 2023, ZARONIA was identified and endorsed as JIBAR's successor. The South African Reserve Bank (SARB) has indicated that JIBAR is expected to be discontinued by the end of 2026, with the official cessation date to be confirmed in December 2025. Several key milestones leading up to the cessation are outlined in the industry timeline published by the SARB, including:

- November 2024 ZARONIA-first for derivatives
- June 2025 ZARONIA-first for the cash market
- March 2026 No new JIBAR

Discovery has the following current JIBAR-linked exposures as at 30 June 2025:

- SA Bank borrowings, with associated interest rate derivatives, as detailed in Note 3.7.1
- Investments of c. R7.8 billion
- Home loans provided to customers of c. R1.7 billion

for the year ended 30 June 2025

SUMMARY OF MATERIAL ACCOUNTING POLICIES continued

New standards and amendments to published standards not yet effective continued

INTEREST RATE BENCHMARK REFORMS (IBOR) continued

Discovery will apply the same transition relief under IFRS Accounting Standards as it did when transitioning from LIBOR to

IBOR reforms generally result in changes to the basis for determining the contractual cash flows of financial assets and liabilities,

For financial assets and liabilities measured at amortised cost, the entity will update the effective interest rate without recognising a gain or loss, provided that:

- The change is a direct consequence of IBOR reform, and
- The new basis for determining contractual cash flows is economically equivalent to the previous basis.

For cash flow hedges, when assessing whether a forecast transaction remains highly probable, an entity will assume that the interest rate benchmark on which the hedged cash flows are based remains unchanged as a result of IBOR reform.

CONSOLIDATION

The consolidated financial statements include the assets, liabilities, and results of operations of the Group and its subsidiaries, joint ventures, and associates.

Business combinations 2.1

The Group uses the acquisition method of accounting to account for its business combinations. The consideration transferred for the acquisition of a business is the fair value of the assets transferred, the liabilities incurred, and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. The Group expenses acquisition-related costs as incurred.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantively all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The Group evaluates whether the optional concentration test is appropriate on a transaction-by-transaction basis.

The Group measures identifiable assets acquired and liabilities and contingent liabilities it assumes in a business combination initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any noncontrolling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. The excess of the consideration transferred, being the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired, the Group records as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the Group recognises the difference directly in profit or loss as "gain on bargain purchase".

COMPANY ACCOUNTING POLICY:

The company is, directly and indirectly, the holding company of subsidiaries, equity-accounted associates and joint ventures as set out in Annexure A.

Investments in subsidiaries and associates are accounted for at cost less impairment. Cost includes the fair value of any asset or liability resulting from a contingent consideration arrangement on initial recognition.

The Company assesses whether there is objective evidence that the investment in subsidiaries, equity-accounted associates and joint ventures is impaired at each reporting date. If such evidence of impairment exists, the Company calculates the amount of impairment as the difference between the recoverable amount of the investment and its

Common control transactions refer to business combinations in which all the combining entities or businesses are ultimately controlled by the same party (or parties) before and after the combination. This includes businesses that are associates and joint ventures.

The Company applies book value accounting to account for common control transactions. The company will dispose of its investment at the carrying amount. Any difference between the consideration received and the carrying amount of the investment disposed of is recognised as an equity transaction with shareholders in equity. No gain or loss is recognised in profit or loss on disposal.

Consolidation of entities in which the Group holds less than 50%

The Group analysed its relationships with Discovery Unit Trusts and has determined that it has power to direct the relevant activities of the funds, has sufficient exposure to the variable returns of the funds and has the ability to use its power over the investee to affect its returns. This analysis concluded that the Group has control of the Discovery Unit Trusts even if the economic interest is less than 50% and is therefore required to consolidate these funds.

The Group controls these unit trusts as it has the right to the variable returns in the form of fund management fees it receives from its involvement with the funds. Furthermore, the Group exercises control over these unit trusts through the setting of the mandates and the appointment of the independent trustees. Within the regulatory framework, the Group can also amend the mandates and change the independent trustees.

Of the 25 (2024: 25) Discovery Unit Trusts and 3 (2024: 3) Discovery International Collective Investment Unit Trusts consolidated at 30 June 2025, the Group holds less than a 50% economic interest in none (2024: None) of these funds. Refer to Annexure A of the Annual Financial Statements for a list of consolidated unit trusts.

Annexure B – Group accounting policies continued

for the year ended 30 June 2025

SUMMARY OF MATERIAL ACCOUNTING POLICIES continued

CONSOLIDATION continued

2.3 **Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group consolidates subsidiaries from the date on which the Group obtains control. The Group discontinues consolidation from the date on which control ceases. Intra-group transactions, balances, and unrealised gains or losses on intra-group transactions are eliminated. Subsidiaries' accounting policies have been changed where necessary to ensure consistency with the policies adopted by the Group. The Group does not eliminate intra-group foreign exchange gains and losses arising from intra-group balances.

COMPANY ACCOUNTING POLICY: FINANCIAL GUARANTEE CONTRACTS ISSUED OVER THE DEBT OF SUBSIDIARIES

The Company accounts for financial guarantee contracts (FGCs) in accordance with IFRS 9 Financial Instruments. The Company issues FGCs to assist in securing funding for its subsidiaries.

FGCs are contracts which require the Company, as the issuer of the contract, to make specified payments to reimburse the holder for a loss that the holder incurs because the specified debtor fails to make payment when it is due under the original or modified terms of the debt instrument.

The Company measures the FGC:

- Initially at fair value and
- Subsequently, at the higher of:
- The amount of expected credit losses determined under IFRS 9 (calculation 1), and
- The amount initially recognised less, when appropriate, the cumulative amount of income recognised under the principles of IFRS 15 Revenue from Contracts with Customers (calculation 2)

Where the Company issues FGCs for the debt of a related entity in the Group, the Company determines the fair value. These FGCs are seen as transactions in a capacity as the shareholder and are treated as capital contributions.

In instances where the Company issues FGCs for the debt of its parent, Discovery Limited, or another related entity within the Group where the issuer of the FGC does not have a direct parent or subsidiary relationship, the Company shows this as a capital distribution to its parent company, Discovery Limited.

In some instances, the Group entity can also pay a premium to the issuer of the FGCs. The Company then determines if the premium paid represents the fair value, or whether there is an additional cost that exceeds the fair value, incurred in the issuance of the FGC that the Company should recognise.

In the instance where the Company does not receive all the premiums upfront, it recognises the FGC using a net approach. The net approach requires that the Company presents the financial guarantee as its fair value less all future

The Company subsequently recognises financial guarantee fee income as follows:

- Amortises the fair value recognised on initial recognition over the period that the FGC is outstanding, generally the period of the underlying debt
- Recognises any premiums received for issuing the FGC as financial guarantee fee income and
- Where the Company has applied the net approach, the Company adjusts for the premiums subsequently received to ensure it takes into account all premiums in using calculation 2

The Company calculates the 12 month expected credit losses for purposes of calculation 1.

Where the outcome is that calculation 1 is more than calculation 2, differences are recognised and presented as part of expected credit losses.

Where the outcome is such that calculation 2 is more than calculation 1, no adjustments are required. Any previously recognised expected credit losses can be reversed but limited to the total value previously recognised.

The Company derecognises FGCs when the FGC is extinguished, expires, or the underlying debt is extinguished. At the

- Where the FGC is extinguished in exchange for a new FGC to the same holder and in respect of the same guaranteed entity, the FGC derecognised is seen as compensation for the new FGC, or
- In all other instances, the FGC is derecognised with an associated gain or loss in profit or loss

for the year ended 30 June 2025

SUMMARY OF MATERIAL ACCOUNTING POLICIES continued

CONSOLIDATION continued

2.4 **Associates and joint arrangements**

ASSOCIATES AND IOINT VENTURES

Associates are entities over which the Group has the ability to exercise significant influence but not control over the financial and operational policies. Significant influence is primarily based on the percentage of voting rights, generally between 20% and 50%, together with other factors such as board participation and participation in the policy-making process. In certain instances, the Group holds less than 20% equity interests but holds rights that still give it significant influence (activities that allow for significant influence, such as board participation).

A joint venture is a joint arrangement in which the parties have joint control and rights to the net assets.

The Group recognises its interest in an associate or a joint venture as an investment and accounts for that investment using the equity method. Under the equity method, on initial recognition, the investment in an associate or a joint venture is recognised at cost. The carrying amount is adjusted to recognise the Group's share of the post-acquisition profit or loss of the investee and is recognised in profit or loss. Distributions received from an investee reduce the carrying amount of the investment. Dividends received from the investee are presented as part of investing activities in the Statement of cash flows.

Adjustments to the carrying amount may also be necessary for changes in the Group's proportionate interest in the investee arising from changes in the investee's other comprehensive income. Such changes include those arising from foreign exchange translation differences. The Group recognises its share of those changes in other comprehensive income

The Group discontinues equity accounting when the carrying amount of the investment in an associate or a joint venture reaches zero unless it has incurred obligations, guaranteed obligations or made payments on behalf of the associate or the joint venture. The Group resumes equity accounting only after its share of the profits equals the share of losses not recognised.

The Group will discontinue the use of the equity method from the date when its investment ceases to be an associate or a joint

CHANGES IN OWNERSHIP

An investor may reduce its ownership interest in an associate or joint venture by selling a portion of its share or through an investee transaction such as a dilution. When an investor disposes of a portion of an investment, the investor will need to determine the applicable gain or loss on the disposal. The gain or loss on the dilution of an equity-accounted investee is calculated as the difference between:

- The entity's ownership interest in the new assets received by the investee for the subscription of the new shares (eg. the cash paid by the other party), and
- The reduction in ownership interest in the previous carrying amount.

The Group's investment in an associate or a joint venture includes goodwill identified on acquisition. Discovery assesses whether there is objective evidence that an associate or a joint venture is impaired at each reporting date. If such evidence of impairment exists, the Group calculates the amount of impairment as the difference between the recoverable amount of the investment and its carrying value. For impairment, please refer to accounting policy note 7.

 Unrealised gains or losses on transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interest in these entities unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of associates and joint ventures have been changed where necessary to ensure consistency with the

FINANCIAL GUARANTEE CONTRACTS (FGC) ISSUED OVER THE DEBT OF AN EQUITY-ACCOUNTED INVESTMENT

The Group accounts for financial guarantee contracts (FGCs) under IFRS 9 Financial Instruments (IFRS 9) when it becomes a party to the irrevocable commitment of the FGC.

FGCs are contracts that require the entity, as the issuer of the contract, to make specified payments to reimburse the holder for a loss that the holder incurs because the specified debtor fails to make payment when it is due under the original or modified terms of the debt instrument or the equity-accounted investment. The Group may issue FGCs over the debt of an equityaccounted investment.

The Group measures the FGC:

- Initially at fair value and
- Subsequently, at the higher of:
- The amount of expected credit losses determined under IFRS 9 (calculation 1), and
- The amount initially recognised less, when appropriate, the cumulative amount of income recognised under the principles of IFRS 15 Revenue from Contracts with Customers (calculation 2)

In instances where the Group issues FGCs over the debt of a related entity that is equity accounted in accordance with the provisions of IAS 28 Investments in Associates and Joint Ventures, it determines the fair value of the FGCs. These FGCs issued over the debt of an associate entity are seen as transactions in the capacity as shareholders and are treated as capital contributions.

Annexure B - Group accounting policies continued

for the year ended 30 June 2025

CONSOLIDATION continued

2.4 **Associates and joint arrangements** continued

FINANCIAL GUARANTEE CONTRACTS (FGC) ISSUED OVER THE DEBT OF AN EQUITY-ACCOUNTED INVESTMENT In the instance the Group does not receive all the premiums upfront, it recognises the FGC using a net approach. The net

The Group subsequently recognises financial guarantee fee income as follows:

- Amortises the fair value recognised on initial recognition over the period that the FGC is outstanding, generally the period of
- Where the Group has applied the net approach, the Group adjusts for the premiums subsequently received to ensure it takes into account all premiums in using calculation 2

Where the outcome is such that calculation 2 is more than calculation 1, no adjustments are required. Any previously recognised expected credit losses can be reversed but limited to the total value previously recognised. The Group derecognises FGCs when

At the date of derecognition:

- Where the FGC is extinguished in exchange for a new FGC to the same holder and in respect of the same guaranteed entity, the FGC derecognised is seen as compensation for the new FGC, or
- In all other instances, the FGC is derecognised with an associated gain or loss in profit or loss

A joint operation is a joint arrangement in which the parties have joint control of an arrangement and rights to the assets and obligations for the liabilities relating to the arrangement.

The Group recognises its share of those assets, liabilities, revenues and expenses the operators incur jointly.

SUMMARY OF MATERIAL ACCOUNTING POLICIES continued

approach requires that the Group presents the financial guarantee as its fair value less all future premiums.

Recognises any premiums received for issuing the FGC as financial guarantee fee income and

The Group calculates the lifetime expected credit losses for purposes of calculation 1. Where the outcome is that calculation 1 is more than calculation 2, differences are recognised and presented as part of expected credit losses.

the FGC is extinguished, expires, or the underlying debt is extinguished.

for the year ended 30 June 2025

SUMMARY OF MATERIAL ACCOUNTING POLICIES continued

FOREIGN CURRENCY TRANSLATION

3.1 Functional and presentation currency

The Consolidated financial statements are presented in Rand, the Group's presentation currency.

3.2 **Transactions and balances**

The Group translates foreign currency transactions into the functional currency using the exchange rates prevailing at the dates of the transactions. The Group includes foreign exchange gains and losses as follows:

- The settlement of trading transactions in profit or loss
- The settlement of financing transactions and the translation at year-end exchange rates of assets and liabilities denominated in foreign currencies in profit or loss as foreign exchange gains and losses, and
- Qualifying cash flow hedges are deferred in the Statement of other comprehensive income. Subsequently, the Group reclassifies these foreign exchange gains and losses to profit or loss in the periods in which the hedged item affects profit or

Group companies

The Group translates results and financial position of all Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency into the presentation currency as follows:

- For each Statement of financial position presented, the assets and liabilities are translated, applying the closing rate at the date of that Statement of financial position.
- For each Income statement presented, the income and expenses are translated applying the average exchange rates applicable for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at rates at the date of the transactions),
- The Group recognises the resulting exchange differences as a separate component of equity, namely the foreign currency translation reserve (FCTR)

On consolidation, exchange differences including their tax effects, arising from the translation of the net investment in foreign entities are recognised in FCTR in the Statement of other comprehensive income. When a foreign operation is disposed of or sold, such exchange differences, together with their tax effects, are reclassified to profit or loss as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

PROPERTY AND EQUIPMENT

The Group measures property and equipment at cost, which includes capitalised borrowing costs, less accumulated depreciation, and any accumulated impairment losses.

The Group includes subsequent costs in the asset's carrying amount or recognises costs as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The Group recognises all other repairs and maintenance in profit or loss during the financial period in which they are incurred.

If significant parts of an item of property and equipment have different useful lives, then the Group accounts for the components as separate items (major components) of property and equipment.

The Group depreciates property and equipment when the assets are available for use, applying the straight-line method over their estimated useful lives, as follows:

Owner occupied property 40 years

Leasehold improvements Shorter of estimated life or period of lease

Leased asset 3 – 15 years Computer equipment 3 - 7 years Furniture, fittings and building fit-out 5 - 15 years Motor vehicles 4 years Telematics devices 2 – 5 years

The Group reviews assets' residual values and useful lives at least at each financial year-end and adjusts if appropriate. For the treatment of impairment of items of property and equipment, refer to accounting policy 7.

Property and equipment shall be derecognised:

- On disposal, or
- When no future economic benefits are expected from their use or disposal

The Group determines gains/losses on derecognition by comparing the proceeds with the carrying amount. The Group records these gains/losses in profit or loss.

Annexure B - Group accounting policies continued

for the year ended 30 June 2025

SUMMARY OF MATERIAL ACCOUNTING POLICIES continued

INTANGIBLE ASSETS

Software development costs

The Group measures items of software development costs at cost, less accumulated amortisation and any accumulated impairment losses. The Group does not capitalise internally generated intangibles, excluding capitalised development costs, and it reflects the related expenditure in profit or loss in the period in which the expenditure is incurred.

The Group recognises development costs that are directly attributable to the design and testing of identifiable software products which the Group controls as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use
- Management intends to complete the software product and use or sell it
- There is an ability to use or sell the software product
- The Group can demonstrate the software product will generate probable future economic benefits
- Adequate technical, financial, and other resources to complete the development and to use or sell the software product are
- The Group can reliably measure expenditure attributable to the software product during its development

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of directly attributable overheads. For cloud computing arrangements, implementation costs that do not meet the requirements to be capitalised as an asset are expensed as incurred.

The Group expenses the following items as incurred:

- Costs associated with maintaining computer software programmes
- Other development expenditures that do not meet the criteria noted above

The Group does not recognise development costs previously recognised as expenses, as assets in a subsequent period. The Group recognises computer software development costs as assets from the point where the recognition criteria above are satisfied and the Group amortises the asset when it is available for use, over its useful life. The Group presents amortisation as part of marketing and administration expenses in profit or loss.

If significant parts of computer software development costs have different useful lives, the Group accounts for the components as separate items (major components) of computer software development costs. Computer software development costs recognised as assets are amortised over their useful lives.

Software applications 3 – 7 years Core Systems 12 - 16 years

Other intangible assets

The Group does not recognise costs incurred for internally developed trademarks, patents and similar rights and assets, including franchises and management contracts. The Group recognises these costs in profit or loss in the period they are

The Group measures intangible assets at cost plus any directly attributable cost of preparing the asset for its intended use, less accumulated amortisation and any accumulated impairment losses. The Group amortises these intangible assets over their

The Group capitalises intangible assets acquired as part of business combinations at their fair value. These fair values are represented by the estimated net present value of future cash flows relating to the existing business or at a value as determined by an independent valuer. The Group amortises these intangible assets over their useful lives, and the Group tests for impairment if an indication of impairment arises.

The Group reviews intangible assets' residual values and useful lives at least at each financial year-end and adjusts if appropriate. For the treatment of impairment of intangible assets, refer to accounting policy 7.

