2026

DISCOVERY GROUP

Discovery

Audited Results

and cash dividend declaration
for the year ended 30 June 2026

Contents

Discovery Limited
Registration number 1999/007789/06

Commentary

Discovery Group delivered another year of strong growth and strategic progress for the year ended 30 June 2026, evidenced by a 17% growth in normalised operating profit to R17 750 million and further growth in operational cash generation, representing 85% of profit. Headline earnings and normalised headline earnings increased by 34% and 21% respectively, resulting in the normalised return on equity increasing to 16.5%, from 15.4% in the prior year.

1. Group overview and salient results

Salient group results for the year ended 30 June 2026

The Group delivered a strong performance in an external environment shaped by geopolitical uncertainty and policy shifts. Global equity, bond and currency markets demonstrated heightened volatility and noticeable shifts, with those in South Africa (SA) showing strong gains, benefitting from a more supportive backdrop. Broader economic conditions remained somewhat constrained in many global economies, however the structural trends underpinning Discovery's opportunity set continued to strengthen. Demographic change, rising chronic disease prevalence, deepening fiscal burdens and increasing healthcare costs, are creating growing pressure on health and financial systems globally, while advances in behavioural science, data and artificial intelligence (AI) are fundamentally changing how risk can be understood, managed and influenced. Against this backdrop, Discovery's Shared-value Insurance (SVI) model continues to differentiate the Group and aligns the interests of customers, partners and shareholders around better outcomes.

	Unit	June 2026	June 2025	Change
Group earnings				
Normalised profit from operations	R million	**17 750**	15 210	17%
Profit attributable to ordinary shareholders	R million	**13 132**	9 471	39%
Normalised headline earnings	R million	**11 795**	9 781	21%
Headline earnings	R million	**12 923**	9 625	34%
Basic earnings per share	Cents	**1 936.7**	1 402.2	38%
Basic headline earnings per share	Cents	**1 925.6**	1 447.0	33%
Basic normalised headline earnings per share	Cents	**1 757.6**	1 470.4	20%
Returns, cash conversion and dividends				
Normalised return on equity	%	**16.5**	15.4	1.1pp
Annualised return on opening embedded value (RoEV)	%	**14.1**	15.7	(1.6)pp
Dividend per share for the year	Cents	**384**	288	33%
Cash conversion[1]	%	**85**	80	5pp
Growth drivers				
Income from non-insurance business lines[1]	R million	**7 282**	6 643	10%
New business annualised premium income (API)[1]	R million	**28 155**	26 486	6%
Financial position and embedded value				
Net asset value	R million	**82 661**	65 699	26%
Embedded value	R million	**142 924**	126 554	13%
Basic embedded value per share	R	**212.49**	189.85	12%
Financial leverage ratio (FLR)	%	**15.4**	16.8	1.4pp

1 *Refer to Annexure A.*

Commentary *continued*

1. Group overview and salient results *continued*

Strong operational delivery demonstrates the scalability of Discovery's two composites

Discovery delivered a strong operational performance for the year ended 30 June 2026, with normalised profit from operations increasing by 17% to R17.75 billion. The result reflects the increasing scale and maturity of the Group's two composites, Discovery South Africa and Vitality, and validates the strategic foundations established through disciplined investment in market-leading platforms, proprietary intellectual property and data-driven capabilities.

Discovery South Africa delivered 16% growth in normalised profit from operations, reflecting strong contributions across all businesses. Vitality increased normalised profit from operations by 21%, dampened by currency movements, following exceptional growth in the United Kingdom and continued progress across the international portfolio. The year marked the successful completion of the restructuring of the global business, which included exiting sub-scale activities and consolidating its international assets and capabilities into a single focused Vitality composite. This will facilitate sharpening strategic focus and reallocating capital and management capacity towards larger, more scalable opportunities and AI-enabled growth initiatives.

Normalised headline earnings increased by 21%, as the finance costs declined in line with the Group's reduction in financial leverage, and the normalised return on equity improved to 16.5%, from 15.4% in the prior year. Headline earnings increased by 34%, boosted by the gains realised through the early termination of the long-term lease following the acquisition of 1 Discovery Place, the Group's head office. The partial sale of the Group's stake in Cambridge Mobile Telematics (CMT) resulted in a further increase in basic earnings, which increased 39%. Total new business API increased 6%, driven by strong growth in Discovery Health and VitalityLife, partly offset by anticipated lower Ping An Health Insurance (PAHI) new business following distribution changes.

The **Group's embedded value** increased to R143 billion, a 14.1% return on embedded value (RoEV), with strong growth in the value of new business and in profits from non-covered businesses. Favourable non-economic experience variances increased to R2.6 billion, with each business delivering a positive contribution, reflecting the positive financial dynamics of the model and particularly strong underlying claims dynamics of the in-force pool of clients across the businesses. Lower long-term interest rates in SA resulted in a substantial positive impact of economic basis assumptions, which offset lower translated values of foreign operations given the stronger rand, with a favourable contribution in aggregate.