The Group derecognises intangible assets

- On disposal, or
- When no future economic benefits are expected from their use or disposal

The Group determines gains/ losses arising from the derecognition of an intangible asset as the difference between the net disposal proceeds, if any, and the carrying amount of the asset. The Group recognises such gains/ losses in profit or loss when the asset is derecognised.







for the year ended 30 June 2025

SUMMARY OF MATERIAL ACCOUNTING POLICIES continued

Goodwill arises on the acquisition of businesses and represents the excess of the consideration transferred, being the amount of any non-controlling interest in the acquiree and the acquirete and the acquiree and the acquiree over the fair value of the identifiable net assets acquired.

For the purpose of impairment testing, the Group allocates goodwill acquired in a business combination to each of the cashgenerating units (CGUs) or groups of CGUs that are expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill management monitors for internal management purposes. The Group monitors goodwill at the operating segment level.

The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value-inuse and the fair value less costs to sell. The Group recognises any impairment immediately as an expense and this impairment is not subsequently reversed.

7. **IMPAIRMENT OF NON-FINANCIAL ASSETS**

The Group tests goodwill annually for impairment or more frequently if events or changes in circumstances indicate that

The Group reviews assets, including equity-accounted investments and intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Such indicators include continued losses and changes in technology, market, economic, legal, and operating environments.

The Group recognises an impairment loss for the amount by which the asset's carrying value exceeds its recoverable amount. The Group measures the recoverable amount using the higher of the value-in-use and the fair value less costs to sell. The Group immediately recognises these costs in profit or loss in the period they are incurred.

The Group reviews other assets, other than goodwill, that suffered an impairment for possible reversal of the impairment at the end of each reporting period.

8. FINANCIAL INSTRUMENTS

The Group initially recognises financial instruments when it becomes party to the contract.

The Group measures financial instruments at initial recognition at the fair value net of directly attributable transaction costs unless the financial instrument is classified as fair value through profit or loss. For instruments the Group classifies at fair value through profit or loss, attributable transaction costs are immediately expensed.

Financial assets

RECOGNITION, CLASSIFICATION, MEASUREMENT AND DERECOGNITION

At initial recognition, the Group considers the appropriate classification of financial assets as at Amortised cost (AC), Fair value through profit or loss (FVTPL), Fair value through other comprehensive income (FVOCI) for debt instruments, or Fair value through other comprehensive income (FVOCI) for equity instruments. The Group considers:

- Whether the contractual cash flows of the financial asset are solely payments of principal and interest (SPPI). Such contractual cash flows are consistent with a basic lending arrangement and compensate the Group for the elements of the time value of money, credit risk and other basic lending risks and a profit margin. Examples of such instruments include Treasury Bills, Government Bonds, cash and cash equivalents, and fixed-term deposits. It excludes instruments such as equity-linked financial assets or puttable investments in unit trusts, and
- Whether the business model of the Group is to hold to collect contractual cash flows or a business model that results in collecting contractual cash flows and selling the financial assets

Based on the criteria above, the Group will classify a debt instrument as:

- Amortised cost, if the financial asset meets the SPPI criterion and is held for the purpose to collect the contractual cash flows. Examples of this include loans and advances to customers (eg credit card advances and home loans) and fixed-term deposits
- Fair value with changes in other comprehensive income (debt instruments) if the financial asset meets the SPPI criterion and is held either to collect contractual cash flows or for sale. The Group currently does not hold financial assets in this category. However, specified equity-accounted associates have certain debt instruments in the category
- Fair value through profit or loss for all other financial assets that do not meet the criteria above are mandatorily classified as financial instruments at fair value through profit and loss. In addition, the Group can irrevocably designate financial assets into this category if this will reduce measurement inconsistencies (ie 'accounting mismatch'). The Group's business includes, amongst others, providing unit-linked insurance, unit-linked investment and non-linked insurance products to customers. Financial assets and liabilities in these portfolios are managed to achieve the objectives of the portfolio and to ensure that liabilities are appropriately matched with assets. Additionally, Discovery Bank uses specified fixed-rate debt instruments to manage interest rate risk, and these may also be designated at FVTPL if such designation helps eliminate an accounting mismatch. In considering whether the objective of a portfolio is to collect contractual cash flows or to trade in financial instruments, the Group considers the purpose for which instruments are held, the methods of risk management in a portfolio, the manner of performance reporting on a portfolio and the basis for determining compensation to managers for asset performance. For those financial assets backing insurance contracts, the Group measures these financial assets at fair value through profit or loss. Financial assets held within the portfolio of unit-linked investment contracts are also mandatorily classified at fair value through profit or loss

Annexure B - Group accounting policies continued

for the year ended 30 June 2025

SUMMARY OF MATERIAL ACCOUNTING POLICIES continued

FINANCIAL INSTRUMENTS continued

8.1 **Financial assets** continued

RECOGNITION, CLASSIFICATION, MEASUREMENT AND DERECOGNITION continued

For equity instruments, the Group is permitted to make the irrevocable election to present changes in fair value in other comprehensive income. However cumulative gains or losses recognised cannot be reclassified to profit or loss on disposal. This election is available on an instrument-by-instrument basis. The Group has made this election in the accounting records of specified associates. All other equity instruments are measured at FVTPL.

	Subsequent measurement
Amortised cost (AC)	The Group measures these instruments at amortised cost using the effective interest method. Movements in the balance of the instrument relate to expected credit losses, interest income and foreign exchange gains and losses which are recognised in profit or loss.
	The Group measures interest revenue using the effective interest rate (EIR) on the gross carrying amount for those financial assets categorised in Stage 1.
Fair value through profit or loss (FVTPL)	The Group measures these instruments at fair value with gains and losses recognised in profit or loss. Movements in this balance are due to fair value gains or losses, interest or dividends, and foreign exchange gains or losses.
	The Group has elected to present the entire fair value gains and losses on a net basis as a single amount.
Fair value through other comprehensive income (FVOCI) - equity	The Group measures these instruments at fair value with gains and losses recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss. Dividends are recognised in profit or loss.
Fair value through other comprehensive income (FVOCI) – debt	The Group measures these instruments at fair value with changes in fair value recognised in other comprehensive income. Movements in the balance relate to expected credit losses, interest income and translation differences are recognised in profit or loss. The Group measures interest revenue using the effective interest rate on the gross carrying amount for those financial assets categorised in Stage 1. Refer to accounting policy 8.1.2.
	On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

The Group has not designated financial assets at fair value through profit or loss.

The Group expects the business model for managing a group of financial instruments to remain stable. In rare instances where the business model changes, there can be a reclassification of the business model. Any reclassifications are applied prospectively from the first day of the first reporting period after the change in business model, with no restatement of any previously recognised gains, losses or interest. The Group has not had any changes in business models in the current reporting period, and consequently, there have been no reclassifications.

The Group derecognises financial assets when the rights to receive cash flows from them expire or when they have been transferred and the Group has also transferred substantially all the risks and rewards of ownership with no retention of control

for the year ended 30 June 2025

SUMMARY OF MATERIAL ACCOUNTING POLICIES continued

FINANCIAL INSTRUMENTS continued

8.1 **Financial assets** *continued*

EXPECTED CREDIT LOSSES

The Group measures expected credit losses on the following items:

- Debt instruments at amortised cost or fair value with changes in other comprehensive income, which include treasury bills, banking loans and advances and fixed deposits. This also includes loan commitments for undrawn credit facilities
- Financial guarantee contracts
- Other receivables which are financial assets at amortised cost
- Contract receivables and contracts assets with non-insurance customers and cash and cash equivalents

The Group has a multitude of different debtors and loans included in other receivables, which are financial assets which do not represent a homogeneous group of assets. The approach to determining expected credit losses varies according to the asset type, past bad debt experience and the potential to incorporate forward-looking information. In certain instances, the Group aggregates financial assets based on shared characteristics (ie debt payment pattern similarities, financial instruments with collateral, debtor type), and the Group determines expected credit losses on a collective basis.

In calculating the expected credit losses, the general expected credit loss approach requires that the Group assess the credit risk of the instrument and determine whether there has been a significant increase in credit risk since initial recognition.

The Group measures the loss allowance using the following approach:

- The Group refers to financial assets that have not had a significant increase in credit risk since initial recognition as Stage 1 financial assets. The Group/Company measures loss allowances on Stage 1 financial assets at an amount equal to the 12month expected credit losses
- The Group/Company refers to financial assets that have had a significant increase in credit risk since initial recognition as Stage 2 and 3 financial assets. If the financial assets have had a significant increase in credit risk since initial recognition and are credit impaired or in default, the Group/Company refers to these as Stage 3 financial assets. The Group/Company recognises lifetime expected credit losses in measuring the loss allowance for Stage 2 and 3 financial assets

The Group measures expected credit losses on:

- Financial assets that are not credit-impaired at the reporting date as the present value of all cash shortfalls (ie the difference between the cash flows due to the entity in accordance with the contract and the cash flows that Discovery expects to receive)
- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows, and
- Undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive (adjusted using a credit

The Group measures assets that are trade receivables, contract assets, and lease receivables using the simplified approach, should there be no significant financing component. The simplified approach does not require the Group to track changes in credit risk but instead requires the entity to recognise a loss allowance based on lifetime expected credit loss at each

The Group does not recognise expected credit losses on Treasury Bills, Government Bonds issued by the South African Reserve Bank, or cash and cash equivalents receivable on demand, following an assessment that these items are immaterial.

SIGNIFICANT INCREASE IN CREDIT RISK (SICR)

At each reporting date, the Group assesses whether the credit risk on a financial asset has increased significantly since initial recognition. When making the assessment, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses.

Annexure B - Group accounting policies continued

for the year ended 30 June 2025

SUMMARY OF MATERIAL ACCOUNTING POLICIES continued

FINANCIAL INSTRUMENTS continued

8.1 **Financial assets** *continued*

EXPECTED CREDIT LOSSES continued

UNSECURED

Qualitative

The Group considers the following factors:

the contractual payments are more than 30 days past due, Discovery applies the presumption that there was a significant increase in credit risk, in conjunction with Discovery Risk Grade (DRG) Bureau population segment data which falls into	the Discovery Risk Decrements (DRD) at origination and the DRD at the reporting date. Origination is defined as the account origination date or a limit increase or limit decrease event, whichever is most recent relative to the reporting date. The following table summarises the quantitative triggers:			
one of the following categories	Origination DRD	Reporting DRD	Trigger SICR	
 Bureau debt review 	Missing/Invalid	Valid DRD	Trigger if Reporting	
 Bureau deceased 			DRD >= 17	
 Bureau notices 	Valid DRD	Missing/Invalid	Trigger SICR	
 Bureau under administration 	Missing/Invalid	Missing/Invalid	Trigger SICR	
 Bureau judgements 	DRD 1- 16	>= DRD 17	Trigger SICR	
 Bureau judgements 	DRD 17	>= DRD 18	Trigger SICR	
 Bureau low score 				
Clients that have been under debt review for 6	DRD 18	>= DRD 19	Trigger SICR	
months and have kept to the revised payments	DRD 19	>= DRD 20	Trigger SICR	
schedule (ie. are in an up-to-date state) will be	DRD 20	>= DRD 20	Trigger SICR	

Quantitative

■ When contractual payments are in arrears, i.e. when □ The quantitative definition of SICR is based on a comparison of

SECURED

The Group considers the following factors:

moved out of Stage 3 into Stage 2: SICR

Qualitative	Quantitative
 Loans are more than 1 month in arrears Loans in debt counselling Deceased estate unsecured 	The loan had deteriorated below a predetermined risk rating.
Rescheduled loans above their committed balance	

for the year ended 30 June 2025

SUMMARY OF MATERIAL ACCOUNTING POLICIES continued

FINANCIAL INSTRUMENTS continued

8.1 **Financial assets** *continued*

EXPECTED CREDIT LOSSES continued 8.1.2

CREDIT IMPAIRED AND DEFAULT

The Group considers a financial instrument to be credit-impaired when current circumstances and economic conditions indicate that the expected future cash flows from a financial instrument may not be recoverable. These circumstances include but are not limited to evidence of financial or operational challenges for the debtor and missed contractual payments.

'Default' is defined on a facility level and considers both quantitative and qualitative factors, as provided in the Basel capital framework. The qualitative criterion requires banks to identify credit deterioration before the exposure becomes delinquent, or "unlikeliness to pay" events, while the quantitative criterion requires banks to look at the material delinquency status.

The Group considers the following factors as to what constitutes a default from a qualitative and quantitative perspective, which is in line with the South African Reserve Bank definition.

Qualitative	Quantitative
 The borrower is placed in debt counselling/debt review The borrower is deceased The facility has undergone a distressed restructure/special arrangement The facility has been transferred to charge-off/legal status The client is insolvent The facility is written off It is considered unlikely that the borrower will pay its credit obligations to Discovery Bank in full, without recourse by Discovery Bank to actions such as realising security (if held) 	■ The borrower is more than 90 days past due on any material credit obligation to Discovery Bank. Overdrafts will be considered as being past due once the customer has breached an advised limit or been advised of a limit smaller than current outstanding

As mentioned, the Group regards default events as confirmed debt review and debt counselling cases. The exposure will remain in Default (Stage 3) for a minimum probation period of 6 months. The Group will cure the exposure to Stage 2: SICR if the exposure is in an up-to-date state (performing) after 6 months.

The Group will reduce the gross carrying amount of a financial asset when it has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. Currently, Discovery Bank bases the write-off point at 15 payments in arrears and at least 12 months in default. This point of write-off is appropriate as the average recovery rate after 15 months is 0.7% of the balance at default. To ensure the appropriateness of the write-off point, Discovery Bank assesses the proposed write-off point on an annual basis. Discovery Bank considers both time in default and recency of repayments for the write-off point.

Discovery Bank categorises collections into early-stage collections and late-stage collections. Early-stage collections are identified as accounts in arrears that are less than 90 days past due, whereas late-stage collections are identified as debts with an arrears status greater than 90 days past due. Early-stage collections are subject to internal enforcement activities. Once the debt has reached 120 days in arrears, Discovery Bank appoints an external debt collection agency to collect outstanding payments on its behalf

Annexure B - Group accounting policies continued

for the year ended 30 June 2025

SUMMARY OF MATERIAL ACCOUNTING POLICIES continued

FINANCIAL INSTRUMENTS continued

Financial liabilities

At initial recognition, the Group considers the appropriate classification as at Amortised cost (AC) or Fair value through profit or

Financial liabilities are measured at FVTPL if:

- They are held for trading
- The financial liabilities are part of a group of financial assets and financial liabilities which are managed and performance evaluated on a fair value basis. These include financial liabilities held within the portfolios of unit-linked insurance and unit-

The Group measures all other financial liabilities that are within the scope of IFRS 9 at amortised cost.

	Subsequent measurement	
Amortised cost (AC)	The Group measures these instruments at amortised cost using the effective interest method. Interest income and foreign exchange gains and losses are recognised in profit or loss.	
Fair value through profit or loss (FVTPL)	The Group measures these instruments at fair value with gains and losses and any interest recognised in profit or loss.	

The Group has investment contracts which have financial risk and are consequently recognised and measured in terms of IFRS 9 rather than IFRS 17. These contracts are classified at fair value through profit or loss. The Group links the investment contracts policies to the return on underlying financial assets as these are directly matched. The movement on the Group's own credit risk is considered immaterial. The Group measures the remaining financial liabilities at amortised cost.

The Group derecognises financial liabilities when the obligation is extinguished.

8.3

The Group offsets the financial assets and liabilities and it reports the net amount in the Statement of financial position when there is a legally enforceable right to set off the recognised amounts, and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the reporting entity or the counterparty.

Modifications

Where an existing financial asset or liability is replaced by another with the same counterparty on substantially different terms or the terms of an existing financial asset or liability are substantially modified, the Group treats an exchange or modification as a derecognition of the original asset or liability and the recognition of a new asset or liability at fair value, including calculating a new effective interest rate, with the difference in the respective carrying amounts being recognised in other gains and losses on financial instruments within non-interest revenue. The Group consequently considers the date of recognition of a new asset to be the date of initial recognition for impairment calculation purposes.

If the terms are not substantially different for financial assets or financial liabilities, the Group recalculates the new gross carrying amount by discounting the modified cash flows of the financial asset or financial liability using the original effective interest rate. The difference between the new gross carrying amount and the original gross carrying amount is recognised as a modification gain or loss within credit impairments (for distressed financial asset modifications) or in other gains and losses on financial instruments (for all other modifications).

In assessing whether a financial asset was substantially modified, the Group performs a qualitative assessment to determine if the terms were substantially modified. In assessing whether a financial liability has been substantially modified, the Group performs both a qualitative and quantitative (10% threshold) assessment to determine if the terms were substantially modified.

MODIFICATION OF DISTRESSED RESTRUCTURES

Debt restructuring involves adjusting the terms of an account, such as lowering the interest rate, payment holidays etc, based on legal requirements. These revised terms are not the same as those offered commercially for a new product to a customer with a similar risk profile.

When the Group changes the terms of a contract due to the borrower's financial difficulties, the asset is not derecognised unless the contract undergoes substantial changes (eg, such as the introduction of equity participation or a significant change in the counterparty). If the asset is not substantially modified, the financial asset's carrying amount is recalculated based on the present value of the modified cash flows, discounted using the original EIR. Any resulting modification gain or loss is recognised in profit or loss as part of the total expected credit losses.

for the year ended 30 June 2025

SUMMARY OF MATERIAL ACCOUNTING POLICIES continued

FINANCIAL INSTRUMENTS continued

8.5 Interbank offered rates (IBOR) reforms

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some IBORs with alternative, nearly risk-free rates (referred to as 'IBOR reform'). The Group has exposures to IBORs on its financial instruments, such as Libor and JIBAR, that have been or will be replaced or reformed as part of these market-wide initiatives.

The United Kingdom has seen a change from the GBP Libor to the Reformed Sterling Overnight Index Average (SONIA) and the South African Rand Overnight Index Average (ZARONIA) has been designated as the preferred alternative near risk-free rate to succeed JIBAR. On 3 November 2023, the South African Reserve Bank (SARB) announced that ZARONIA may henceforth be used

The IBOR reforms will result in changes in the basis for determining the contractual cash flows of financial assets and financial

- For financial assets and liabilities measured at amortised cost, the Group will update the effective interest rate without recognising a gain or loss if:
- The change is a direct consequence of reform, and
- The new basis for determining the contractual cash flows is economically equivalent to the previous basis.

REVERSE REPURCHASE AGREEMENTS

Reverse repurchase agreements are a form of secured lending whereby the Group provides a loan to a counterparty in exchange for the transfer of collateral, generally in the form of marketable securities subject to an agreement to transfer the securities back to the counterparty at a fixed higher price in the future (This arrangement functions as short-term financial asset for the Group, with the securities serving as collateral to secure the loan).

The Group purchases securities (under a reverse repurchase agreement) subject to a commitment to resell or return them. The securities are not included on the statement of financial position as the Group does not acquire the risks and rewards of

Consideration paid by the Group (or cash collateral provided) in a reverse repo is recognised as a loan asset. The difference between the original purchase price and pre-arranged buyback price is accounted for as interest income using the effective

9. **DERIVATIVE FINANCIAL INSTRUMENTS**

The Group classifies derivative financial instruments as held for trading unless they are designated as effective hedging instruments.

The Group initially recognises derivative financial instruments in the Statement of financial position at fair value on the date on which a derivative contract is entered into (the best evidence of fair value on day one is the transaction price). The Group subsequently remeasures these instruments to fair value. The method of recognising the resulting fair value gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. Fair values are obtained from quoted prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and options pricing models, as appropriate. The Group presents all derivatives as assets when the fair value is positive and as liabilities when the fair value is negative.

Under general hedge accounting, the Group has assessed that derivatives that qualify for cash flow hedge accounting are those derivatives designated as hedges of highly probable future cash flows attributable to a recognised asset or liability, or a forecast transaction. The Group applies hedge accounting when the hedging relationship meets the following requirements:

- There is an economic relationship between the hedged item and the hedging instrument
- The effect of credit risk does not dominate the value changes that result from that economic relationship, and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item

The Group documents, at the inception of the transaction, the relationship between hedged items and hedging instruments, as well as its risk management objective and strategy for undertaking various hedging relationships. The Group also documents its assessment, both at the inception of the hedge and on an ongoing basis, of whether the derivatives that are used in hedging transactions are expected to be and have been highly effective in offsetting changes in fair values or cash flows of hedged items.

Annexure B - Group accounting policies continued

for the year ended 30 June 2025

SUMMARY OF MATERIAL ACCOUNTING POLICIES continued

DERIVATIVE FINANCIAL INSTRUMENTS

Cash flow hedge

The Group recognises the effective portion of fair value changes of derivatives that are designated as cash flow hedges in OCI, and accumulated in the cash flow hedging reserve in the Statement of other comprehensive income. The Group recognises the gain or loss relating to the ineffective portion immediately in profit or loss, within net fair value gains on financial assets at fair

Amounts accumulated in the Statement of other comprehensive income are reclassified to profit or loss in the period in which the hedged item will affect profit or loss. Where the forecast transaction or a foreign currency firm commitment results in the recognition of a non-financial asset or liability, the gains and losses previously deferred are transferred from the Statement of other comprehensive income and included in the initial measurement of the cost of the non-financial asset or liability. Where the forecast transaction subsequently results in the recognition of a financial asset or liability, the Group transfers gains or losses deferred in equity from the Statement of other comprehensive income to the Income statement when the financial asset or liability is sold or impaired.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to profit or loss.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. The Group recognises changes in the fair value of all such derivative instruments immediately in profit or loss, within net fair value gains on financial assets at fair value through profit or

Hedging reserve

The hedging reserve includes the cash flow hedge reserve. The cash flow hedge reserve is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges. Amounts are subsequently reclassified to profit or loss as follows:

- For the effective portion reclassified for hedges relating to share-based payments as part of marketing and administration
- For the effective portion recycled for hedges relating to interest rate risk, as part of finance costs

For the purpose of cash flow hedges (see accounting policy 9.1), in determining whether a forecast transaction is highly probable, an entity will assume that the interest rate benchmark on which the hedged cash flows are based is not altered as a result of IBOR reforms. The Group anticipates that ZARONIA will impact some of its JIBAR risk management and hedge accounting relationships in the longer term.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise:

- Cash in hand
- Balances with banks, including bank overdrafts repayable on demand and that form an integral part of the cash management
- Deposits held at call and short notice, including short-term highly liquid investments that are readily convertible into known amounts of cash and subject to insignificant risk of changes in value, e.g. certain money market investments

Cash and cash equivalents only include items held for the purpose of meeting short-term cash commitments rather than for investing or other purposes. Cash and cash equivalents have a maturity of less than three months from the date of acquisition. Cash and cash equivalents are carried at amortised cost (or, in specified instances, at fair value through profit or loss), which, due to their short-term nature, approximates fair value.

Due to the Group's sweeping arrangements with various financial institutions, positive and negative cash balances are presented on a net basis to represent cash and cash equivalents in the Statement of cash flows.

SHARE CAPITAL

The Group classifies shares as equity when there is no contractual obligation to transfer cash or other financial assets to the holder. Incremental costs directly related to the issue of new shares or options are shown in equity as a deduction from the

Where any company within the Group purchases Discovery Limited equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to Discovery Limited equity holders. Where such shares are subsequently sold, reissued or otherwise disposed of, any consideration received is included in equity attributable to Discovery Limited equity holders, net of any directly attributable incremental transaction costs and the related income tax effects.

The Group holds treasury shares through the Discovery Unit Trusts that the Group controls and consolidates. The Group elected, irrevocably to continue to account for the shares as outstanding equity and to account for the reacquired share as if the instrument was a financial asset measured at fair value through profit or loss under IFRS 9.

for the year ended 30 June 2025

SUMMARY OF MATERIAL ACCOUNTING POLICIES continued

INSURANCE CONTRACTS

12.1 **Insurance contracts scope and grouping**

12.1.1 DEFINITION AND CLASSIFICATION

Insurance contracts are contracts under which the Group accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder should a specified uncertain future event adversely affect the policyholder. Reinsurance contracts are contracts under which the reinsurer accepts significant insurance risk from the Group. Even in situations where the contract does not expose the reinsurer to the possibility of a significant loss, the contract will still be deemed to be a reinsurance contract transferring significant risk if it transfers substantially all of the insurance risk resulting from the reinsured portions of the underlying reinsurance contracts.

The Group determines whether it has assumed significant insurance risk by comparing benefits payable after an insured event with benefits payable if the insured event had not occurred. Insurance and reinsurance contracts can also expose the Group to financial risk, which is not taken into account in the determination of significant insurance risk.

12.1.2 SEPARATING COMPONENTS WITHIN INSURANCE CONTRACTS

IFRS 17 requires an analysis of whether the contract contains components that should be separated from the insurance contract and accounted for under different IFRS Accounting Standards. IFRS 17 requires that cash flows relating to embedded derivatives, cash flows relating to distinct investment components and promises to transfer distinct goods or distinct services, other than insurance contract services, be accounted for separately.

The Group presently has no contracts requiring further separation or a combination of insurance contracts.

UNIT OF ACCOUNT, AGGREGATION AND RECOGNITION OF INSURANCE AND REINSURANCE CONTRACTS

Under IFRS 17, the unit of account is defined as a group of insurance contracts. The way insurance contracts are grouped affects the timing of profit recognition for insurance services but does not affect the measurement of the estimated cash flows to fulfil the insurance contracts. In terms of IFRS 17, the unit of account is determined by first establishing a portfolio of insurance contracts and then creating separate cohorts within the portfolio based on the date of origination. Each such cohort is further grouped into three groupings based on estimated profitability.



IFRS 17 Illustration of principles 1: Unit of account

At initial recognition, the Group recognises groups of insurance contracts issued from the earliest of the following:

- The beginning of the coverage period
- The date when the policyholder's first payment is due or received if there is no due date
- When the Group determines that a group of insurance contracts become onerous

Annexure B - Group accounting policies continued

for the year ended 30 June 2025

SUMMARY OF MATERIAL ACCOUNTING POLICIES continued

INSURANCE CONTRACTS continued

12.1 **Insurance contracts scope and grouping** *continued*

MEASUREMENT MODELS

IFRS 17 provides three possible measurement models

- 1. The default model is the General Measurement Model (GMM). The GMM is typically used for measuring long-term insurance
- 2. The GMM is supplemented by the Variable Fee Approach (VFA) for contracts where policyholders have purchased investment-linked insurance contracts integrated with insurance coverage (meaning insurance contracts with direct participating features)
- 3. The Premium Allocation Approach (PAA) is a simplified approach of the GMM for short-duration contracts such as group risk, personal lines and private medical insurance.

Direct participating contracts are contracts for which, at inception:

- The contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items
- The Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items, the Group considers that a substantial share is a majority of returns, and
- The Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items. The Group considers that a substantial proportion is a majority proportion of change on a present value probability-weighted average of all scenarios.

Within the Group, the unit-linked products and Discovery Optimiser products offered by Discovery Life are examples of insurance contracts with DPFs.

for the year ended 30 June 2025

SUMMARY OF MATERIAL ACCOUNTING POLICIES continued

12. INSURANCE CONTRACTS continued

12.2 Overview of the Group portfolios, measurement models and accounting policy elections

The table below summarises the material insurance contracts the Group issues and reinsurance contracts it holds. It sets out the measurement model applied and key assumptions and elections.

neasurement model applied and k	ey assumptions an	d elections.		
	Measurement Model	Risk adjustment confidence level ¹	Elections on IFIE	PAA only – election for treatment of initial acquisition cash flows (IACF)
Insurance contract issued and business lines				
Individual life insurance contracts: Discovery Life and VitalityLife			Elected to present changes in IFIE in OCI and profit or loss	
Insurance-linked investment contracts: General endowments in Discovery Invest	GMM	90%	Elected to present changes in IFIE in	n/a
Unit-linked insurance contracts: Unit-linked and DRO in Discovery Invest	VFA		profit or loss	
Group life insurance contracts: Discovery Life		90%	Elected to present changes in IFIE in OCI and profit or loss for long-tail claims. Elected not to reflect the interest for cash flows less than 12 months	Elected to immediately expense IACF
Car, household and business insurance: Discovery Insure	PAA		Elected not to reflect	Elected to immediately expense IACF
Health insurance: VitalityHealth		75%	interest for cash flows less than 12 months	Consistent with default IFRS 17 requirement, defer IACF and amortise over the initial and renewal periods
Reinsurance contracts held				
Individual life: Quota share reinsurance for Discovery Individual Life and VitalityLife	GMM	90%	Elected to present changes in IFIE in OCI and profit or loss	n/a
Individual life: Excess of loss reinsurance			and profit of 1033	
Group life insurance contracts: Catastrophe, group continuation and mass lapse treaties	PAA	90%	Elected not to reflect	
Car, household and business insurance: Quota share reinsurance and excess of loss insurance		75%	interest for cash flows less than 12 months	Elected to immediately expense IACF
Health insurance: Quota share reinsurance				

¹ Risk adjustment was determined using the confidence level technique unless otherwise stated.

Annexure B - Group accounting policies continued

for the year ended 30 June 2025

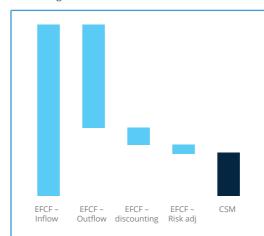
SUMMARY OF MATERIAL ACCOUNTING POLICIES continued

12. INSURANCE CONTRACTS continued

12.3 Contracts measured under the GMM and VFA

Under IFRS 17, any company that issues insurance contracts must report those contracts on the Statement of financial position as the total of:

- The expected fulfilment cash flows (EFCF): the current estimates of amounts that the company expects to collect from premiums net of the payout for claims, benefits, and expenses, including an adjustment for the timing and risk of those amounts, and
- The CSM: the expected profit for providing insurance coverage recognised in profit or loss over the period of insurance coverage.



Under IFRS 17, Insurance Contracts are measured as the sum of:

the expected fulfilment cash flows (EFCF), representing the present value of current estimates of amounts that the insurer expects to collect from premiums net of the pay out for claims, benefits and expenses, including an adjustment for the risk of those cash flows.

Those cash flows for future services are known as "liability for remaining coverage" (LRC) and those cash flows for services already incurred constitute liability for insurance claims (LIC)



the contractual service margin (CSM), represents the remaining inherent value of the cohort and is similar to unearned profit for providing future insurance coverage. On initial recognition, for a profitable contract, the CSM is the equal and opposite amount of the net cash inflow, resulting in no income or expense arising on initial recognition.

IFRS 17 Illustration of principles 2: General Measurement Model (GMM)

12.3.1 EXPECTED FULFILMENT CASH FLOWS (EFCF)

The measurement of a group of insurance contracts includes all future cash flows expected to arise within the contract boundary of each contract in the group. Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay premiums or has a substantive obligation to provide services (including insurance coverage and any investment services).

EFCF include payments to (or on behalf of) policyholders, insurance acquisition cash flows and other costs incurred in fulfilling contracts. Other costs incurred to fulfil a group of contracts include direct costs and an allocation of fixed and variable overheads directly attributable to fulfilling the group of insurance contracts.

The estimates of these future cash flows are based on probability-weighted expected future cash flows. The Group estimates which cash flows are expected and the probability that they will occur as at the measurement date. When estimating, the Group uses information about past events, current conditions and forecasts of future conditions.

Insurance acquisition cash flows arise from activities of selling, underwriting and commencing a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs.

for the year ended 30 June 2025

SUMMARY OF MATERIAL ACCOUNTING POLICIES continued

INSURANCE CONTRACTS continued

12.3 **Contracts measured under the GMM and VFA** continued

12.3.2 REFLECTING THE TIME VALUE OF MONEY AND DISCOUNT RATES

Discounting adjusts the estimates of expected cash flows to reflect the time value of money and the financial risks associated with those cash flows to the extent that the financial risks are not already included in the cash flow estimates.

The following table shows which discount rate to apply throughout measuring a group of insurance contracts and the general objective of determining that discount rate.

Element of measurement model	
Fulfilment cash flows	Current discount rates
CSM interest accretion for contracts without direct participation features (i.e. portfolios under GMM).	Discount rates are determined on initial recognition of the group, i.e. locked-in at inception.
Adjustments to the CSM for changes in the fulfilment cash flows for contracts without direct participation features (i.e. portfolios under GMM).	Discount rates are determined on initial recognition of the group, i.e. locked-in at inception.
Adjustments to the CSM for changes in the fulfilment cash flows for DPF contracts that do not vary based on the returns on underlying items (i.e. portfolios under VFA), excluding the change in the effect of the time value of money and financial risks.	Current discount rates.

The bottom-up approach is used to derive the discount rate for the cash flows. Under this approach, the Group determines the discount rate as the risk-free yield, adjusted for differences in liquidity characteristics of the insurance contracts sold. For portfolios of contracts where the insurance contract liability is materially matched with assets, a top-down approach is used to derive the discount rate for the cash flows.

For the Group, the risk-free yield curve will be 'current' and reflect the risk-free yield curve derived on the last day of the reporting period. The nominal risk-free yield curve is used to discount nominal cash flows, while real cash flows are discounted using the real risk-free yield curve.

RISK ADJUSTMENT

The risk adjustment for non-financial risk for a group of insurance contracts, determined separately from the other estimates, is the compensation required for bearing uncertainty about the amount and timing of the cash flows that arise from nonfinancial risk as the Group fulfils insurance contracts. It measures the compensation that the entity would require to make it indifferent

- Fulfilling a liability that has a range of possible outcomes arising from non-financial risk and
- Fulfilling a liability that will generate fixed cash flows with the same expected present value as the insurance contract

A lower risk adjustment would be observed for those insurance contracts with shorter durations, high frequency and low severity type products and narrow probability of distribution. A higher risk adjustment would be observed for insurance contracts that are longer in duration, have a low frequency and high severity and have a wide probability of distribution.

IFRS 17 does not prescribe methods for determining the risk adjustment for non-financial risk. Therefore, management's judgement is necessary to determine an appropriate risk adjustment technique.

When applying a confidence level technique, the first step in the process is to calculate the best estimate reserve, where there is an equal chance that the actual amount needed to pay future claims will be higher or lower than the calculated best estimate. The risk adjustment is then calculated such that there is a specified percentage probability that the reserves will be sufficient to cover future claims. For the specified percentages applied, refer to section 12.2.

ACCOUNTING POLICY ELECTION: PRESENTATION OF RISK ADJUSTMENT BETWEEN INSURANCE SERVICE RESULT

Discovery disaggregates changes in risk adjustment for non-financial risk between the insurance service result and insurance finance income and expenses.

- Insurance Service Result: the portion of the risk adjustment related to current and past insurance service expenses is recognised as part of the insurance service result
- IFIE: The financial effects of changes in the risk adjustment due to the time value of money and financial risk are included in IFIE.

Annexure B - Group accounting policies continued

for the year ended 30 June 2025

SUMMARY OF MATERIAL ACCOUNTING POLICIES continued

INSURANCE CONTRACTS continued

Contracts measured under the GMM and VFA continued 12.3

CONTRACTUAL SERVICE MARGIN (CSM)

The CSM represents the future unearned profit. On initial recognition of a group of insurance contracts, if the total of the fulfilment cash flows, including insurance acquisition cash flows:

- Is a net inflow, then the group is profitable. In this case, the Group measures CSM as the equal and opposite amount of the net inflow, which results in no income or expenses arising on initial recognition
- Is a net outflow, then the group is onerous. In this case, the Group recognises the net outflow immediately as a loss in profit or loss. The Group creates a loss component to depict the amount of the net cash outflow, which determines the amounts that are subsequently presented in profit or loss as reversals of losses on onerous contracts and are excluded from insurance revenue

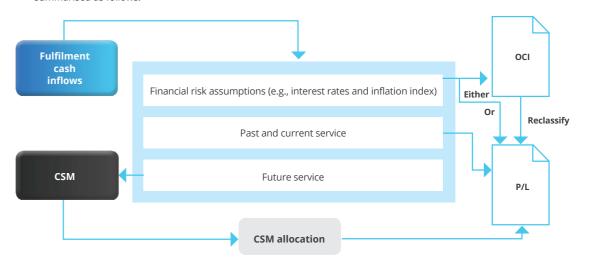
12.3.5 SUBSEQUENT MEASUREMENT

The carrying amount of a group of insurance contracts at each reporting date is the sum of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC).