On the **IFRS17 reported** accounts, lower SA long-term interest rates also resulted in a significant value uplift for Discovery Life, with a R12.3 billion gain recognised through Other Comprehensive Income (OCI), rather than earnings. The corresponding cashflow impact of lower implied future inflation that is extrapolated from the differential in the prevailing market yield curves at 30 June 2026, will mechanically reduce the Group's systematic interest accretion through insurance finance income and expense (IFIE) in FY2027 by circa R650 million, all else being equal.

Commentary *continued*

1. Group overview and salient results *continued*

Platforms positioned for growth as SA evolves into the super bank strategy and the Vitality Shared-value Insurance model accelerates

Discovery SA is progressing into its next strategic phase, creating an integrated ecosystem through the super bank strategy. Following its quality scaling, Discovery Bank is evolving beyond a standalone banking proposition to becoming the orchestrating layer for customers' financial and health lives, providing a seamless interface through which customers can engage with, and derive value from, the broader Discovery ecosystem. The super bank strategy creates a differentiated competitive advantage that deepens engagement, strengthens cross-selling and supports growth in each South African business. As the ecosystem scales, it enhances the quality of customer relationships and reinforces the long-term earnings growth potential of the SA platform.

Globally, structural shifts in demographic, macroeconomic and technology trends have elevated the need and the opportunity to materially compress morbidity. The Vitality SVI business model leverages a more precise understanding of pricing and managing health risks, and hyper-personalised product experiences to encourage healthier behaviour. Powered by unique data assets, behavioural science capabilities, AI-driven personalisation and global partnerships, Vitality is evolving as a scalable platform that improves health and financial outcomes, reduces risk and enhances long-term value creation. These outcomes create benefits for individuals, businesses and societies, through the compression of morbidity, and for shareholders, through superior margins and returns, with strong actuarial outcomes.

Increased financial flexibility in a complex environment

Capital ratios remained strong across every regulated business and the strong operating cash generation provides the Group with significant financial flexibility. Notwithstanding the fully debt-funded acquisition of 1 Discovery Place, the Group's head office, the FLR reduced further to 15.4% (or 12.8%, excluding the transaction). The Group’s cash conversion ratio increased further to 85% of after-tax normalised operating profit, compared with 80% in the prior year, driven by strong and diversified in-force generation, solid underwriting experience across the Group and Ping An Health Insurance's (PAHI) increased dividend.

Summary of profit from operations and new business performance by composite for the current period:

R million	Normalised profit from operations	% change (Current year vs prior year)	New business API	% change (Current year vs prior year)
Discovery Health	4 629	+9%	10 495	+10%
Discovery Life	5 872	+6%	3 244	+1%
Discovery Invest	2 157	+9%	3 865	+13%
Discovery Insure	1 013	+24%	1 390	+2%
Discovery Bank	370	>600%		
Other initiatives and central costs[1]	(173)	-66%	540	-1%
Discovery SA	13 868	+16%	19 534	+8%
VitalityHealth	1 896	+60%	2 871	+1%
VitalityLife	782	+23%	3 027	+21%
Vitality Global Markets[2]	186	-29%		
Ping An Health Insurance (PAHI)	1 317	+9%	2 723	-10%
Vitality AI[3]	(299)	>200%		
Vitality composite	3 882	+21%	8 621	+3%
Normalised profit from operations	17 750	+17%		
New business API[3]			28 155	+6%

1 Includes Discovery Vitality SA.
2 Vitality Global Markets incorporates Vitality Network and Vitality Health International Other.
3 Vitality AI also includes Other Vitality central costs.

Commentary *continued*

2. Business-specific performance

DISCOVERY SOUTH AFRICA

Discovery SA increased normalised operating profit by 16% to R13 868 million and new business volumes increased by 8% to R19 534 million. The performance reflects the strength of its category-leading businesses, which are increasingly being unified through the super bank strategy into a single, integrated customer ecosystem spanning protection, health, wealth and banking. Increased customer engagement levels were delivered while reducing central and Vitality programme costs over the year.

DISCOVERY BANK

	Unit	**June 2026**	June 2025	% Change
Net non-interest revenue (NIR)	R million	**1 815**	1 373	32%
Net Interest income (NII)[1]	R million	**1 314**	1 017	29%
Revenue	R million	**3 129**	2 390	31%
Operating profit before new business acquisition costs	R million	**865**	368	135%
Normalised profit/(loss) from operations	R million	**370**	(68)	>600%
Retail deposits	R billion	**27.2**	23.3	17%
Advances	R billion	**12.9**	9.2	40%
Average interest-earning assets (IEA)[1]	R billion	**27.3**	24.6	11%
Credit loss ratio (CLR)[2]	%	**2.71**	3.03	(11%)
Number of accounts	Million	**3.77**	3.00	26%
Number of clients	Million	**1.57**	1.25	26%

1. *NII includes the allocation of interest earned on the bond trading portfolio (recognised as fair value gains in the income statement); Average interest-earning assets (IEA) = treasury assets + retail banking activities.*
2. *CLR calculated as the expected credit loss (ECL) charge across all products, including overlays and IFRS adjustments, on the period-end advances balance across the products.*

Discovery Bank delivered a profit of R370 million in FY26, compared with a loss of R68 million in FY25. The result reflects continued growth in scale, leveraging improving operating efficiency and client experience and engagement, increasingly through the deployment of AI.