- The LRC comprises the fulfilment cash flows related to services that will be provided under the contracts in future periods and any remaining CSM at that date
- The LIC includes the fulfilment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported

IFRS 17 requires a company to update the EFCF at each reporting date, using current estimates of the amount, timing, and uncertainty of cash flows and discount rates. The Group:

- accounts for changes to estimates of future cash flows from one reporting date to another, either as an amount in profit or loss or as an adjustment to the expected profit for providing insurance coverage, depending on the type of change and the
- chooses where to present IFIE either:
- All in profit or loss, or
- Include IFIE in profit or loss using systematic allocation. The remainder of IFIE is recognised in OCI. The treatment can be summarised as follows:



IFRS 17 Illustration of principles 3: Subsequent measurement

for the year ended 30 June 2025

SUMMARY OF MATERIAL ACCOUNTING POLICIES continued

INSURANCE CONTRACTS continued

Contracts measured under the GMM and VFA continued 12.3

CHANGES IN EFCF

Changes in expected fulfilment cash flows from the estimates at the previous reporting date or inception of the contracts are

Nature of change	Treatment
Changes relating to current or past services	Recognised in the insurance service result in profit or loss.
Changes relating to future services	Adjusted against the CSM (or recognised in the insurance service result in profit or loss if the group is onerous).
Effects of the time value of money, financial risk and changes therein on estimated future cash flows	Recognised as insurance finance income or expenses.
Changes in the obligation to pay policyholders an amount equal to the fair value of the underlying items for a group of direct participating contracts (VFA)	Recognised in the insurance service result in profit or loss.

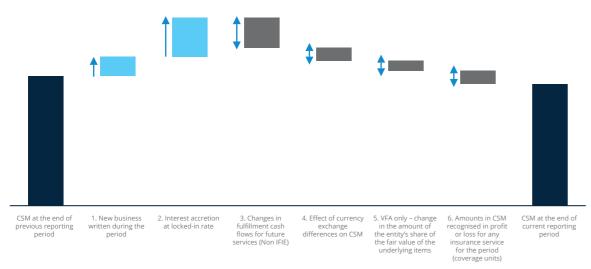
Accounting policy election: Presentation of IFIE

The Group has elected to disaggregate IFIE for the period in OCI and present in profit or loss IFIE using a systematic allocation on its long-term life insurance business lines in Discovery Life, VitalityLife and associated reinsurance contracts and a long-tail claims in its Group Risk business. In disaggregating the IFIE using systematic allocation, the Group applies the guidance of a group of insurance contracts where the financial risk has a substantial effect on the amount paid to policyholders, most notably changes in assumptions of inflation. The systematic rate allocates the remainder of the revised IFIE over the remaining duration of the group of contracts, ie effective yield approach. For the remainder of business lines, the IFIE and changes therein relating to insurance contracts are presented in profit or loss, offset by the changes in the value of assets backing the insurance contracts.

CHANGES IN CSM

As noted in 12.2.3.4, the CSM represents the future unearned profit. The movement in the CSM during a financial reporting period can be summarised as follows:

Movement in CSM during reporting period



IFRS 17 Illustration of principles 4: Subsequent changes in CSM

Annexure B - Group accounting policies continued

for the year ended 30 June 2025

SUMMARY OF MATERIAL ACCOUNTING POLICIES continued

INSURANCE CONTRACTS continued

Contracts measured under the GMM and VFA continued 12.3

CHANGES IN EFCF continued

The carrying amount of the CSM at each reporting date is the carrying amount at the start of the financial year, adjusted for:

- 1. The CSM of any new contracts added to the group in the year
- 2. Interest accreted on the carrying amount of the CSM during the year. As noted in 12.2.3.2, discount rates are determined on initial recognition of the group, meaning locked-in at inception. As noted in 12.2.3.2., the CSM for group of insurance contracts in VFA is not locked in
- 3. Changes in fulfilment cash flows that relate to future services, except to the extent that:
- a. Any increases in the fulfilment cash outflows exceeding the carrying amount of the CSM, in which case the excess is recognised immediately in profit or loss
- b. Any decreases in the fulfilment cash outflows are allocated to the loss component, reversing losses previously recognised in profit or loss
- 4. Reflects changes in exchange rates for those contracts denominated in different currency than the functional currency of the insurer that issued the policy
- 5. For contracts measured using the VFA, the change in the amount of the insurer's share of the fair value of the underlying
- 6. The amount recognised as insurance revenue because of the services provided in the year, meaning release of CSM using coverage units. In determining the coverage units, Discovery has elected to reflect the time value of money in the coverage units using a real rate of return for insurance contracts measured using the GMM. For insurance contracts measured using the VFA, Discovery has elected to reflect the time value of money in the coverage units using a nominal rate of return.

Contracts measured under the PAA

As permitted in IFRS 17, the Group has elected to apply the premium allocation approach (PAA) to measure a group of insurance contracts issued or reinsurance contracts held if, at the inception of the group:

- The coverage period of each contract in the group of insurance contracts is one year or less, or
- The Group reasonably expects that the PAA would produce a measurement of the LRC for a group of insurance contracts that would not differ materially from the measurement achieved by applying the GMM.

The PAA simplifies the general measurement model. At initial recognition, the insurance contract is measured as:

- The premiums, if any, received at initial recognition
- Minus any insurance acquisition cash flows (applicable only if the group has elected to defer the insurance acquisition cash
- Plus/minus non-acquisition assets or liabilities previously recognised for cash flows related to the group of insurance

Where insurance acquisition cash flows are directly attributable to a group of contracts, the Group allocates costs to that group and the groups that will include renewals of those contracts. The Group expects to recover part of the related insurance acquisition cash flows through renewals of these contracts. The allocation to renewals is based on how the Group expects to recover those cash flows.

At each reporting date, the Group revises the amounts allocated to groups to reflect any changes in assumptions that determine the inputs to the allocation method used. The Group does not revise amounts allocated to a group once all contracts have been

At each reporting date, if facts and circumstances indicate that an asset for insurance acquisition cash flows may be impaired,

- Recognises an impairment loss in profit or loss so that the carrying amount of the asset does not exceed the expected net cash inflow for the related group, and
- If the asset relates to future renewals, the Group recognises an impairment loss in profit or loss to the extent that it expects those insurance acquisition cash flows to exceed the net cash inflow for the expected renewals, and this excess has not already been recognised as an impairment loss.

for the year ended 30 June 2025

SUMMARY OF MATERIAL ACCOUNTING POLICIES continued

INSURANCE CONTRACTS continued

Contracts measured under the PAA continued

The Group reverses any impairment losses in profit or loss and increases the asset's carrying amount to the extent that the impairment conditions have improved.

IFRS 17 permits an accounting policy election on a group-by-group basis:

- Not to adjust the components of the insurance contracts and onerous contracts for the time value of money (i.e. no
- An entity may elect to immediately expense insurance acquisition cash flows when incurred.

Accounting policy elections

For those contracts that apply the PAA, the Group has elected not to reflect the time value of money in the measurement

- LRC: On initial recognition of the contract, the time between the insurance service and the related premium is less than a year
- LIC: The cash flows are expected to be paid or received in less than one year from the date the claim is incurred. In some instances, claims might be disputed. If the claim is expected to be disputed and settlement deferred beyond 12 months, the exception would not apply

The Group has elected to immediately expense insurance acquisition cash flows for the following material portfolios:

- Discovery Insure Discovery Insure has the following portfolios: Personal lines for motor and household, Business insurance, Medical gap, trauma cover and travel insurance
- AfricaHealth portfolios

RISK ADJUSTMENT

Refer to section 12.3.3 for the detailed accounting policy on risk adjustment. For the specified percentages applied, refer to section 12.2.

Reinsurance contracts

Each reinsurance contract is allocated to the applicable group of reinsurance contracts when that contract is initially recognised in line with the requirements of IFRS17. The Group concludes that the reinsurance contract's legal form as a single contract reflects the substance of the Group's contractual rights and obligations.

A group of reinsurance contracts is recognised, as required under IFRS 17, on the following dates.

- Reinsurance contracts initiated by the Group that provide proportionate coverage: The date on which any underlying insurance contract is initially recognised. This applies to the Group's quota share reinsurance contracts
- Other reinsurance contracts initiated by the Group: The beginning of the coverage period of the group of reinsurance contracts. Where the Group recognises an onerous group of underlying insurance contracts on an earlier date, and the related reinsurance contract was entered into before that earlier date, in that case, the group of reinsurance contracts is recognised on that earlier date. This applies to the Group's excess of loss and stop-loss reinsurance contracts
- Reinsurance contracts acquired: The date of acquisition

The Group applies the same accounting policies to measure a group of reinsurance contracts, adapted where necessary to reflect features that differ from those of the underlying insurance contracts. When a loss-recovery component is created for a $group\ of\ reinsurance\ contracts\ measured\ under\ the\ P\Bar{A}, the\ Group\ will\ adjust\ the\ asset's\ carrying\ amount\ for\ remaining\ and\ the\ remaining\ properties of\ the\ re$ coverage instead of adjusting the CSM.

Derecognition and modifications

The Group derecognises a contract when it is extinguished, meaning when the specified obligations in the contract expire or are

The Group also derecognises a contract if its terms are modified in a way that would have changed the accounting for the contract significantly had the new terms always existed, in which case a new contract based on the modified terms is recognised. If a contract modification does not result in derecognition, the Group treats the changes in cash flows caused by the modification as changes in estimates of fulfilment cash flows.

On derecognition of a contract from within a group of contracts not measured under the PAA:

- The fulfilment cash flows allocated to the group are adjusted to eliminate those that relate to the rights and obligations
- The CSM of the group is adjusted for the change in the fulfilment cash flows, except where such changes are allocated to a
- The number of coverage units for the expected remaining services is adjusted to reflect the coverage units derecognised from

If a contract is derecognised because it is transferred to a third party, then the Group adjusts the CSM for the premium charged by the third party unless the group is onerous.

Annexure B - Group accounting policies continued

for the year ended 30 June 2025

SUMMARY OF MATERIAL ACCOUNTING POLICIES continued

INSURANCE CONTRACTS continued

Exceptions Where The Modified Retrospective Approach Was Applied

12.7.1 DISCOVERY INDIVIDUAL LIFE PORTFOLIO

The Group's/ Company's applied the modified retrospective approach for the Discovery Individual Life portfolio by aggregating pre-June 2003 contracts into a single group. Applying the full retrospective approach was impracticable due to the absence of historical models and sufficiently detailed data, particularly for business sold before the June 2002 financial year. These early cohorts are immaterial, as Discovery Life only commenced operations in 2000.

12.7.2 DISCOVERY INVEST PORTFOLIOS

For the Discovery Invest portfolios, the modified retrospective approach was applied by grouping:

- Contracts issued before June 2016 for the discretionary participation features (DRO) portfolio, and
- Contracts issued before June 2012 for the general endowments and unit-linked portfolios

The application of the full retrospective approach on transition was assessed as impracticable for Discovery Invest, due to the unavailability of sufficiently granular data for policies sold prior to June 2012. Discovery Invest began operations in 2007, and detailed data collection practices were still being established during the early years.

INVESTMENT CONTRACTS

Investment contracts transfer financial risk without significant insurance risk. Financial risk refers to the risk of a possible future change in the value of an asset or financial instrument due to a change in interest rate, commodity price, index of prices (e.g. consumer price index and retail price index), foreign exchange rate, or other measurable variables.

The Group issues investment contracts without fixed benefits (e.g. unit-linked investment contracts and structured products) and investment contracts with fixed and guaranteed benefits (e.g. term certain annuity)

Valuation of policyholder liabilities

Investment contracts without fixed benefits are financial liabilities whose fair value is dependent on the fair value of the underlying financial assets and derivatives (unit-linked investment contracts), which are classified at fair value through profit or loss. The Group designates these investment contracts to be measured at fair value through profit or loss because the Group manages and evaluates the performance of the group of financial instruments on a fair value basis. See Accounting Policy 8.1.1 for the financial assets backing these liabilities.

The Group's main valuation techniques incorporate all factors that market participants would consider and are based on observable market data. The fair value of a unit-linked investment contract financial liability is determined using the current unit price that reflects the fair values of the financial assets contained within the Group's unitised investment funds linked to the

The Group determines the fair value of the financial liabilities by multiplying the number of units attributed to each policyholder at the reporting date by the unit price for the same date.

For investment contracts with fixed and guaranteed terms, valuation techniques are used to establish the fair value at inception and at each reporting date. Valuation techniques include discounted cash flow analysis using current market rates of interest and reference to other instruments that are substantially the same.

Premium revenue

All premiums received under investment contracts are recorded as deposits to investment contract liabilities, and claims incurred on investment contracts are recorded as deductions from investment contract liabilities.

Fees on investment contracts

■ The Group recognises service fee income on investment management contracts over time as and when the related performance obligation is satisfied. For service fee income, please refer to accounting policy note 19. Fees on investment contracts are included in fee income from administrative business.

The Group charges regular fees to the customer monthly either directly or by making a deduction from invested funds.

Costs of obtaining contracts

The costs of obtaining contracts represent the contractual customer relationship and the right to receive future investment management fees. Incremental costs directly attributable to securing rights to receive policy fees for services sold with investment contracts are recognised as an asset where they can be identified separately and measured reliably, and it is probable that they will be recovered. An incremental cost is one that would not have been incurred if the Group had not secured the investment contract.

The asset represents the Group's contractual right to benefit from providing asset management services and is amortised over the expected life of the contract as the entity recognises the related revenue.

for the year ended 30 June 2025

SUMMARY OF MATERIAL ACCOUNTING POLICIES continued

BORROWINGS

The Group recognises borrowings initially at fair value, net of transaction costs incurred.

Subsequently, the Group measures borrowings at amortised cost. Any difference between the proceeds and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs against the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment and amortised over the period of the facility to which it relates.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in profit or loss as finance costs using the effective interest method.

INCOME TAXES, DIRECT AND INDIRECT TAXES

15.1 **Current tax**

The Group calculates and measures current tax at the amount expected to be paid to or recovered from the taxation authorities. The Group uses the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

15.2 **Deferred tax**

The Group calculates deferred tax on all temporary differences using the Statement of financial position approach. The Group calculates deferred tax liabilities or assets by applying corporate tax rates that have been substantively enacted to the temporary differences between the tax values of assets and liabilities and their carrying amount, where such temporary differences are expected to result in taxable or deductible amounts in determining taxable income for future periods when the carrying amount of the assets or liabilities are recovered or settled.

The Group recognises deferred tax assets if its directors consider it probable that future taxable income will be available against which the tax losses can be utilised.

Temporary differences arise primarily from the difference between accounting and tax balances arising from:

- Insurance contracts
- Property and equipment
- The effect of accounting for lease liabilities and right-of-use assets
- The revaluation of financial assets and liabilities at fair value through profit or loss
- Provisions for leave pay
- Liabilities for share-based payments, and
- Tax losses carried forward

Deferred tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable income. Deferred tax related to cash flow hedges, which are charged or credited directly to the statement of other comprehensive income, is also credited or charged directly to the Statement of other comprehensive income and is subsequently recognised in profit or loss when the gain

The Group offsets deferred tax assets and liabilities when:

- There is a legally enforceable right to offset current tax assets against current tax liabilities, and
- When the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis

If offsetting does not apply, the Group separately discloses the deferred tax asset and deferred tax liability.

The Group reviews the carrying amount of the deferred tax asset at each reporting date and it is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. The Group reassesses unrecognised deferred tax assets at each reporting date and recognises them to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Direct and indirect taxes

Direct taxes include South African and foreign jurisdiction corporate tax payable and are disclosed as taxation in profit or loss.

Indirect taxes include various other taxes paid to central and local governments, including value-added tax and skills development levies. The Group includes those indirect taxes which it cannot reclaim directly as part of marketing and administration expenses in profit or loss. Alternatively, if the indirect taxes qualify to be capitalised, they are included as part of the cost of property, equipment, or intangible assets.

Interest arising from taxes

The Group recognises interest arising from tax disputes and indirect taxes such as value-added tax as finance costs in the income statement.

Annexure B – Group accounting policies continued

for the year ended 30 June 2025

EMPLOYEE BENEFITS

16.1 Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by

16.2 Post-employment benefits

The Group operates defined contribution schemes, the assets of which are held in separate private trustee-administered funds. The Group pays contributions to these funds on a mandatory basis. These funds are registered in terms of the Pension Funds Act of 1956, and membership is compulsory for all Discovery employees. Qualified actuaries perform annual valuations. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an

16.3 Share-based compensation

The Group operates equity-settled and cash-settled share-based compensation plans.

The Group expenses the fair value of the employee services received in exchange for the grant of the options, over the vesting

The fair value of the options are determined, excluding non-market vesting conditions. The non-market vesting conditions are included in the assumptions of the number of options expected to vest. At each reporting date, the Group revises its estimate of the number of options expected to vest. Any changes to the estimated number of options are recognised in profit or loss immediately.

The Group recognises employee services received in exchange for cash-settled share-based payments at the fair value of the liability incurred and expenses these services over the vesting period of the benefits, as employee costs.

COMPANY ACCOUNTING POLICY:

Two of the schemes that the Group operates, namely the BEE Staff Share Trust and Discovery Long-Term Incentive Plan (LTIP), are both equity-settled share-based payment arrangements in accordance with the requirements of IFRS 2 Sharebased Payments. In these schemes, Discovery Limited grants the awards to the employees within the Discovery Group. The Company classifies the share-based payment transaction according to whether the entity has the obligation to settle.

Under the IFRS Accounting Standards, the Group does not consider any repayment or recharge arrangements in determining the classification of these group share-based payments. Any recharge payments the Group receives from its subsidiaries are treated as a return on capital from the subsidiary. When the recharge made exceeds the charge

Discovery Limited manages the two share trusts. Discovery Limited treats the share trusts set up to facilitate the share-

- their level of seniority and length of past service. The trust will hold shares until the date of vesting of the shares to the
- Discovery LTIP Trust: Participants will receive Discovery Limited shares subject to performance criteria and if the participant is employed on each vesting date. The trust will hold shares until the date of vesting of the shares to the employee. Per the LTIP Trust deed, the LTIP Trust recharges the costs of the shares acquired for the employees to the relevant subsidiary whose employees are awarded the shares

Statement of changes in equity. the subsidiary recognises the related share-based payment expennse. The total value of the services received is calculated with reference to the fair value of the options on grant date.

The fair values of the options are determined excluding non-market vesting conditions. These vesting conditions are included in the assumptions of the number of options expected to vest.

At each reporting date, the Company revises its estimate of the number of options expected to vest. Any changes to the

SUMMARY OF MATERIAL ACCOUNTING POLICIES continued

the employee and the obligation can be estimated reliably.

employee benefit expense when they are due.

EQUITY-SETTLED SHARE-BASED COMPENSATION PLANS

period of the awards, as employee costs, with a corresponding credit to a share-based payment reserve in the Statement of changes in equity. The total value of the services received is calculated with reference to the fair value of the options on the

CASH-SETTLED SHARE-BASED COMPENSATION PLANS

The Group remeasures the liability at each reporting period to its fair value and recognises all changes immediately in profit

recognised in accordance with IFRS 2, the excess is accounted for as dividend income.

- BEE Staff Share Trust: Shares and options to acquire shares have been allocated to senior black employees based on employee or the exercise date of the option
- The Company capitalises to the investment in subsidiary the fair value of employee services received in exchange for the grant of the options, over the vesting period, with a corresponding credit to a share-based payment reserve in the

estimated number of options are recognised in profit or loss immediately.

for the year ended 30 June 2025

SUMMARY OF MATERIAL ACCOUNTING POLICIES continued

EMPLOYEE BENEFITS

Profit share and bonus plan

The Group operates several other profit-sharing and bonus compensation arrangements and recognises these when a constructive obligation has been created by past practice. These are calculated with reference to predetermined formulae.

The Group has other deferred compensation schemes in place where employees are incentivised based on a variable other than the share price of Discovery Limited, such as embedded value, value of in-force and earnings multiples. The Group recognises a liability and the related expense is included in employee costs in profit or loss.

17. OTHER PAYABLES AND PROVISIONS

17.1 Other payables

Other payables consist of VAT payables, premiums and fees received in advance. These are not financial liabilities and are, accordingly, not measured at amortised cost.

The Group measures as management's best estimate of the amount required to settle VAT obligations and the present value of the cash consideration received in advance on premiums and fees.

Provisions

The Group recognises provisions when it has a present legal or constructive obligation of uncertain timing or amount, as a result of past events and it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The Group measures provisions as the present value of management's best estimate of the amount required to settle the obligation at the reporting date. The pre-tax discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as finance costs.

CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient

The Group does not recognise contingent liabilities, but it discloses a contingent liability when:

- It has a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the entity, or
- It has a present obligation that arises from past events but is not recognised because:
- It is not probable that an outflow of resources will be required to settle an obligation, or
- The amount of the obligation cannot be measured with sufficient reliability

19. REVENUE RECOGNITION

A primary source of revenue for the Group arises from the sale of insurance contracts, which are accounted for under IFRS 17 and are excluded from the scope of IFRS 15 Revenue from Contracts with Customers which is applicable to the Group's revenue from administration business, Vitality income and banking fee and commission income.

IFRS 15 requires that once the Group identifies contracts, it identifies the performance obligations in the contract. The Group determines this on the basis of whether the customer can benefit from the promised good or service individually or together with other readily available resources and whether the performance obligation is distinct in the context of the contract. For the Group, most contracts contained a single performance obligation.

The timing of revenue recognition is dependent on whether the Group transfers control over the good or service over time or at a point in time. In determining the appropriate timing for revenue recognition, the Group considers whether the customer benefits as the entity performs. For most revenue types, the Group provides stand-ready services to customers, where customers benefit as the entity's services are consumed. In limited instances where revenue is not recognised over time, the Group recognises revenue at a point in time when control transfers. For revenue the Group recognises over time, the standready service is recognised in a straight line over the term of the contract.

In determining the amount of revenue to recognise, the Group considers any uncertainty created through variable consideration contained in the contract and constrains the recognition of revenue in order to recognise revenue only to the extent that it is highly probably that a significant reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty is resolved. The Group also considers the impact of the timing of receiving payments for revenue transactions and determines whether a significant financing component should be taken into account in the measurement of the transaction price. As the Group's contracts routinely include single performance obligations, there is limited complexity in allocating transaction prices to performance obligations. Payment terms vary across the different revenue types earned by the Group.

Annexure B - Group accounting policies continued

for the year ended 30 June 2025

SUMMARY OF MATERIAL ACCOUNTING POLICIES continued

REVENUE RECOGNITION continued

Where contracts with customers involve a third party, the Group considers whether it is acting as the principal or the agent in the delivery of the promised goods or services to the customer. This assessment is based on whether the Group controls the goods or services before it is transferred to the customer.

For certain contracts with customers, the Group receives income in advance of discharging the related performance obligation. In these instances, the amount is recognised as a contract liability incurred in the acquisition or fulfilment of a contract. The Group considers whether there are costs incurred for the acquisition or fulfilment of a contract. The Group recognises these costs as an asset and amortises the costs over the expected period over which performance obligations under the contract are satisfied. The Group expenses contract costs it incurs which are considered to be of a general and administrative nature and that are not explicitly recovered from the customer, as it incurs the cost.

Where the transaction price included in a contract is payable less than 12 months from the date of satisfying the related performance obligation, the practical expedient is applied in that a significant financing component is not recognised. Similarly, where the costs of obtaining a contract would be amortised over 1 year or less, the costs are not recognised as a separate asset.

For contracts that contain a significant financing component, the discount rate applied reflects a market rate of interest at inception of the contract, consistent with a separate financing transaction between the parties. The rate is determined at contract inception and not reassessed subsequently. Interest income recognised on the financing component is presented as investment income in profit or loss.

	Fee income from administration business	Vitality Income	Banking fee and commission income
Nature of performance obligations	The Group recognises fee income on health administration and managed care services it renders. Fee income is also generated on asset administration and fees earned on the use of intellectual property (such as software-as-aservice). For Discovery Telematic Services fee income is generated from the Vitality Drive device activation. In the respective businesses, the Group considers these as revenue, and most are seen as single performance obligations in the respective legal entities. These revenues are separated by the underlying reported entity in the segment information shown in Section 1. Fees earned on the use of intellectual property (such as software-as-a-service) also include fees earned through the Vitality Network where the Group/ Company identified separate performance obligations relating to services to obtain new business and services to create ongoing value for certain contracts.	Vitality income includes the fee income that Vitality members pay to access the Vitality benefit and various activation fees for activating additional benefits. The performance obligation relates to access to the Vitality rewards programme and partner benefits the Group provides to its members.	Banking fee and commission income include banking service fees for banking services. The performance obligation relates to access to banking and banking services rendered. Commission income relates to the interchange fees Discovery Bank earns on transactions using debit or credit cards. The performance obligation relates to the settlement of transactions via the card network.
When does control pass - Point in time (PIT) vs over time	Performance obligations to provide administration services are considered standready services, the customer obtains control over the service as the entity makes its services available on an "as and when" basis. As a result, the Group recognises revenue over time, as the respective entity makes the services available, based on the passage of time. For fees earned on certain contracts through the Vitality Network, services to obtain new business are recognised at the point in time as this is when the performance condition is satisfied. Revenue relating to services to create ongoing value are recognised over time as improvements in lapse, mortality and morbidity are observed and measured.	Performance obligations to provide access to benefits are considered stand-ready services as the customers obtain benefits over the duration of the contract and when required by the customers. As a result, the Group recognises revenue over time based on the passage of time.	The performance obligation associated with the banking fee and commission income is satisfied over time because the client obtains substantially all of the remaining benefits from the service over the period of the month for which the banking fee was charged.

for the year ended 30 June 2025

SUMMARY OF MATERIAL ACCOUNTING POLICIES continued

19. REVENUE RECOGNITION *continued*

For contracts that contain a significant financing component, the discount rate applied reflects a market rate of interest at inception of the contract, consistent with a separate financing transaction between the parties. The rate is determined at contract inception and not reassessed subsequently. Interest income recognised on the financing component is presented as investment income in profit or loss.

	Fee income from administration business	Vitality Income	Banking fee and commission income
When are amounts payable?	Amounts are billed for health administration and managed care business at the end of the respective month, with amounts paid within 30 days. For fees on asset administration business, the Group disinvests amounts for the units held at the end of the related month. Certain fees, such as advisor fees, are received upfront but are deferred as a contract liability over the expected term of the entity's performance.	The Group bills the amounts either monthly, payable within 30 days, or billed on activation of the benefit, payable immediately.	Banking fees are charged monthly, and payment is immediate. Interchange income is charged at the point of payment and settled daily in batch format.
Variable consideration and estimates	There is no potential for amounts of revenue to vary relating to discounts or rebates on the health administration business. For the asset administration business, fees are determined based on assets under management at a point in time. There are no benchmark performance-based fees. The nature of the integrated products that the Group sells related to the investment business allows for fee discounts and rebates to be determined based on client behaviour. For fees earned on certain contracts through the Vitality Network, the transaction price includes fixed and variable components. Revenue is estimated and recognised in line with the constraint on variable consideration, only to the extent that it is highly probable that there will not be a significant reversal of revenue already recognised once the uncertainty is resolved. The fee discounts and rebates are determined according to a fixed methodology incorporating policyholder specific information including Vitality status. The Group has experience in estimating these amounts, which are based on a limited number of outcomes.	There are no adjustments to the transaction price as a result of any variable consideration. There is no significant financing component.	There are no adjustments to the transaction price as a result of any variable consideration. There is no significant financing component.
Costs to capitalise	Where costs are incurred directly to secure a new health administration customer, and the contract is expected to exceed 12 months, the Group capitalises and amortises costs over the expected term of contract. Costs are routinely incurred on the asset administration business related to commission and other incremental costs of entering into the contract. The Group capitalises and recognises these over the expected duration of the customer relationship. The Group tests these assets for impairment to the extent that the carrying amount of the asset exceeds the expected remaining net cash inflows from the customer contract.	In respect of the Apple Watch benefit, the Group incurs costs upfront to purchase the device and provide it to the customer. These costs are deferred and recognised over the two-year term of the benefit.	Discovery Bank incurs direct costs attributable to card production, delivery costs, and commission fees. The incremental costs of obtaining the contracts and cost to fulfil contracts are capitalised. Discovery Bank amortises these costs over the expected life of the contract.

The Group presents any unconditional rights to consideration separately as a receivable. The Group assesses a contract asset for impairment in accordance with IFRS 9. An impairment of a contract asset is measured, presented and disclosed on the same basis as a financial asset that is within the scope of IFRS 9. Any impairment losses the Group recognises on any receivables or contract assets arising from its contracts with customers are disclosed separately from impairment losses from other contracts.

Costs of obtaining contracts

The Group defers and recognises as an asset arising from its contracts with customers in the Statement of financial position the incremental costs of acquiring new contracts, which are expected to be recovered out of future revenue margins as an expense over the period in which the related performance obligations are satisfied.

Annexure B - Group accounting policies continued

for the year ended 30 June 2025

SUMMARY OF MATERIAL ACCOUNTING POLICIES continued

20. OTHER NON-REVENUE INCOME

20.1 Investment income

Investment income comprises dividends as well as the interest the Group receives from assets held at amortised cost and cash and cash equivalents.

The Group recognises dividends when its right-to-receive payment is established. This is on the "last day to trade" for listed shares and on the "date of declaration" for unlisted shares. Dividend income includes scrip dividends, irrespective of whether there is an option to receive cash instead of shares.

The Group has elected to classify the cash flows arising from dividends received as investing activities as the dividends received are returns on investments.

Interest is accounted for on an accrual basis using the effective interest method.

20.2 Net fair value gains/(losses) on financial assets at fair value through profit or loss

Net fair value gains/(losses) on financial assets at fair value through profit or loss include gains and losses arising from interest, dividends and net realised and unrealised gains or losses on financial assets held at fair value through profit or loss.

The Group has elected to present the entire fair value gains and losses; interest, dividends and the net realised and unrealised gains or losses on a net basis as a single amount.

Identification of a lease

At the inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IERS 16 Leases

Contracts where the service provider has a substantive right to substitute the asset for an alternative asset during the lease term is not regarded as a lease, but instead a service contract. Accordingly, the Group does not account for these contracts under IFRS 16. For the Group, such contracts include items such as vending machines.

21.1 As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each component on the basis of its relative stand-alone prices. However, for property leases, the Group has elected not to separate non-lease components and accounts for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The Group presents right-of-use assets in 'Property and equipment' and lease liabilities in 'Borrowings at amortised cost' in the Statement of financial position.

The Group leases the following assets with a range of lease terms:

Qualitative	Subsequent measurement
Large offices	5 – 15 years
Small offices/Franchise offices (SA only)	1 – 3 years
Computer equipment (e.g. servers) (SA only)	3 – 4 years
Motor vehicles (UK only)	3 years

for the year ended 30 June 2025

SUMMARY OF MATERIAL ACCOUNTING POLICIES continued

21. LEASES *continued*

21.1 As a lessee *continued*

MEASUREMENT

LEASE LIABILITY

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. The incremental borrowing rates were calculated for each legal entity within the Group that entered into lease arrangements. The incremental borrowing rate considers a base interest rate reflective of the jurisdiction in which the legal entity operates (South Africa, United Kingdom and United States of America), the term of the lease arrangement and the nature of the assets.

Lease payments the Group includes in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- Amounts expected to be payable under a residual value guarantee, and
- The exercise price under a purchase option that Discovery is reasonably certain to exercise, lease payments in an optional renewal period if Discovery is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless Discovery is reasonably certain not to terminate early

Variable lease payments that do not depend on an index or a rate are not included in the measurement of the lease liability or right-of-use (ROU) asset at initial recognition. The Group recognises these variable lease expenses as an expense in profit or loss in the period in which the event or condition that triggers the payment occurs.

Extension or termination options are included in a number of the building leases across Discovery. These terms are used to maximise operational flexibility in terms of managing contracts. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. The Group considers extension options (for periods after termination options) in the lease term when there is reasonable certainty that those options will be exercised.

The Group measures the lease liability at amortised cost using the effective interest method. The Group remeasures the liability when there is a change in future lease payments arising from a change in an index or rate, if there is a change in its estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the Group remeasures the lease liability in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

IGHT-OF-USE ASSET

The Group initially measures the right-of-use asset at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset, less any lease incentives received. The Group receives incentives such as reimbursements for installations or rent-free periods.

The Group subsequently depreciates the right-of-use asset using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option.

In that case, the Group depreciates the right-of-use asset over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

SHORT-TERM LEASES AND LOW VALUE ITEMS

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases of low-value assets relate to those categories of assets which, at the inception of the lease, typically have a value, if bought new, of no more than approximately R70 000. For the Group, these categories include computer equipment such as desktops, laptops, monitors and related IT peripherals.

Short-term leases are those leases with a lease term of less than 12 months.

Annexure B - Group accounting policies continued

for the year ended 30 June 2025

SUMMARY OF MATERIAL ACCOUNTING POLICIES continued

21. LEASES continued

21.2 As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each component on the basis of their relative standalone prices.

CLASSIFICATIO

To classify the lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers indicators such as whether the lease is for a major part of the economic life of the asset, the specialised nature of the asset and the present value of lease payments.

The Group leases out portions of its leased property in the form of subleases. The Group has classified these leases as operating leases.

MEASUREMENT

As the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying leased asset.

If an arrangement contains lease and non-lease components, the Group applies IFRS 15 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'Other income'.

22. MARKETING AND ADMINISTRATION EXPENSES

Marketing and administration expenses include marketing and development expenditures, all other non-acquisition-related expenditures, and benefits paid under the Vitality programme. These costs are expensed in profit or loss as incurred.

23. INTEREST EXPENSE ON BORROWINGS AND LEASE LIABILITIES

Interest expenses (net of investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets) directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. The Group recognises all other interest as an expense in profit or loss on an accrual basis using the effective interest method.

In addition, interest expense includes any reclassified gains or losses from other comprehensive income arising from cash flow hedges of interest rates, amortisation of financing-related fees such as loan commitment fees and letter of credit fees, and modification gains and losses on borrowings.

24. DIVIDEND DISTRIBUTION

Dividend distribution to the Group's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved.

25. NORMALISED HEADLINE EARNINGS

The Group assesses its performance using normalised headline earnings, an alternative profit measure not under the IFRS Accounting Standards, alongside its IFRS Accounting Standards profit measures. Management considers that Normalised Headline Earnings Per Share (NHEPS) is an appropriate alternative performance measure to enhance the comparability and understanding of the financial performance of the Group.

Measures not in terms of IFRS Accounting Standards are not uniformly defined or used by all entities and may not be comparable with similarly labelled measures and disclosures provided by other entities.

The Group calculates headline earnings in accordance with the latest SAICA circular 'Headline Earnings'. NHEPS is calculated by starting with headline earnings and adjusted to exclude material items that are not considered to be part of the Group's normal operations as follows:

- Once-off transactions eg, restructuring costs, transaction costs related to interest rate derivatives and initial deferred tax assets raised on previously unrecognised assessed losses
- Unusual items the Group considers items to be unusual when they have limited predictive value, or it is reasonable that items of a similar nature would not necessarily arise for several future reporting periods
- Income or expenses not considered to be part of the Group's normal operations for example, amortisation of intangibles from business combinations and fair value gains or losses on foreign exchange contracts not designated as hedges

for the year ended 30 June 2025

SUMMARY OF MATERIAL ACCOUNTING POLICIES continued

NORMALISED HEADLINE EARNINGS

Management is responsible for the calculation of NHEPS and determining the inclusions and exclusions in accordance with the policy. The Discovery Limited Audit Committee reviews the normalised headline earnings for transparency and consistency.

The following adjustments may be made in the determination of NHEPS:

Adjustment	Explanation
Fair value (gains)/losses on foreign exchange contracts not designated as a hedge	The adjustment reflects fair value gains or losses on foreign exchange contracts entered in anticipation of future capital injections in foreign operations. These derivative instruments are not designated as a hedge and as a result, the fair value adjustments are recognised in profit or loss.
	The fair value adjustments of these derivative instruments can result in volatility in profit or loss and is therefore excluded in assessing the normal business operations of the Group as it relates specifically to a future once-off transaction.
Amortisation of intangibles from business combinations	The adjustment reflects the amortisation of intangible assets which arose from the purchase of various subsidiaries and associates within the Group and were recognised in accordance with IFRS 3 Business Combinations.
	Intangible assets recognised from business combinations provide little predictive value of the earnings from the business, as these assets will not be reacquired, renewed, or replaced once depleted. Discovery also infrequently acquires businesses. The amortisation of these assets is therefore excluded in assessing the normal business operations of the Group.
Deferred tax assets raised on assessed losses	The adjustment reflects the initial recognition of deferred tax assets in respect of assessed losses in prior financial periods, after evaluating that there is future taxable income that will arise in the respective business.
	The initial recognition of this deferred tax asset results in a once-off income recognised in profit or loss. It provides no predictive value in assessing the normal business operations of the Group.