The Bank's client base increased 26% to 1.57 million clients, with total accounts increasing 26% to 3.77 million. The Bank continued to attract new-to-Discovery clients, with 70% of new business originating from outside the Discovery Group. Continued growth in client engagement and product utilisation drove a 32% increase in non-interest revenue, supporting higher fee income per client.

Retail deposits increased 17% to R27.2 billion, while gross retail advances grew 40% to R12.9 billion with maintained credit prudency, through continued momentum in home loans. This balance sheet growth supported a 29% increase in net interest income, while the credit loss ratio improved to 2.71%.

Revenue increased 31% to R3.1 billion, while operating expenses continued to benefit from economies of scale as the Bank grows, driving a significant improvement in profitability and returns, while maintaining disciplined risk outcomes.

Commentary *continued*

2. Business-specific performance *continued*

DISCOVERY HEALTH

	Unit	June 2026	June 2025	% Change
Normalised profit from operations	R million	**4 629**	4 259	9%
New business API	R million	**10 495**	9 573	10%
Revenue	R million	**12 949**	11 888	9%
Non-scheme revenue as % of total revenue	%	**17.9**	15.8	13%
Lives under administration[1]	Million	**3.91**	3.80	3%

1 *Prior period lives restated to exclude HealthyCompany, which is in CEB (Corporate and Employee Benefits, within Discovery Life). The impact on other metrics is not material.*

Discovery Health grew normalised operating profit by 9%, notwithstanding a once-off administration fee concession of R125 million, following strong revenue growth. New business API increased 10%, driven by membership growth across Discovery Health Medical Scheme (DHMS), supported further by continued growth in restricted schemes and in non-scheme products, now contributing 17.9% of total revenue. The business continues to invest in AI to improve operational efficiency, enhance customer experience and healthcare outcomes, and support future growth.

DHMS grew membership while maintaining a strong financial position, with projected unaudited FY26 solvency of 31.3%, well above the 25% regulatory requirement.

DISCOVERY LIFE

	Unit	June 2026	June 2025	% Change
Normalised profit from operations	R million	**5 872**	5 525	6%
New business API	R million	**3 244**	3 203	1%
New business APE[1]	R million	**803**	735	9%
Premium income	R million	**19 905**	19 001	5%
Insurance revenue (IFRS 17)	R million	**19 601**	19 149	2%
Solvency ratio	%	**174**	192	(18)pp
RoEV[2]	%	**22.8**	15.7	7.1pp
VNB margin	%	**3.8%**	2.1%	1.7pp
New business net value[3]	R million	**1 948**	1 460	33%

1 *New business annual premium equivalent (APE), as defined in the Embedded Value statement.*
2 *Including Discovery Invest and before dividends.*
3 *Calculated as: New business contractual service margin (CSM) + risk adjustment (RA) minus onerous new business.*

Discovery Life's (DL) operating profit increased by 6% to R5 872 million with continued favourable claims performance. This offset the R160 million lower systematic interest accretion through IFIE as well as increased onerousness from policy alterations experience and changes in estimates. The Umbrella Fund unit reached a significant milestone turning profitable over the period.

The Discovery Life Limited embedded value (including Discovery Invest) delivered an RoEV of 23%, driven by lower interest rates and strong net positive variances. Claims experience demonstrated the effectiveness of the Shared Value Model. The action plan to remediate policy alterations experience remains on track.

Discovery Life new business annual premium equivalent (APE), as defined in the Embedded Value statement, increased by 9%. DL new business API, increased by a lower 1%, partly impacted by the effect of lower inflation on automatic contribution increases. DL prioritised quality of business and maintained its leading position in the affluent retail protection market with a market share of 27%. Within DL's 3.8% VNB margin, the Individual Life margin increased to 4.7%, from 3.8% in the prior year.

Discovery Life maintained strong liquidity and solvency positions, with liquidity coverage in excess of 200% and a solvency coverage ratio of 174%, tempered by lower interest rates as well as reinsurance cost optimisation. DL cash generation (including Discovery Invest) was exceptionally strong, increasing to R3 888 million (prior year R3 327 million), before a R1 194 million net repayment of financing arrangements (prior year R1 566 million).

Commentary *continued*

2. Business-specific performance *continued*

DISCOVERY INVEST

	Unit	June 2026	June 2025	% Change
Normalised profit from operations	R million	**2 157**	1 987	9%
Assets under administration	R billion	**205**	179	15%
Assets under management	R billion	**146**	124	18%
% linked assets in Discovery funds	%	**81**	80	1pp
Net client cash flows	R billion	**6.3**	3.2	97%
New business API	R million	**3 865**	3 430	13%
New business APE[1]	R million	**2 901**	2 535	14%

1 *New business annual premium equivalent (APE), as defined in the EV statement.*

Discovery Invest increased operating profit by 9% to R2 157 million. Assets under management and assets under administration increased by 18% and 15%, respectively, driven by strong market performance in the first half of the year and positive net inflows during the year. Earnings growth was tempered by the prior year's asset-liability matching (ALM) gain of R85 million and a R129 million release relating to tax recoveries from policyholders that had been accrued over previous years. The ALM loss of R87 million reported at the half year, resulting from a sharp decline in yields, was fully recovered in the second half through management actions. Excluding the prior year benefits of ALM gains and the tax recoveries releases, earnings increased by 22%, broadly in line with the growth in average assets under management.

Net client cash flows increased 97% to R6.3 billion, supported by strong linked-business sales and lower redemptions of guaranteed products. New business APE, excluding annual contribution increases, grew by 14%, driven by linked-business sales, while sales of Guaranteed Bonds and Fixed Annuities declined in the lower interest rate environment.

DISCOVERY INSURE

	Unit	June 2026	June 2025	% Change
Discovery Insure normalised profit from operations	R million	**955**	739	29%
Equity accounted profit/(loss)	R million	**58**	78	(26%)
Normalised profit from operations	R million	**1 013**	817	24%
Operating margin	%	**14.8**	11.9	24%
New business API	R million	**1 390**	1 361	2%
Insurance revenue	R million	**6 448**	6 217	4%

Discovery Insure delivered a 29% increase in normalised profit from operations, with the inclusion of equity accounted profit from associates delivering a result above R1 billion for the first time. The operating margin improved significantly from 11.9% to 14.8%, despite claims of around R145 million during May 2026 following severe weather events in the Western Cape and Eastern Cape. This highlights the effectiveness of management actions in improving the underlying non-weather claims experience and reinforcing the resilience of the operating margin.

Insurance revenue increased 4% to R6.45 billion, supported by growth in the in-force book, while new business annual premium income increased 2% despite increasingly competitive market conditions and a softening pricing cycle. This reflects the business' continued focus on pricing discipline and growth, supported by investments in digital acquisition channels through Discovery Bank and targeted marketing initiatives.

Commentary *continued*

2. Business-specific performance *continued*

VITALITY

Vitality’s normalised operating profit of R3 882 million increased by 21%, or 26% adjusting for the rand strengthening, following strong performances in both Vitality UK and Ping An Health Insurance (PAHI), while Vitality Global Markets (Vitality Network and Vitality Health International Other) was impacted by adverse Japanese macroeconomics. New business API increased by 3% to R8 621 million, as VitalityLife continued to deliver strong growth, mitigating the expected reduction from PAHI. Vitality now covers just under 12 million lives outside China, up 14% over the year, including more than two million clients in the UK. PAHI lives increased 10%, exceeding 35 million.

In the UK, VitalityHealth benefitted from disciplined pricing and favourable claims experience, while VitalityLife delivered strong new business growth and value generation, both driven through the continued execution of the Shared-Value Insurance model. Investment spend in Vitality AI accelerated over the year, with growing application across customer engagement, healthcare, underwriting and operational processes, applicable to all markets.

During the year, Vitality completed the transition to a regionalised operating model, with the UK serving as a centre of excellence and cost structures apportioned across the composite to support the efficient deployment and scaling of capabilities across markets. Vitality Network (VN) and Vitality Health International Other (VHI) have been incorporated into a single business unit, Vitality Global Markets, creating a more focused structure to facilitate expanding and deepening partnerships and capabilities, strengthening distribution, and supporting long-term sustainable growth within the Shared-Value strategic framework. PAHI's expanded distribution capability has opened up opportunities for enhanced product innovation, facilitating greater direct engagement across Vitality.

VITALITY HEALTH Vitality

	Unit	**June 2026**	June 2025	% Change
Normalised profit from operations	£ million	**83.6**	50.6	65%
	R million	**1 896**	1 188	60%
Insurance revenue (earned premiums)	£ million	**909.0**	814.5	12%
	R million	**20 611**	19 124	8%
Margin	%	**9.2**	6.2	3pp
New business API	£ million	**126.6**	121.4	4%
	R million	**2 871**	2 851	1%
Lives covered	Million	**1.08**	1.06	2%

VitalityHealth’s (VH) operating profit rose by 65% to £83.6 million (60% to R1 896 million). Strong premium growth and particularly favourable claims experience resulted in a 9.2% operating margin, significantly above the 7.5% margin objective. VH continued to invest in healthcare risk management, primary care assets, and digital servicing to enhance efficiency and care outcomes.

Market conditions became more challenging, with financial pressures on businesses and consumers resulting in slower growth across the UK private medical insurance market, amid intensifying competition. Against this backdrop, VH’s 12% increase in earned premiums demonstrates its successful execution of maintaining high-quality business at appropriate pricing, notwithstanding more moderate growth in new business of 4%, and net lives of 2%.

Commentary *continued*

2. Business-specific performance *continued*

VITALITY LIFE

	Unit	June 2026	June 2025	% Change
Normalised profit from operations	£ million	**34.5**	27.1	27%
	R million	**782**	637	23%
Earned premiums	£ million	**514**	448	15%
	R million	**11 649**	10 514	11%
New business API	£ million	**133.5**	106.4	25%
	R million	**3 027**	2 499	21%
New business APE[1]	£ million	**111.1**	89.2	25%
	R million	**2 519**	2 094	20%
Insurance revenue	£ million	**405.0**	342.8	18%
	R million	**9 184**	8 050	14%
Lives covered	Million	**1.01**	0.90	12%
VNB margin	%	**2.3**	0.2	2.1pp
New business net value[2]	£ million	**78.2**	46.9	67%
	R million	**1 773**	1 101	61%

1 New business annual premium equivalent (APE), as defined in the EV statement.
2 New business net value (NB CSM + NB RA minus onerous NB) excludes the impact of new reinsurance contracts attaching to the in-force book in the year. New business net value including all contracts incepted was £62.4 million (i.e., £78.2 million minus £15.8 million for Value-In-Force monetisation).