Annexure B – Group accounting policies continued

for the year ended 30 June 2025

SUMMARY OF MATERIAL ACCOUNTING POLICIES continued

NORMALISED HEADLINE EARNINGS continued

Adjustment	Explanation
Changes in tax balances as a result of use of different tax rates	The adjustments reflect the changes in current and deferred tax balances resulting from the use of different tax rates that related to items that were excluded from normalised headline earnings in the current or prior periods.
Restructuring Costs	The adjustment reflects restructuring costs which are once-off costs incurred to restructure specified business areas.
	These transaction costs are infrequent and therefore excluded in assessing the normal business operations of the Group.
Gain on disposal of intangible assets – Vitality Group International	The adjustments include those gains on disposal of intangible assets, eg in the AmplifyHealth deal, where Vitality Group International monetised a specified regional right to an initial component of its intellectual property rights via sale as opposed to a licensing arrangement.
	These gains are not considered part of normal operations for assessing the normal business operations of the Group.

NON-CURRENT ASSETS HELD FOR SALE

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a prorata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once the Group classifies a non-current asset as held-for-sale, intangible assets, property, and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity-accounted. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised. Non-current assets and liabilities classified as held for sale are presented separately from the other assets and liabilities in the balance sheet.

Annexure C - Directorate

REMUNERATION AND FEES

Payment to directors and prescribed officers for the year ended 30 June 2025 for services rendered are set out in the table below. It should be noted that these payments reflect cash payments made to directors and prescribed officers during the financial year and therefore all variable pay components are reflective of performance measurements relating to previous periods. The variable pay components relating to the current year under review are physically paid in the following financial year and are analysed in detail in the Group's annual remuneration report and are more reflective of the performance of the period under review.

Payments to directors and prescribed officers for the year ended 30 June 2025 for services rendered are as follows:

R'000	Services as directors	Basic salary	Perfor- mance bonus	LTIP ¹	Provident fund contributions	Other benefits ²	Total
Executive							
A Gore	_	9 346	10 623	10 984	922	422	32 297
B Swartzberg	_	6 770	8 529	10 379	701	416	26 795
DM Viljoen	_	7 154	8 757	7 046	1 132	395	24 484
Prescribed officer							
HD Kallner	-	8 914	24 294	16 525	434	233	50 400
NS Koopowitz ³	-	27 201	21 472	39 673	235	631	89 212
Sub-total	-	59 385	73 675	84 607	3 424	2 097	223 188
Non-executive							
ME Tucker ⁴	8 655	-	-	_	-	52	8 707
R Farber ⁵	4 045	-	-	_	-	4 178	8 223
LM Chiume	1 453	-	-	-	-	_	1 453
MW Hlahla	1 729	-	-	-	-	_	1 729
FN Khanyile	2 511	-	-	-	-	-	2 511
D Macready	2 570	-	-	_	-	-	2 570
TT Mboweni ⁶	495	-	-	-	-	_	495
KC Ramon	1 666	-	-	-	-	_	1 666
M Schreuder	2 775	-	-	-	-	_	2 775
B van Kralingen ⁷	2 324	-	-	-	-	103	2 427
Sub-total	28 223	-	_	-	-	4 333	32 556
Total	28 223	59 385	73 675	84 607	3 424	6 430	255 744
Less: paid by subsidiaries	(28 223)	(59 385)	(73 675)	(84 607)	(3 424)	(6 430)	(255 744)
Paid by holding company	-	_	_	_	_	-	-

- 1 "LTIP" comprises cash-settled and equity-settled incentives.
- 2 "Other benefits" comprise medical aid contributions, travel, other allowances and fees from group subsidiaries.
 3 Salary and incentive are paid in GBP.
- 4 Director's fees for services rendered are paid in GBP.
- 5 Director's fees for services and fees for other consulting services rendered by R Farber were paid in AUD. Director's fees for consulting services are included as part of other
- 6 Mr TT Mboweni passed away on 12 October 2024.
 7 Director's fees for services rendered are paid in USD.

Annexure C - Directorate continued

REMUNERATION AND FEES continued

Payment to directors and prescribed officers for the year ended 30 June 2024 for services rendered are set out in the table below. It should be noted that these payments reflect cash payments made to directors and prescribed officers during the financial year and therefore all variable pay components are reflective of performance measurements relating to previous periods. The variable pay components relating to the current year under review are physically paid in the following financial year and are analysed in detail in the Group's annual remuneration report and are more reflective of the performance of the period under review.

Payments to directors and prescribed officers for the year ended 30 June 2024 for services rendered are as follows

			Perfor-		Provident		
R'000	Services as directors	Basic salary	mance bonus	LTIP ¹	fund contri- butions	Other benefits ²	Total
	as un ectors	Dasic salary	bonus	LIII	buttoris	Derients	Total
Executive							
A Gore	-	8 436	9 151	11 363	1 264	489	30 703
B Swartzberg	-	5 860	12 151	3 503	621	347	22 482
DM Viljoen	-	6 838	7 103	7 950	1 078	352	23 321
Prescribed officer							
HD Kallner ³	-	8 197	22 743	18 399	410	298	50 047
NS Koopowitz ⁴	-	24 202	47 989	5 633	236	620	78 680
Sub-total	-	53 533	99 137	46 848	3 609	2 106	205 233
Non-executive							
ME Tucker ⁵	8 350	_	_	-	_	53	8 403
R Farber ⁶	3 791	-	-	-	-	4 268	8 059
LM Chiume ⁹	912	_	_	-	_	-	912
MW Hlahla	1 647	-	-	-	-	-	1 647
FN Khanyile	2 131	-	-	-	-	-	2 131
D Macready	2 441	-	-	-	-	-	2 441
Dr TV Maphai ⁷	635	-	-	-	-	-	635
TT Mboweni	1 724	-	-	-	-	-	1 724
KC Ramon ⁹	1 165	-	-	-	-	-	1 165
M Schreuder	2 618	-	-	-	-	-	2 618
B van Kralingen ⁸	2 354	-	-	-	-	108	2 462
SV Zilwa ⁷	1 821	-	-	-	-	-	1 821
Sub-total	29 589	_	_	_	-	4 429	34 018
Total	29 589	53 533	99 137	46 848	3 609	6 535	239 251
Less: paid by subsidiaries	(29 589)	(53 533)	(99 137)	(46 848)	(3 609)	(6 535)	(239 251)
Paid by holding company	-	_	_	_	_	-	_

- "LTIP" comprises cash-settled and equity-settled incentives.
 "Other benefits" comprise medical aid contributions, travel, other allowances and fees from group subsidiaries.
 Transitioned from Group Executive Director to Prescribed Officer with effect from 1 March 2023. The remuneration presented above is for the full financial year.
- 4 Salary and incentive are paid in GBP. Transitioned from Group Executive Director to Prescribed Officer with effect from 1 March 2023.
- 5 Director's fees for services rendered are paid in GBP.
- 6 Director's fees for services and fees for other consulting services rendered by R Farber were paid in AUD. Director's fees for consulting services are included as part of other
- 7 Retired as Non-executive Directors effective 16 November 2023.
- 8 Director's fees for services rendered are paid in USD.
 9 Appointed as Non-executive Directors effective 18 September 2023.

Annexure C - Directorate continued

DIRECTORS' PARTICIPATION IN LONG-TERM INCENTIVE SCHEMES

Discovery's directors and prescribed officers participate in the various long-term incentive schemes offered by the Group and their participation is disclosed below. Refer to Group section 4.5 for a detailed description of the various schemes offered.

DISCOVERY LIMITED PHANTOM SHARE SCHEME

Directors and prescribed officers participation as at 30 June 2025:

Directors and prescribed officers	Outstanding shares	Date granted	Final vesting date	Value at 30 June 2025 R
B Swartzberg	8 075	30/11/2022	30/09/2027	1 734 510
	38 136	20/05/2024	30/09/2026	8 191 613

DISCOVERY LIMITED LONG-TERM INCENTIVE PLAN

Directors and prescribed officers participation as at 30 June 2025:

Directors and prescribed officers	Outstanding shares	Date granted	Final vesting date	Value at 30 June 2025 R
A Gore	23 236	23/10/2020	30/09/2025	4 991 093
	45 858	20/10/2021	30/09/2026	9 850 298
HD Kallner	15 584	23/10/2020	30/09/2025	3 347 443
	30 757	20/10/2021	30/09/2026	6 606 604
B Swartzberg	7 792	23/10/2020	30/09/2025	1 673 722
	15 379	20/10/2021	30/09/2026	3 303 409
	16 017	30/11/2023	30/09/2028	3 440 452
	46 799	30/11/2024	30/09/2029	10 052 425
DM Viljoen	14 702	23/10/2020	30/09/2025	3 157 990
	30 132	20/10/2021	30/09/2026	6 472 354

THE VITALITYHEALTH AND VITALITYLIFE PHANTOM SHARE SCHEMES

Directors and prescribed officers participation as at 30 June 2025:

Directors and prescribed officers	Outstanding shares		Date granted	Exercise price GBP	Final vesting date	Value at 30 June 2025 GBP
NS Koopowitz		25 216	01/10/2023	-	30/09/2026	1 312 498
		18 247	01/10/2024	_	30/09/2027	949 756

DIRECTORS' PARTICIPATION IN SINGLE INCENTIVE PLAN

DISCOVERY LIMITED SINGLE INCENTIVE PLAN

Directors and prescribed officers participation as at 30 June 2025:

Directors and prescribed officers	Outstanding shares	Date granted	Final vesting date	Value at 30 June 2025 R
A Gore	92 223	30/11/2022	30/09/2027	19 809 500
	64 244	30/11/2023	30/09/2028	13 799 611
	61 760	30/11/2024	30/09/2029	13 266 048
HD Kallner	67 823	30/11/2022	30/09/2027	14 568 380
	106 440	30/11/2023	30/09/2026	22 863 312
	141 234	30/11/2024	30/09/2027	30 337 063
B Swartzberg	67 999	30/11/2022	30/09/2027	14 606 185
	46 453	30/11/2023	30/09/2028	9 978 104
	44 153	30/11/2024	30/09/2029	9 484 064
DM Viljoen	61 054	30/11/2022	30/09/2027	13 114 399
	49 864	30/11/2023	30/09/2028	10 710 787
	50 910	30/11/2024	30/09/2029	10 935 468

Annexure C - Directorate continued

DIRECTORS' INTEREST IN SHARES

According to the Register of Directors' Interests, maintained by Discovery in accordance with the provisions of section 30(4)(d) of the Companies Act, directors and prescribed officers of Discovery have disclosed the following interest in the ordinary shares of the Company at 30 June 2025.

Directors and prescribed officers	Direct beneficial	Indirect beneficial	Total	Indirect beneficial- Unvested shares	Total 2025
30 June 2025					
Executive					
A Gore ¹	31 372	45 278 935	45 310 307	287 321	45 597 628
B Swartzberg ²	3 146 461	18 035 115	21 181 576	244 592	21 426 168
DM Viljoen	100 745	-	100 745	206 662	307 407
Prescribed officer					
HD Kallner ³	100 398	-	100 398	361 838	462 236
NS Koopowitz	-	600 037	600 037	-	600 037
Non-executive					
R Farber	45 000	-	45 000	-	45 000
FN Khanyile	1 300	-	1 300	-	1 300
KC Ramon	1 326	4 529	5 855	-	5 855
Total	3 426 602	63 918 616	67 345 218	1 100 413	68 445 631
30 June 2024					
Executive					
A Gore ¹	31 372	48 311 559	48 342 931	290 825	48 633 756
B Swartzberg ²	3 146 461	22 635 115	25 781 576	172 964	25 954 540
DM Viljoen	80 273	-	80 273	197 604	277 877
Prescribed officer					
HD Kallner ³	100 398	-	100 398	317 595	417 993
NS Koopowitz	-	775 037	775 037	-	775 037
Non-executive					
R Farber	52 500	-	52 500	-	52 500
FN Khanyile	1 300	-	1 300	-	1 300
KC Ramon	1 326	4 529	5 855	-	5 855
Total	3 413 630	71 726 240	75 139 870	978 988	76 118 858

- 1 Includes 41 300 000 (2024: 41 300 000) ordinary shares which are subject to security.
- 2 Includes 6 000 000 (2024: 11 500 000) ordinary shares which are subject to security.
- 3 Includes 100 000 (2024: Nil) ordinary shares which are subject to security.

There has been no change in the directors' interests in Discovery Limited's shares between 30 June 2025 and the date of publication of this annual report.

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Annexure D – Unaudited analysis of shareholders at 30 June 2025

ORDINARY SHAREHOLDERS

	Number of shareholders	% of total shareholders	Number of shares	% of issued capital
Shareholder spread				
1 – 1 000 shares	36 667	86.53	5 153 356	0.76
1 001 – 10 000 shares	4 151	9.80	11 710 069	1.72
10 001 – 100 000 shares	1 084	2.56	35 287 016	5.19
100 001 – 1 000 000 shares	382	0.90	119 409 250	17.57
1 000 001 shares and over	92	0.21	508 121 150	74.76
	42 376	100.00	679 680 841	100.00
Public/non-public shareholders				
Non-public shareholders	23	0.05	170 997 165	25.16
 Directors of the Company, including their associates¹ 	9	0.02	68 445 631	10.07
 Employee share trusts² 	2	_	10 600 039	1.56
- Own holdings	1	_	680 268	0.10
 Key management personnel and trustees of share schemes¹ 	10	0.03	1 320 969	0.19
 Strategic holdings (more than 10%) 	1	_	89 950 258	13.24
Public shareholders	42 353	99.95	508 683 676	74.84
	42 376	100.00	679 680 841	100.00

Includes shares held by directors and prescribed officers in share trusts.

² Excludes shares held by directors and prescribed officers in share trusts.

	Number of shares	%
Beneficial shareholders' holding of 5% or more		
Government Employees Pension Fund (including shares managed by Public Investment Corporation)	89 950 258	13.24
Remgro Limited	51 254 365	7.54
Adrian Gore ¹	45 597 628	6.71
	186 802 251	27.49

¹ Includes shares held in share trusts.

B PREFERENCE SHAREHOLDERS

	Number of shareholders	% of total shareholders	Number of shares	% of issued capital
Shareholder spread				
1 – 1 000 shares	2 810	76.92	292 727	3.66
1 001 – 10 000 shares	713	19.52	2 156 691	26.96
10 001 – 100 000 shares	119	3.26	2 803 966	35.05
100 001 – 1 000 000 shares	11	0.30	2 746 616	34.33
	3 653	100.00	8 000 000	100.00
Public/non-public shareholders				
Public shareholders	3 653	100.00	8 000 000	100.00

	Number of shares	%
Beneficial shareholders' holding of 5% or more		
PSG Diversified Income Fund	715 555	8.94
OUTsurance Insurance Company Ltd	500 000	6.25
Amplify SCI Wealth Protector Fund	408 206	5.10
	1 623 761	20.29

Annexure E - Embedded value statement

Independent auditors' report on the review of the Embedded Value Statement of Discovery Limited and its subsidiaries

TO THE DIRECTORS OF DISCOVERY LIMITED

INTRODUCTION

We have reviewed the Embedded Value Statement of Discovery Limited and its subsidiaries (together "the Discovery Group") for the year ended 30 June 2025 (the Report). The Report is prepared for the purpose of determining the embedded value and performance of the Discovery Group. The directors of Discovery Limited are responsible for the preparation and presentation of the Report in accordance with the embedded value basis set out in the Basis of Preparation section of the Report as set out in Table 8, and for determining that the basis of preparation is acceptable in the circumstances. Our responsibility is to express a conclusion on this Report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410: *Review of Interim Financial Information Performed by the Independent Auditor of the Entity.* A review of financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the Report is not prepared, in all material respects, in accordance with the embedded value basis set out in Table 8 of the Basis of Preparation section of the Report.

BASIS OF ACCOUNTING AND RESTRICTION ON USE

Without modifying our conclusion, we draw attention to the Basis of Preparation section of the Report as set out in Table 8, which describes the basis of accounting. The Report is prepared for the purpose of determining the embedded value and performance of the Discovery Group. As a result, the Report may not be suitable for another purpose. Our report is intended solely for the directors of Discovery Limited and should not be used by any other parties. We agree to the publication of our report in the Discovery Annual Financial Statements for the year ended 30 June 2025, provided it is clearly understood by the recipients of the Discovery Annual Financial Statements for the year ended 30 June 2025 that they enjoy such receipt for information only and that we accept no duty of care to them in respect of our report.

KPMG Inc.

Registered Auditor

Per: Mark Danckwerts Chartered Accountant (SA) Registered Auditor Director

85 Empire Road Parktown 2193

South Africa

10 September 2025

Deloitte & Touche

Registered Auditors

Per: Stephen Munro Chartered Accountant (SA) Registered Auditor Partner

5 Magwa Crescent Waterfall City 2090 South Africa

10 September 2025

for the year ended 30 June 2025

The embedded value of the Discovery Group consists of the following components:

- the adjusted net worth attributed to the business at the valuation date;
- plus: the present value of expected future shareholder cash flows from the in-force covered business;
- less: the cost of required capital.

The present value of expected future shareholder cash flows from the in-force covered business is calculated as the value of projected future after-tax shareholder cash flows of the business in-force at the valuation date, discounted at the risk discount rate.

The required capital are the assets attributed to the covered business above the amount required to back covered business liabilities, whose distribution to shareholders is restricted as they are allocated to cover regulatory and internal capital requirements.

The value of new business is the present value, at the point of sale, of the projected future after-tax shareholder cash flows of the new business written by the Discovery Group, discounted at the risk discount rate, less an allowance for the reserving strain, initial expenses and cost of required capital. The value of new business is calculated using the current reporting date assumptions.

The embedded value includes the insurance and administration profits of the covered business in the Discovery Group. Covered business includes business written in South Africa through Discovery Life ("Life"), Discovery Invest ("Invest"), Discovery Health ("Health") and Discovery Vitality ("Vitality"), and in the United Kingdom through VitalityLife and VitalityHealth. For Vitality Group, Ping An Health Insurance, Discovery Insure, Discovery Bank and Umbrella Funds, no published value has been placed on the current in-force business.