VitalityLife's (VL) operating profit increased by 27% to £34.5 million (23% to R782 million), benefitting from favourable claims experience and lower cashflow variances, alongside continued strong underlying business performance.

VL maintained strong sales momentum, with new business increasing by 25% and new business net value by 67%. This was driven by advanced price optimisation and an expanded distribution footprint in a market that is growing, combined with disciplined expense management. VL continued to benefit from its differentiated Shared-Value Insurance model, supporting both growth and member engagement in an increasingly competitive market.

Robust retention coupled with new business growth saw lives covered and earned premiums increase by 11% and 15%, respectively.

VITALITY GLOBAL MARKETS (VITALITY NETWORK AND VITALITY HEALTH INTERNATIONAL)

	Unit	June 2026	June 2025	% Change
Revenue[1]	US$ million	**146.3**	163.1	(10%)
	R million	**2 472**	2 962	(17%)
Normalised profit from operations	US$ million	**11.0**	14.5	(24%)
	R million	**186**	263	(29%)
Integrated API by Insurance Partners	US$ million	**2 153**	1 951	10%
	R million	**34 830**	35 423	(2%)
Number of lives	Million	**9.78**	8.40	16%

1 Refer to Annexure A

Normalised profit from operations for Vitality Global Markets declined 24% to US$11 million (29% to R186 million), significantly impacted by adverse Japanese macroeconomics. The successful partnership with Sumitomo Life has driven a large Yen-based contract asset, which is expected to unwind at a high rate, but which gave rise to earnings volatility in the current period. The combination of a decline in the Japanese Yen and higher Japanese interest rates recorded at the end of the year resulted in a negative revaluation of US$11.6 million, versus a prior year gain of US$4 million. Excluding the impact of these economics, profits increased by 115%, reflecting rapid progress for VHI Other, while VN builds for greater longer-term scale and value.

Commentary *continued*

2. Business-specific performance *continued*

Vitality Network (VN) has continued to actively manage its partnership portfolio, focusing its resources on opportunities with strong strategic alignment, scale potential, and long-term commitment. The planned exit of certain markets had some revenue impact, however the impact on profit was largely as a consequence of the adverse Japanese economic effects. Revenues declined 22% and the operating margin declined to 16%, however excluding these economic effects, the margin improved for the year. Vitality integrated new business increased 10%, despite a decline in a core South-East Asian market following elevated prior period sales due to a regulatory change. Vitality is making good progress towards securing new long-term partnerships across several markets in Europe, while also expanding beyond traditional insurance partnerships into adjacent areas such as health systems and government-related opportunities.

VitalityHealth USA ("VHUS") has been building and cautiously acquiring core capabilities and distribution to create a differentiated integrated health solution to address a large and growing segment within the US healthcare market. The acquisition of WellSpark in November 2024 has exceeded expectations and contributed meaningfully to improved financial performance, while the acquisition of Ramp Health in March 2026 expanded the business' coaching, clinical and workplace health capabilities. VHUS increased revenues 22%, as it continued to deploy its Vitality AI-enabled engagement solutions and increased its health plan footprint to 10 health plans in key market segments. Total covered membership increased to 3.6 million at the end of the reporting period. Post the year end, VHUS finalised the acquisition of Icario, which covers 11 million lives, to accelerate and complement its capability for the large Government-sponsored market. VHUS has also finalised a partnership with HealthEquity, the largest Health Savings Account custodian in the U.S. market by number of accounts, with more than 10 million Health Savings Accounts.

Amplify Health ("AH") continued to deliver award-winning, AI-enabled and data-driven health technology solutions across the Asia-Pacific region, including integrated product offerings with multi-year value-share economics in four key markets. AH expanded its regional footprint through a three-year partnership with Star Health, India's largest standalone health insurer, to deploy AI-led claims intelligence and healthcare analytics solutions.

Commentary *continued*

2. Business-specific performance *continued*

PING AN HEALTH INSURANCE (PAHI) Vitality

	Unit	Annual results DSY June 2026	June 2025	% Change	PAHI half-year (6-month) period[1] June 2026	June 2025	% Change
PAHI after-tax operating profit (24.99%), after Discovery's costs[2]	R million	**1 317**	1 206	9%	**744**	782	(5%)
PAHI pre-tax profit (100%)	RMB million	**3 326**	2 544	31%	**1 882**	1 638	15%
Profit before investment income and gains (100%)	RMB million	**1 695**	1 398	21%	**1 013**	1 092	(7%)
Investment income and gains (100%)	RMB million	**1 631**	1 146	42%	**869**	547	59%
New business (100%)[3]	RMB million	**4 510**	4 807	(6%)	**2 626**	3 064	(14%)
New business (25%)[3]	R million	**2 723**	3 023	(10%)	**1 574**	1 935	(19%)
Earned premium (100%)[3]	RMB million	**19 323**	17 807	9%	**9 823**	9 521	3%
Written premium (100%)[3]	RMB million	**20 719**	18 824	10%	**12 448**	11 372	9%
Lives[3]	Million	**35.4**	32.1	10%	**35.4**	32.1	10%
Investable assets	RMB billion	**29.5**	26.4	12%	**29.5**	26.4	12%

1 PAHI half-year calendar performance has been included to align with the Chinese industry comparable reporting.
2 Costs include Vitality apportioned costs, which increased $10.8 million.
3 PAHI own licence business.

The Group's share of PAHI's after-tax operating profit increased by 9% to R1 317 million, building on a strong prior-year result. PAHI's profit before investment income and gains grew by 21% RMB1.7 billion for the year, reflecting improved underlying business performance driven by innovative offerings, stronger customer retention, and continued cost discipline. PAHI's profit before tax increased 31%, benefitting from exceptional investment gains, amid a strong equity market environment, with PAHI's technology-focused investment portfolio significantly outperforming the broader market. The net margin improved to 13% for the year, despite absorbing approximately RMB100 million of additional tax following the removal of tax-exempt treatment on dividends from certain investment vehicles from January 2026.

The anticipated decline in new business, down 6% to RMB4.5 billion, followed discontinuation of distribution of the core eShengBao product range through the Ping An Life (PAL) channel. However, strong growth from the other channels mitigated the decline. In addition, strong retention rates drove improved growth in renewal premiums from both the PAL channel back book and alternative distribution channels. As a result, earned premiums increased by 9% to RMB19.3 billion, 6% ahead of the industry. The number of insured lives increased by 10% to 35.4 million, reflecting strong customer acquisition enabled by enhanced recognition of product innovation and deeper integration of health and wellness services.

PAHI's comprehensive solvency ratio (unaudited) remained strong at 289% as at Q2 CY26, compared with 312% at Q4 CY25, demonstrating continued capital strength and prudent capital management. The Group received a cash dividend of RMB 207 million in June 2026, compared with RMB 166 million in the prior year. This represented the Group's share of a 35% dividend payout ratio.

Commentary *continued*

Prospects and dividend

Discovery's growth strategy is based on the efficacy, repeatability, and scalability of its model through organic growth and global partnerships. The acceleration of technological and demographic trends reinforces the relevance of the model and Discovery's unique data. The Group is well positioned for sustained growth through focused composites; Discovery South Africa and Vitality, with strong platforms in each, resulting in growth in earnings, cash generation, and return on equity, as well as lower leverage. The Group established a five-year ambition for normalised profit from operations to grow between 15% to 20% on a compound basis from the end of 2024 to 2029. After the strong performance in the first two years of this period, the Group now expects to achieve compound growth in the middle to upper end of this ambition over the five-year period.

Given the continued improvement in financial flexibility, the Group has declared its final ordinary dividend for the period at 273 cents per share, up 36% on the prior period, representing an annual cover ratio of 4.5 times on normalised headline earnings, an improvement from 5 times cover in the prior year.

Notes to analysts

Any forecast financial information contained in this announcement has not been reviewed or reported on by the Company's external auditors.

Discovery has published supplemental unaudited information on the website. For this and other results information, visit https://www.discovery.co.za/corporate/investor-relations and go to Financial and annual reports.

On behalf of the Board

ME Tucker
Chairperson

A Gore
Group Chief Executive

Sandton

2 September 2026

Group statement of financial position

as at 30 June 2026

R million	Group 2026	Group 2025
Assets		
Goodwill	**5 105**	5 429
Intangible assets	**7 276**	7 542
Property and equipment	**5 938**	3 266
Assets arising from insurance contracts issued	**63 681**	48 047
Assets arising from reinsurance contracts held	**1 049**	962
Deferred tax asset	**3 771**	4 886
Assets arising from contracts with customers	**3 674**	3 722
Investment in equity-accounted investees	**9 190**	8 989
Financial assets		
– Loans and advances to customers at amortised cost	**12 999**	8 513
– Investments at amortised cost	**15 077**	12 812
– Investments at fair value through other comprehensive income	**–**	14
– Investments at fair value through profit or loss	**222 884**	193 776
– Derivative financial instruments at fair value through profit or loss	**147**	63
Contract receivables and other receivables	**7 943**	7 368
Non-current assets held for sale	**–**	62
Current tax asset	**35**	31
Cash and cash equivalents	**22 904**	21 968
TOTAL ASSETS	**381 673**	327 450
Equity		
Capital and reserves		
Ordinary share capital and share premium	**12 205**	11 358
Perpetual preference share capital	**779**	779
Other reserves	**10 115**	4 921
Retained earnings	**59 569**	48 646
Equity attributable to equity holders of the Company	**82 668**	65 704
Non-controlling interest	**(7)**	(5)
TOTAL EQUITY	**82 661**	65 699
Liabilities		
Liabilities arising from insurance contracts issued	**136 139**	118 878
Liabilities arising from reinsurance contracts held	**10 686**	9 121
Deferred tax liability	**12 907**	8 755
Contract liabilities to customers	**1 842**	1 516
Third-party interest in consolidated funds	**40 901**	35 932
Financial liabilities		
– Borrowings at amortised cost	**18 692**	20 046
– Other financial payables at amortised cost	**8 898**	9 148
– Deposits from customers	**27 202**	23 326
– Investment contracts at fair value through profit or loss	**38 614**	32 188
– Derivative financial instruments at fair value through profit or loss	**117**	135
Other payables	**2 458**	2 333
Current tax liability	**556**	373
TOTAL LIABILITIES	**299 012**	261 751
TOTAL EQUITY AND LIABILITIES	**381 673**	327 450