In August 2011, the Discovery Group raised R800 million through the issue of non-cumulative, non-participating, non-convertible preference shares. For embedded value purposes this capital, net of share issue expenses, has been excluded from the adjusted net worth.

Annexure E - Embedded value statement continued

for the year ended 30 June 2025

TABLE 1: GROUP EMBEDDED VALUE

R millions	30 June	30 June	%
	2025	2024 ¹	change
Shareholders' funds Adjustment to shareholders' funds from published basis ²	65 699	54 451	21
	(40 660)	(35 163)	16
Adjusted net worth ³	25 039	19 288	30
Value of in-force covered business before cost of required capital	104 812	94 258	11
Cost of required capital	(3 297)	(3 192)	3
Discovery Group embedded value	126 554	110 354	15
Number of shares (millions) Embedded value per share Diluted number of shares (millions) Diluted embedded value per share ⁴	666.6 189.85 668.7 189.25	661.0 166.95 665.0 165.94	14

^{1 &}quot;Shareholders' funds" and "Adjustments to shareholders' funds from published basis" have been restated as a result of prior period errors – refer to note 7.5 for more detail. The restatements do not affect the Group Embedded Value at 30 June 2024 as they relate to Life net assets under insurance contracts, which are eliminated on a consolidated embedded value basis.

² A breakdown of the adjustment to shareholders' funds is shown in the table below. Note that where relevant, adjustments have been converted using the closing exchange rate of R24.34/GBP (June 2024: R23.07/GBP).

R millions	30 June 2025	30 June 2024
Life net assets under insurance contracts	(21 333)	(16 597)
Vitality Life Limited net assets under insurance contracts	(11 663)	(11 314)
VitalityHealth Insurance Acquisition Cash Flow (IACF) Asset	(5 120)	(4 351)
VitalityLife receivable relating to the Unemployment Cover benefit (net of deferred tax)	(7)	(8)
Goodwill relating to the acquisition of Standard Life Healthcare and the PAC joint venture	(3 012)	(2 855)
Intangible assets (net of deferred tax) in covered businesses	(813)	(803)
Net preference share capital	(779)	(779)
Reversal of 1 Discovery Place IFRS 16 financial lease accounting	1 550	1 462
Equity settled share based payment mark-to-market adjustment*	517	82
	(40 660)	(35 163)

^{*} The "equity settled share based payment mark-to-market adjustment" reflects the difference between the provision in the IFRS equity and the mark-to-market value of the equity settled share based payments.

for the year ended 30 June 2025

3 The following table sets out the capital position of the covered businesses with the required capital on a consistent basis to that used in the embedded value:

R millions	2025	2024
Shareholders' funds Adjustment to shareholders' funds	65 699 (40 660)	54 451 (35 163)
Adjusted net worth Excess of available capital over adjusted net worth	25 039 52 419	19 288 48 318
Available capital Required capital	77 458 48 446	67 606 44 610
Excess available capital	29 012	22 996

The excess of available capital over adjusted net worth reflects the difference between the adjusted net worth for embedded value purposes and the available capital on a statutory solvency basis for covered business. This includes:

- The net preference share capital of R779 million which is included as available capital.
- The difference between Vitality Life Limited's Solvency UK Pillar 1 Own Funds and its adjusted net worth.
- The difference between Life's Pillar 1 Own Funds and its adjusted net worth.

The following table sets out the required capital for each of the covered businesses:

R millions	30 June 2025	30 June 2024
Health and Vitality	1 286	1 238
Life and Invest	29 349	27 935
VitalityHealth	4 761	4 138
VitalityLife	13 050	11 299
Total Required Capital	48 446	44 610

- For Health and Vitality, the required capital was set equal to two times the monthly renewal expense and Vitality benefit cost.
- For Life and Invest, the required capital was set equal to 1.25 times the SAM Pillar 1 Solvency Capital Requirement.
- For VitalityHealth, the required capital was set equal to 1.55 times the Solvency UK Pillar 1 Solvency Capital Requirement.
- For VitalityLife, the required capital was set equal to 1.4 times the Solvency UK Pillar 1 Solvency Capital Requirement.
- 4 The diluted embedded value per share adjusts for the effect of vested treasury shares, share options exercised, and vesting of share awards where the impact is dilutive. This adjustment has been aligned to the diluted number of shares shown elsewhere in the financial statements.

Annexure E – Embedded value statement continued

for the year ended 30 June 2025

TABLE 2: VALUE OF IN-FORCE COVERED BUSINESS

R millions	cost of required capital	Cost of required capital	cost of required capital
At 30 June 2025			
Health and Vitality	27 972	(525)	27 447
Life and Invest ¹	42 869	(1 614)	41 255
VitalityHealth ²	18 395	(526)	17 869
VitalityLife ²	15 576	(632)	14 944
Total	104 812	(3 297)	101 515
At 30 June 2024			
Health and Vitality	27 441	(527)	26 914
Life and Invest ¹	37 570	(1 757)	35 813
VitalityHealth ²	14 353	(449)	13 904
VitalityLife ²	14 894	(459)	14 435
Total	94 258	(3 192)	91 066

¹ Included in the Life and Invest value of in-force covered business is R2 849 million (June 2024; R2 318 million) in respect of investment management services provided on

TABLE 3: GROUP EMBEDDED VALUE EARNINGS

		Year ended		
R millions	30 June 2025	30 June 2024		
Embedded value at end of period Less: embedded value at beginning of period	126 554 (110 354)	110 354 (98 176)		
Increase in embedded value	16 200	12 178		
Dividends paid	1 707	1 269		
Employee share option schemes	(721)	(683)		
Net change in capital	23	131		
Transfer to hedging reserve	104	61		
Acquisition of subsidiaries with non-controlling interest	(1)	(6)		
IFRS 17 impact on non-covered businesses ¹	-	(2)		
Embedded value earnings	17 312	12 948		
Annualised return on opening embedded value	15.7%	13.2%		

¹ In respect of 30 June 2024, the opening embedded value for that period (30 June 2023) was not restated for the transition to IFRS 17. This item represents the difference between IFRS 4 and IFRS 17 equity on non-covered business, such as Discovery Insure and Ping An Health Insurance, and an opening IFRS balance sheet restatement as a result of prior period errors. These impacts were not included in the embedded value earnings for 30 June 2024 and so a minor adjustment was required to reconcile the change from the embedded value at the beginning of the period.

off balance sheet investment business. The net assets of the investment service provider are included in the adjusted net worth.

The value of in-force has been converted using the closing exchange rate of R24.34/GBP (June 2024: R23.07/GBP).

for the year ended 30 June 2025

TABLE 4: COMPONENTS OF GROUP EMBEDDED VALUE EARNINGS

		Year ended 30 June 2025			Year ended 30 June 2024
R millions	Net worth	Cost of required capital	Value of in- force covered business	Embedded value	Embedded value
Total profit from new business (at point of sale)	(6 609)	(300)	9 063	2 154	1 832
Profit from existing business					
- Expected return	8 856	(25)	2 047	10 878	10 340
 Change in methodology and assumptions¹ 	4 169	162	(4 735)	(404)	2 385
 Experience variances 	331	113	2 461	2 905	564
Impairment, amortisation and fair value adjustment ²	(62)	-	-	(62)	(60)
Increase in goodwill and intangibles	(382)	-	-	(382)	(308)
Non-covered businesses ³	2 537	-	-	2 537	1 088
Non-recurring expenses	(355)	-	-	(355)	(96)
Acquisition costs ⁴	(45)	-	-	(45)	(33)
Finance costs ⁵	(3 125)	-	-	(3 125)	(2 796)
Foreign exchange rate movements ⁶	(113)	(57)	1 720	1 550	(1 555)
Other ⁷	(8)	_	-	(8)	2
Return on shareholders' funds ^{5,8}	1 669	-	-	1 669	1 585
Embedded value earnings	6 863	(107)	10 556	17 312	12 948

- 1 The changes in methodology and assumptions will vary over time to reflect adjustments to the model and assumptions as a result of changes to the operating and
- economic environment. The current period's changes are described in detail in Table 6 below (for previous periods refer to previous embedded value statements). 2 This item reflects the amortisation of the intangible assets reflecting the banking costs, Cambridge Mobile Telematics system spend and capital expenditure in Vitality
- 3 This item includes the profits of non-covered businesses. Head office costs which relate to non-covered business are included in this item, as well as cR171 million of expenses which are currently incurred by the covered businesses but will be met by non-covered businesses in due course, and hence have not been included in the relevant covered businesses' embedded value expense analysis. For June 2025, profits of non-covered segments within the covered businesses of cR267 million, which were previously reported as experience variances have been included in this item.
- 4 Acquisition costs relate to commission paid on the Life and Invest business and expenses incurred in writing Health and Vitality business that has been written over the period but will only be activated and on risk after the valuation date. These policies are not included in the embedded value or the value of new business and therefore the costs are not deducted from the value of new business.
- 5 Finance costs and return on shareholders' funds are shown gross of intercompany charges (R1 351 million at 30 June 2025 and R1 046 million at 30 June 2024).
- 6 This item includes foreign exchange gains / (losses) emerging through the income statement, in addition to translation impacts on the cost of required capital and value of
- 7. This item includes, among other items, the tangible tax impact from movements in covered business intangible assets, which are excluded from the net worth.
- 8 The return on shareholders' funds is shown net of tax and management charges.

Annexure E - Embedded value statement continued

for the year ended 30 June 2025

TABLE 5: EXPERIENCE VARIANCES

									ended	ended
									30 June	30 June
	Health an	d Vitality	Life and	Invest	Vitalityl	Health	Vitalit	yLife	2025	2024
	Net	Value of	Net	Value of	Net	Value of	Net	Value of		
R millions	worth	in-force	worth	in-force	worth	in-force	worth	in-force	Total	Total
Renewal expenses	15	_	(24)	6	(12)	_	40	_	25	(55)
Lapses and surrenders ¹	12	(255)	80	227	-	1 524	(172)	167	1 583	508
Mortality and morbidity ²	-	_	848	(68)	(1 204)	-	(38)	-	(462)	(681)
Policy alterations ³	-	(1)	(562)	(27)	-	-	19	(190)	(761)	(669)
Backdated cancellations	-	_	-	-	-	-	-	-	-	-
Premium and fee										
income ²	119	-	14	179	814	-	(45)	19	1 100	754
Inflation-linked										
indexation ⁴	-	-	(13)	(218)	-	-	8	93	(130)	(152)
Economic ⁵	-	-	(74)	592	198	-	3	-	719	269
Tax ⁶	130	-	200	(159)	(19)	-	308	23	483	147
Reinsurance ⁷	-	-	-	-	-	-	(162)	68	(94)	(184)
Maintain modelling										
term ⁸	-	339	-	93	-	134	-	-	566	546
Vitality benefits ⁹	(107)	-	-	-	-	-	(9)	-	(116)	(186)
Other	-	(1)	(12)	38	-	-	(24)	(9)	(8)	267
Total	169	82	457	663	(223)	1 658	(72)	171	2 905	564

- 1 For Health and Vitality, the lapse and surrender experience was driven by the impact of employer groups who have widened the eligible schemes that employees can join beyond the Discovery Health Medical Scheme. For VitalityHealth, the lapse and surrender experience reflects improved retention rates and higher achieved premium
- 2 For Life and Invest, overall claims experience for the period was better than expected for Individual Life, Group Life and Invest lines of business. For VitalityHealth, this item reflects the difference between the assumed long-term margin for embedded value purposes and the net impact of increasing claims and the associated increased risk premiums. In light of this, and expected future trends, VitalityHealth have updated their embedded value margin and premium run-off assumptions as part of their periodic review of the embedded value basis.
- 3 For Life and Invest, and VitalityLife, the policy alterations experience relates mainly to persistent pressures within the economic environment. This is partially offset by
- positive experience on lapses and premium income.

 4 For Life and Invest, the experience reflects lower than expected CPI increases on inflation-linked policies on the Individual Life business.
- 5 For Life and Invest, better than expected unit fund growth in Invest resulted in an improved projected fee income reflected in the value of in-force. For VitalityHealth, investment return continued to contribute to profitability as interest rates in the UK remain high.
- 6 The tax variance arises due to the timing difference between the expected tax payments and actual payments.
- 7 For VitalityLife, the reinsurance experience reflects the better-than-expected retention in the business and higher in-period inflation, which resulted in higher reinsurance premiums, as well as an increase in provisions related to prior periods.
- 8 For Health and Vitality, Life and Invest, and VitalityHealth, the projection term is rebased at each reporting period. Therefore, an experience variance arises because the total term of the in-force covered business is effectively increased by twelve months.
- 9 For Health and Vitality, the experience is driven by higher benefit costs and utilisation in the Vitality business.

for the year ended 30 June 2025

TABLE 6: METHODOLOGY AND ASSUMPTION CHANGES

									Year	Year
									ended	ended
									30 June	30 June
	Health an	d Vitality	Life and	Invest	Vitality	Health	Vitalit	yLife	2025	2024
	Net	Value of	Net	Value of	Net	Value of	Net	Value of		
R millions	worth	in-force	worth	in-force	worth	in-force	worth	in-force	Total	Total
Modelling changes ¹	_	(51)	96	(26)	_	_	(10)	(108)	(99)	2 289
Expenses ²	_	(267)	(23)	(87)	-	_	-	-	(377)	(34)
Lapses ³	_	(251)	_	(345)	-	_	(376)	(325)	(1 297)	(652)
Mortality and morbidity ⁴	_	_	(141)	262	-	487	99	327	1 034	(501)
Benefit changes	_	17	_	_	-	_	-	-	17	(57)
Vitality	_	_	-	_	-	_	-	-	-	_
Tax	_	_	_	-	_	-	_	_	-	_
Economic assumptions ⁵	_	(1 542)	_	1 116	_	_	536	64	174	(411)
Premium and fee		, ,								. ,
income ⁶	_	472	-	(276)	-	_	-	_	196	198
Reinsurance and										
financing ⁷	-	_	647	(363)	-	_	3 008	(3 188)	104	404
Other ⁸	-	(1)	28	(201)	-	-	305	(287)	(156)	1 149
Total	-	(1 623)	607	80	-	487	3 562	(3 517)	(404)	2 385

- 1 Minor refinements to the modelling environment were introduced.
- For Health and Vitality, and Life and Invest, the expense assumptions were updated to align to budget.
- 3 For Health and Vitality, a one-year stressed lapse assumption was implemented to manage expected short term negative variation, allowing time for specific interventions to take effect. For Life and Invest, the lapse basis for certain plan types was strengthened in line with internal investigations. For VitalityLife, the item includes a strengthening of the PAC business lapse basis and VitalityLife servicing assumptions.
- 4 For Life and Invest, refinements to the mortality and morbidity assumptions on the Individual Life business and changes to the interest on lump sum claims reserves on the Group Life business were implemented. For VitalityHealth, the Margin and Annuity Factor assumptions were revised to align to recent experience and forward-looking expectations. For VitalityLife, the item reflects a strengthening of the mortality basis, which is more than offset by a weakening of the morbidity basis, to be more in line
- 5 For Health and Vitality, and Life and Invest, the item includes the impact of updating the internally derived yield curves as at 30 June 2025. For Health and Vitality, this also includes the impact of lower-than-expected inflation applicable to the administration and managed care fee escalation in 2025. For VitalityLife, this item includes the impact of updating the assumptions relative to the Solvency UK yield curves and the IFRS interest rates.
- 6 For Health and Vitality, this item represents an additional administration and managed care fee margin effective for 2025. This additional margin is contractually effective given a defined level of spend to enhance the services rendered by the administrator. For Life and Invest, this item includes assumption changes relating to Vitality status progressions, decrement rates and integration benefits applied in the shared value model.
- 7 For Life and Invest, the reinsurance and financing item primarily relates to the impact of internal financing arrangements, where the future expected cash flows arising from part of the negative reserves are monetised to match other positive policy liabilities. For VitalityLife, this item includes the impact of external financing arrangements, where future expected cash flows arising from part of the negative reserves are monetised to partially fund new business and support liquidity needs in the business.
- 8 For Life and Invest, this item mainly relates to a portion of the IAS12 deferred tax liability that has now been recognized in the embedded value. For VitalityLife, the discretionary margin on the PAC IFRS 4 reserves was removed in line with basis changes approved on the PAC book of business. This item also includes an increase to the cost of capital for VitalityLife, driven by a reduced allowance for the loss absorbing capacity of deferred taxes on required capital.

Annexure E - Embedded value statement continued

for the year ended 30 June 2025

TABLE 7: VALUE OF NEW BUSINESS

	Year ended						
R millions	30 June 2025	30 June 2024	% change				
Health and Vitality							
Gross profit from new business (at point of sale)	1 095	1 103					
Cost of required capital	(45)	(52)					
Present value of future profits from new business (at point of sale) after cost of required capital	1 050	1 051	0				
New business annualised premium income ¹	6 093	7 716	(21)				
Life and Invest							
Present value of future profits from new business (at point of sale) ²	535	560					
Cost of required capital	(74)	(79)					
Present value of future profits from new business (at point of sale) after cost of							
required capital	461	481	(4)				
New business annualised premium income ³	3 270	3 214	2				
Annualised profit margin ⁴	1.8%	2.0%					
Annualised profit margin excluding Invest business	2.1%	3.8%					
VitalityHealth ⁵							
Present value of future profits from new business (at point of sale)	671	491					
Cost of required capital	(62)	(63)					
Present value of future profits from new business (at point of sale) after cost of							
required capital	609	428	42				
New business annualised premium income ⁶	2 564	2 443	5				
Annualised profit margin ⁴	3.1%	2.6%					
VitalityLife							
Present value of future profits from new business (at point of sale)	153	(58)					
Cost of required capital	(119)	(70)					
Present value of future profits from new business (at point of sale) after cost of							
required capital	34	(128)	127				
New business annualised premium income ⁷	2 094	1 462	43				
Annualised profit margin⁴	0.2%	(1.3%)					

- 1 Health new business annualised premium income is the gross contribution to the medical schemes. The new business annualised premium income shown above excludes premiums in respect of members who join an existing employer where the member has no choice of medical scheme, as well as premiums in respect of new business written during the period but only activated after 30 June 2025. The total Health and Vitality new business annualised premium income written over the period was R10
- 119 million (June 2024: R11 481 million, which included the onboarding of the Sasolmed medical scheme).
 2 Included in the Life and Invest embedded value of new business is R49 million (June 2024: R15 million) in respect of investment management services provided on off balance sheet investment business. Risk business written prior to the valuation date allows certain Invest business to be written at financially advantageous terms, the impact of which has been recognised in the value of new business.
- 3 Life new business is defined as Life policies to which Life became contractually bound during the reporting period, including policies whose first premium is due after the valuation date. Invest new business is defined as business where at least one premium has been received and which has not been refunded after receipt. Invest new business also includes Discovery Retirement Optimiser policies to which Life and Invest became contractually bound during the reporting period, including policies whose first premium is due after the valuation date.