Group income statement

for the year ended 30 June 2026

R million	Group 2026	Group 2025
Insurance revenue	61 442	57 713
Insurance service expenses	(51 577)	(49 028)
Net expenses from reinsurance contracts	(1 124)	(1 306)
Insurance service result	8 741	7 379
Net financial result from insurance finance income and expense	(13 295)	(13 088)
– Net finance expense from insurance contracts	(12 831)	(12 665)
– Net finance expense from reinsurance contracts	(464)	(423)
Investment income using the effective interest rate method	1 117	998
Net fair value gains on financial assets at fair value through profit or loss	26 139	25 818
Fair value adjustment to liabilities under investment contracts	(3 894)	(3 810)
Third party interest: fair value adjustment to liabilities under investment contracts	(4 317)	(4 394)
Other gains on financial instruments	–	(9)
Net insurance and investment results	14 491	12 894
Fee income from administration businesses	14 599	14 326
Vitality income	5 619	5 322
Net banking fee and commission income	2 099	1 695
– Banking fee and commission income	2 749	2 238
– Banking fee and commission expense	(650)	(543)
Net bank interest and similar income	1 256	966
– Bank interest and similar income using the effective interest rate	2 570	2 203
– Bank interest and similar expense using the effective interest rate	(1 314)	(1 237)
Other income	3 810	1 832
Non-insurance revenue and income	27 383	24 141
Net income	41 874	37 035
Non-insurance acquisition costs	(336)	(384)
Expected credit losses	(350)	(279)
Marketing and administration expenses	(22 575)	(21 765)
Impairment of goodwill	–	(20)
Operating profit	18 613	14 587
Gain/(loss) on dilution and disposal of equity-accounted investments	261	(32)
Share of net profits from equity-accounted investments	1 523	1 215
Profit before financing and income tax	20 397	15 770
Interest expense on borrowings and lease liabilities	(1 817)	(2 087)
Foreign exchange losses	(123)	(36)
Profit before income tax	18 457	13 647
Income tax expense	(5 239)	(4 089)
Profit for the year	13 218	9 558
Profit attributable to:		
– Ordinary shareholders	13 132	9 471
– Preference shareholders	86	93
– Non-controlling interest	–	(6)
	13 218	9 558
Earnings per share for profit attributable to ordinary shareholders of the company during the year (cents):		
– Basic	1 936.7	1 402.2
– Diluted	1 925.5	1 394.9

Group statement of other comprehensive income

for the year ended 30 June 2026

R million	Group 2026	Group 2025
Profit for the year	**13 218**	9 558
Income and expenses that will be reclassified to profit or loss when specific conditions are met:		
Currency translation differences	**(2 766)**	998
Unrealised (losses)/gains	**(2 848)**	1 032
Tax on unrealised losses/(gains)	**82**	(34)
Cash flow hedges	**52**	(104)
– Unrealised losses	**(10)**	(106)
– Tax on unrealised losses	**2**	–
– Losses reclassified to profit or loss	**60**	2
Net finance income/ (expenses) from insurance contracts held	**8 888**	2 186
– Unrealised income/(expense)	**12 154**	2 961
– Tax on unrealised (income)/expense	**(3 266)**	(775)
Net finance (expense)/income from reinsurance contracts held	**(471)**	(282)
– Unrealised (expense)/income	**(645)**	(382)
– Tax on unrealised expense/(income)	**174**	100
Share of other comprehensive income from equity-accounted investments	**(433)**	(120)
– Change in fair value of equity instruments at fair value through other comprehensive income	**(45)**	16
– Currency translation differences	**(388)**	(136)
Total income and expenses that will be reclassified to profit or loss when specific conditions are met	**5 270**	2 678
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	**–**	(2)
– Tax on change in fair value of equity instruments at fair value through other comprehensive income	**–**	*
Share of other comprehensive (loss)/income from equity-accounted investments	*****	23
– Change in fair value of equity instruments at fair value through other comprehensive income	*****	23
Total income and expenses that will not be reclassified to profit or loss	**–**	21
Other comprehensive income for the year, net of tax	**5 270**	2 699
Total comprehensive income for the year	**18 488**	12 257
Attributable to:		
– Ordinary shareholders	**18 403**	12 169
– Preference shareholders	**86**	93
– Non-controlling interest	**(1)**	(5)
Total comprehensive income for the year	**18 488**	12 257