The new business annualised premium income of R3 270 million (single premium APE: R1 717 million (June 2024: R1 545 million)) shown above excludes automatic premium increases, servicing increases in respect of existing business and Umbrella Funds new business annualised premium income. The total new business annualised premium income written over the period was R6 633 million (single premium APE: R1 806 million (June 2024: R1 626 million)) and is set out in the table below:

R millions	30 June 2025	30 June 2024
New business annualised premium income	3 270	3 214
Automatic premium increases	2 219	2 249
Servicing increases	761	779
Umbrella Funds new business annualised premium income	383	626
Total new business annualised premium income	6 633	6.868

Single premium Invest business is included at 10% of the value of the single premium. Section 14 transfers for Umbrella Funds are included at 10% of the fund value. Policy alterations and internal replacement policies, including Discovery Retirement Optimisers added to existing Life Plans, are shown in Table 5 as experience variances and not included as new business. Term extensions on existing contracts are not included as new business.

- 4 The annualised profit margin is the value of new business expressed as a percentage of the present value of future premiums.
- 5 The VitalityHealth value of new business is calculated as the value at point of sale of the new business written premium in-force at the valuation date multiplied by the Margin multiplied by the Annuity Factor plus the new business cash flows from point of sale to the valuation date. The assumptions for the Margin and Annuity Factor are
- 6 VitalityHealth new business is defined as individuals and employer groups which incepted during the reporting period. The new business annualised premium income shown above has been adjusted to exclude premiums in respect of members who join an existing employer group after the first month, as well as premiums in respect of new business written during the period but only activated after 30 June 2025.
- 7 VitalityLife new business is defined as policies to which VitalityLife became contractually bound during the reporting period, including policies whose first premium is due after the valuation date.

for the year ended 30 June 2025

Basis of preparation

TABLE 8: EMBEDDED VALUE ECONOMIC ASSUMPTIONS

R millions	30 June 2025	30 June 2024
Beta coefficient	0.75	0.75
Equity risk premium (%)	3.5	3.5
Risk discount rate (%)		
 Health and Vitality¹ 	13.875	14.875
 Life and Invest¹ 	14.625	15.375
 VitalityHealth 	6.573	6.573
– VitalityLife	6.734	6.495
Rand / GBP exchange rate		
Closing	24.34	23.07
Average	23.48	23.55
Margin over expense inflation to derive medical inflation (%)		
South Africa	3.00	3.00
Expense inflation (%) ² South Africa – Health and Vitality	F 66	6.07
South Africa – Health and Vitality – Life and Invest	5.66 6.41	6.87 7.05
United Kingdom	3.72	4.01
Pre-tax investment return (%)	5.72	4.01
South Africa – Cash ¹	10.50	11.25
- Life and Invest bonds ³	12.00	12.75
 Health and Vitality bonds³ 	11.25	12.25
- Equity	15.50	16.25
United Kingdom – VitalityHealth risk-free rate	3.95	3.95
 VitalityLife risk-free rate 	4.11	3.87
 VitalityLife investment return 	5.26	4.91
Long-term corporation tax rate (%)		
South Africa	27	27
United Kingdom	25	25
VitalityHealth Margin and Annuity Factor assumptions		
 Margin (net of tax and cost of required capital) (%) 	10.56	12.35
 Annuity Factor 	7.81	6.42
Projection term		
 Health and Vitality 	20 years	20 years
- Discovery Life	40 years	40 years
- Group Life	20 years	20 years
- VitalityLife	No cap	No cap
- VitalityHealth ⁴	20 years	20 years

¹ Derived as a margin over (or below for cash) the respective pre-tax investment return for bonds.

Annexure E - Embedded value statement continued

for the year ended 30 June 2025

The Discovery Group embedded value is calculated based on a risk discount rate using the Capital Asset Pricing Model (CAPM) approach with specific reference to the Discovery Group beta coefficient. The assumed beta is fixed at 0.75. This has been set such that the risk discount rate proxies the result of a Weighted Average Cost of Capital approach with reference to the capital structure of the Group and the observed beta calculated using daily returns over a long time period. The observed beta is calculated with reference to the ALSI. The assumed beta will only change if the capital structure of the Group and/or the observed beta calculated using daily returns over a long time period suggest the beta assumption should depart significantly from the assumption at the financial year-end. As beta values reflect the historic performance of share prices relative to the market, they may not allow fully for non-market related and non-financial risk. Investors may want to form their own view on an appropriate allowance for these risks which have not been modelled explicitly.

Life and Invest mortality, morbidity and lapse and surrender assumptions were derived from internal experience, where available, augmented by reinsurance and industry information.

 $The \ Health \ and \ Vitality \ lapse \ assumptions \ were \ derived \ from \ the \ results \ of \ recent \ experience \ investigations.$

The VitalityHealth assumptions were derived from internal experience and augmented by future expectations.

VitalityLife assumptions were derived from internal experience, where available, augmented by reinsurance, industry and Discovery Group

Renewal expense assumptions were based on the results of the latest expense and budget information.

The initial expenses included in the calculation of the embedded value of new business are the actual costs incurred excluding expenses of an exceptional or non-recurring nature.

The South African investment return assumptions for Life, Invest, Health and Vitality were set relative to an internally derived nominal yield curve, which is consistent with the IFRS 17 reporting basis.

The current and projected tax position of the policyholder funds within the Life company has been taken into account in determining the net investment return assumption.

The risk-free rate assumption for VitalityHealth was based on the single interest rate derived from the Prudential Regulatory Authority yield curve. VitalityLife has transitioned to the use of full yield curves to represent its risk-free rate assumption following the implementation of IFRS 17. For consistency, VitalityLife has also transitioned to the use of a market inflation curve from a long-term market view of inflation.

VitalityHealth calculate the value of in-force at the valuation date as the in-force written premium multiplied by the Margin multiplied by the Annuity Factor, as set out in the table above. The Annuity Factor assumption is derived from assumed future lapse rates and premium increases. The Margin assumption reflects assumed profit margins after tax and the cost of required capital. The assumptions underlying the Annuity Factor and Margin are set at the total book level, taking into account the current experience and future expectations across all durations of in-force business. The economic components underlying the Annuity Factor are reviewed at each reporting date; the noneconomic components underlying the Annuity Factor and Margin assumptions are reviewed periodically.

The cost of required capital is calculated using the difference between the risk discount rate and the net of tax asset return on tangible assets. The Vitality Life Limited required capital amount is assumed to earn the investment return assumption, which is set based on the return on a portfolio of government and corporate bonds assumed to back the required capital. The Life and Invest cost of required capital is calculated assuming shareholder cash flow is limited to the cash flow available after having met both the required capital amount and an internally defined liquidity target capital requirement of tangible assets.

The embedded value has been calculated in accordance with the Actuarial Society of South Africa's Advisory Practice Note ("APN") 107: Embedded Value Reporting, except the recommended disclosure of Free Surplus and Required Capital has been adjusted to take into account the nature of the capital requirements in the covered businesses, as can be seen in Table 1 note 2.

² The inflation assumption is derived as the difference between the nominal and real yield curve at each duration. As an indication, the cash flow weighted average inflation

is shown in the table. For the United Kingdom, the expense inflation assumption is aligned with the long-term market view of inflation

³ As indications, the cash flow weighted averages derived from the relevant yield curve(s) are shown 4 The VitalityHealth projection term of 20 years is used in the derivation of the Annuity Factor.

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Annexure E - Embedded value statement continued

for the year ended 30 June 2025

BASIS OF PREPARATION

The risk discount rate uses the CAPM approach with specific reference to the Discovery Group beta coefficient. As beta values reflect the historic performance of share prices relative to the market, they may not allow fully for non-market related and non-financial risk. Investors may want to form their own view on an appropriate allowance for these risks which have not been modelled explicitly. The sensitivity of the embedded value and the embedded value of new business at 30 June 2025 to changes in the risk discount rate is included in the tables below.

For each sensitivity illustrated below, all other assumptions have been left unchanged. No allowance has been made for management action such as risk premium increases where future experience is worse than the base assumptions.

TABLE 9: EMBEDDED VALUE SENSITIVITY

	Discovery Group	· · · · · · · · · · · · · · · · · · ·		Life and In	Life and Invest VitalityHealth			VitalityL	ife		
R millions	Adjusted net worth	Value of in-force	Cost of required capital	Value of in-force	Cost of required capital	Value of in-force	Cost of required capital	Value of in-force	Cost of required capital	Embedded value	% change
Base	25 039	27 972	(525)	42 869	(1 614)	18 395	(526)	15 576	(632)	126 554	
Impact of:											
Risk discount rate + 1%	25 039	26 448	(570)	39 409	(1 715)	17 337	(684)	14 505	(720)	119 049	(6)
Risk discount rate – 1%	25 039	29 656	(475)	46 923	(1 496)	19 574	(346)	16 806	(499)	135 182	7
Lapses – 10%	24 873	28 893	(551)	46 523	(1 687)	20 621	(589)	16 586	(717)	133 952	6
Interest rates – 1% ¹	25 211	27 859	(506)	43 522	(1 566)	19 574	(559)	14 994	(745)	127 784	1
Equity and property market value – 10%	24 981	27 972	(525)	41 937	(1 602)	18 395	(526)	15 576	(632)	125 576	(1)
Equity and property return + 1%	25 039	27 972	(525)	43 299	(1 604)	18 395	(526)	15 576	(632)	126 994	0
Renewal expenses – 10%	25 150	30 731	(486)	43 625	(1 580)	20 251	(526)	15 920	(613)	132 472	5
Mortality and Morbidity – 5%	25 333	27 972	(525)	45 642	(1 508)	22 204	(526)	16 087	(607)	134 072	6
Projection term + 1 year	25 039	28 284	(530)	42 943	(1 616)	18 618	(532)	15 576	(632)	127 150	0

¹ All economic assumptions were reduced by 1%.

The following table shows the effect of using different assumptions on the embedded value of new business.

TABLE 10: VALUE OF NEW BUSINESS SENSITIVITY

	Health and \	Health and Vitality		ivest	VitalityHealth		VitalityLife			
R millions	Value of in-force	Cost of required capital	Value of in-force	Cost of required capital	Value of in-force	Cost of required capital	Value of in-force	Cost of required capital	Value of new business	% change
Base	1 095	(45)	535	(74)	671	(62)	153	(119)	2 154	
Impact of:										
Risk discount rate + 1%	1 006	(49)	362	(79)	535	(78)	(37)	(134)	1 526	(29)
Risk discount rate – 1%	1 192	(40)	734	(69)	823	(42)	369	(95)	2 872	33
Lapses – 10%	1 172	(49)	727	(77)	1 027	(72)	364	(137)	2 955	37
Interest rates – 1% ¹	1 102	(43)	543	(72)	823	(66)	268	(136)	2 419	12
Equity and property return + 1%	1 095	(45)	567	(74)	671	(62)	153	(119)	2 186	1
Renewal expenses – 10%	1 259	(42)	578	(72)	862	(62)	221	(116)	2 628	22
Mortality and Morbidity – 5%	1 095	(45)	613	(69)	1 063	(62)	215	(116)	2 694	25
Projection term + 1 year	1 112	(45)	539	(74)	697	(62)	153	(119)	2 201	2
Acquisition expenses – 10%	1 132	(45)	718	(74)	784	(62)	396	(119)	2 730	27

¹ All economic assumptions were reduced by 1%.

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Annexure F – Unaudited five-year review

for the year ended 30 June 2025

Group	2021 (IFRS 4)	2022 (IFRS 4)	Restated ¹ 2023 (IFRS 17)	Restated ¹ 2024 (IFRS 17)	2025 (IFRS 17)
Income statement extracts (R million)					
Operating profit	5 304	7 858	10 308	11 390	14 587
Headline earnings	2 986	5 204	6 720	7 384	9 625
Items adjusted for normalised headline earnings	420	612	(320)	127	156
Normalised headline earnings	3 406	5 816	6 400	7 511	9 781
Diluted normalised headline earnings per share (cents) Statement of financial position extracts (R million)	512.9	877.3	967.9	1 129.5	1 462.8
Total assets	246 694	231 945	255 339	279 634	327 450
Shareholders' funds	46 415	40 819	47 242	54 451	65 699
Embedded value					
Embedded value (R million)	74 645	86 258	98 176	110 354	126 554
Diluted embedded value per share (R)	112.23	129.07	148.45	165.94	189.25
Key ratios					
Return on average equity (%)	7.1	12.6	14.9	14.8	15.9
Return on average assets (%)	1.4	2.2	2.7	2.8	3.1
Exchange rates Rand/USD					
- Closing	14.28	16.47	18.87	18.26	17.77
- Average	15.42	15.22	17.79	18.71	18.16
Rand/GBP					
- Closing	19.74	20.00	23.99	23.07	24.34
- Average	20.74	20.25	21.43	23.55	23.48
Share statistics					
Number of ordinary shares in issue					
- Weighted average (000's)	656 710	656 901	658 045	661 071	665 168
- Diluted weighted average (000's)	664 073	663 082	661 328	665 016	668 715
- End of period (000's)	665 769	668 963	673 146	676 374	679 681
Price/diluted headline earnings (times)	24.70	14.60	15.07	11.93	14.68
Share price (cents per share):					
- High	15 738	18 280	15 266	15 878	22 189
- Low	10 047	11 760	10 241	10 721	13 557
- Closing	12 667	12 810	14 585	13 469	21 480
Market capitalisation (R million)	84 333	85 694	98 172	91 104	146 000

¹ The comparative information for the year ended 30 June 2024 has been restated due to correction of a prior period error. Refer to note 7.5 for more detail. In addition, the closing statement of financial position for 30 June 2023 and relevant key ratios were also restated. All other information for 2023 is consistent with information previously published.

Glossary

Abbreviation	Meaning
AIAV	AlA Vitality Proprietary Limited
API	Annualised Premium Income
CAE	Chief Audit Executive
CCIC	Capital, Currency and Investment Committee
CEB	Corporate Employee Benefits
CEO	Chief Executive Officer
CFC	Controlled Foreign Company
CFO	Chief Financial Officer
CGU	Cash generating unit
CIPC	Companies and Intellectual Property Commission
CMT	Cambridge Mobile Telematics
CODM	Chief Operating Decision-Maker
Companies Act	South African Companies Act, 71 of 2008
CRO	Chief Risk Officer
CSM	Contractual Service Margin (unearned profit)
DAC	Deferred Acquisition Costs
DHEL	Discovery Holdings Europe Limited
DHMS	Discovery Health Medical Scheme
Discovery	Discovery Limited Group
DLAC	Discovery Limited Audit Committee
DMTN	Domestic Medium Term Note
DPF	Direct Participation Features
DRG	Discovery Risk Grades
DRO	Discovery Retirement Optimiser
DSY	Discovery SA
DVA	Discovery Vitality Australia Proprietary Limited
ECL	Expected credit losses
EFCF	Expected Fulfilment Cash Flows
ESG	Environmental, Social, and Corporate Governance
FCA	Finance Conduct Authority
FCC	Finance and Capital Committee
FEC	Foreign Exchange Contracts
FGC	Financial Guarantee Contracts
Financial risk	The risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, currency exchange rate, index of prices or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.
FinRe	Financial Reinsurance – with risk transfer
FLR	Financial Leverage Ratio
FRC	United Kingdom Financial Reporting Council
FSV	Financial Soundness Valuation
FVTPL	Fair value through profit or loss
GIA	Group Internal Audit
GMM	General Measurement Model

Glossary continued

Abbreviation	Meaning
HAF	Head of Actuarial Function
IACF	Initial Acquisition Cash Flows
IASB	International Accounting Standards Board
IBNR	incurred but not yet reported claims
ICA	Individual Capital Assessment
IFA	Insurance Fund Account
IFIE	Insurance finance income and expense comprises the change in the carrying amount of the group of insurance
	contracts arising from:
	the effect of the time value of money and changes in the time value of money, and
	the effect of financial risk and changes in financial risk
IFRS 17 margins	IFRS 17 margins refers to the contractual service margin plus the risk adjustment
IFRS 17	IFRS 17 Insurance Contracts (effective for Discovery post 1 July 2023)
IFRS	IFRS Accounting Standards
INSPRU	The Prudential Sourcebook for Insurers
IRBA	South African Independent Regulatory Board of Auditors
ISE	Insurance Service Expenses
JSE	JSE Limited
KAM	Key Audit Matters
LIC	Liability for Incurred Claims
LRC	Liability for Remaining Coverage
LTICR LTIP	Long-term Insurance Capital Requirement Long-term Incentive Plan
	Morbidity claims are claims which arise as a result of an impairment of life due to an illness or disability event
Morbidity	insured by the policyholder
Mortality	Mortality claims are claims which arise from the death of an insured life
NCAHFS	Non-current asset held for sale
NCD	Negotiable certificates of deposits
OCI	Other Comprehensive Income
OCR	Outstanding Claims Reserve
ORSA	Own Risk and Solvency Assessment
PA	Prudential Authority (South Africa)
PAA	Premium Allocation Approach
PAC	Prudential Assurance Company
PAHI	Ping An Health Insurance Company of China Ltd
PRA	Prudential Regulatory Authority (United Kingdom)
ROEV	Return On Opening Embedded Value
SAICA	South African South African Institute of Chartered Accountants
SAICA	Solvency Assessment and Management
SAP	Standard of Actuarial Practice
SCR	Solvency Capital Requirement
SME	Small and Medium-sized Enterprises
TCFD	Task Force on Climate-related Financial Disclosure
TRS	Total Return equity Swaps
UK	United Kingdom
VFA	Variable Fee Approach
VGI	Vitality Group International Inc.
Vitality	United Kingdom and Vitality Global
WHT	Withholding Tax



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