* *Amount is less than R500 000.*

Group statement of cash flows

for the year ended 30 June 2026

R million	Group 2026	Group 2025
Cash flows from operating activities	**7 036**	8 667
Cash generated from operations	**2 867**	1 289
Interest received	**3 309**	2 955
Interest paid	**(3 105)**	(2 877)
Taxation paid	**(2 825)**	(1 867)
Net movement in operating assets and liabilities	**6 790**	9 167
– Increase in operating assets	**(13 346)**	(11 060)
– Increase in operating liabilities	**20 136**	20 227
Cash flows from investing activities	**(4 798)**	(1 823)
Purchase of property and equipment	**(4 533)**	(294)
Proceeds from disposal of property and equipment	**2**	3
Purchase of intangible assets	**(1 510)**	(1 682)
Proceeds from disposal of intangible assets	**2**	–
Acquisition of business net of cash	**(167)**	(316)
Additional investment in equity-accounted investments	**(17)**	(24)
Proceeds from disposal of associates and joint ventures	**801**	–
Proceeds from disposal of sale of non-current asset held for sale	**58**	–
Dividends from equity-accounted investments	**566**	490
Cash flows from financing activities	**(538)**	(4 016)
Dividends paid to ordinary shareholders	**(2 119)**	(1 614)
Dividends paid to preference shareholders	**(86)**	(93)
Proceeds from borrowings	**13 050**	3 264
Repayment of borrowings and lease liabilities[1]	**(11 383)**	(5 573)
Net increase in cash and cash equivalents	**1 700**	2 828
Cash and cash equivalents at beginning of the year	**21 966**	18 965
Effects of exchange rate changes on cash and cash equivalents	**(762)**	173
Cash and cash equivalents at end of the year	**22 904**	21 966
Reconciliation to statement of financial position		
Cash and cash equivalents	**22 904**	21 968
Bank overdraft included in borrowings at amortised cost	**–**	(2)
Cash and cash equivalents at end of the year	**22 904**	21 966

1 The line item "Repayment of borrowings" has been renamed to "Repayment of borrowings and lease liabilities" to improve clarity and better reflect the underlying transactions included in the balance. This change relates to presentation only.

Group statement of changes in equity

for the year ended 30 June 2026

R million	Attributable to equity holders of the Company			
	Share capital and share premium	Perpetual preference share capital	Share-based payment reserve	Investment reserve[1]
Year ended 30 June 2026				
At beginning of the year	**11 358**	**779**	**1 480**	**118**
Total comprehensive income for the year	**–**	**86**	**–**	**(45)**
Profit for the year	**–**	**86**	**–**	**–**
Other comprehensive income	**–**	**–**	**–**	**(45)**
Transactions with owners	**847**	**(86)**	**(54)**	**(23)**
Share issue	**625**	**–**	**–**	**–**
Increase in treasury shares	**(625)**	**–**	**–**	**–**
Delivery of treasury shares	**847**	**–**	**(777)**	**–**
Modification of share based payment settlement	**–**	**–**	**(101)**	**–**
Changes in ownership interests	**–**	**–**	**–**	**–**
Transfer among reserves	**–**	**–**	**–**	**(23)**
Employee share option schemes:				
– Value of employee services, net of tax	**–**	**–**	**824**	**–**
Dividends paid to preference shareholders	**–**	**(86)**	**–**	**–**
Dividends paid to ordinary shareholders	**–**	**–**	**–**	**–**
At end of the year	**12 205**	**779**	**1 426**	**50**
Year ended 30 June 2025				
At beginning of the year	10 667	779	1 433	81
Total comprehensive income for the year	–	93	–	37
Profit for the year	–	93	–	–
Other comprehensive income	–	–	–	37
Transactions with owners	691	(93)	47	–
Share issue	626	–	–	–
Increase in treasury shares	(626)	–	–	–
Delivery of treasury shares	691	–	(674)	–
Employee share option schemes:				
– Value of employee services, net of tax	–	–	721	–
Dividends paid to preference shareholders	–	(93)	–	–
Dividends paid to ordinary shareholders	–	–	–	–
At end of the year	11 358	779	1 480	118

1 *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.*

Attributable to equity holders of the Company						
Insurance finance reserve	Foreign currency translation reserve	Hedging reserve	Retained earnings	Total	Non-controlling interest	Total Equity
(2 928)	6 375	(124)	48 646	65 704	(5)	65 699
8 417	(3 153)	52	13 132	18 489	(1)	18 488
–	–	–	13 132	13 218	–	13 218
8 417	(3 153)	52	–	5 271	(1)	5 270
–	–	–	(2 209)	(1 525)	(1)	(1 526)
–	–	–	(9)	616	–	616
–	–	–	–	(625)	–	(625)
–	–	–	(70)	–	–	–
–	–	–	(40)	(141)	–	(141)
–	–	–	5	5	–	5
–	–	–	24	1	(1)	–
–	–	–	–	824	–	824
–	–	–	–	(86)	–	(86)
–	–	–	(2 119)	(2 119)	–	(2 119)
5 489	3 222	(72)	59 569	82 668	(7)	82 661
(4 832)	5 514	(20)	40 829	54 451	–	54 451
1 904	861	(104)	9 471	12 262	(5)	12 257
–	–	–	9 471	9 564	(6)	9 558
1 904	861	(104)	–	2 698	1	2 699
–	–	–	(1 654)	(1 009)	–	(1 009)
–	–	–	(23)	603	–	603
–	–	–	–	(626)	–	(626)
–	–	–	(17)	–	–	–
–	–	–	–	721	–	721
–	–	–	–	(93)	–	(93)
–	–	–	(1 614)	(1 614)	–	(1 614)
(2 928)	6 375	(124)	48 646	65 704	(5)	65 699

A

Notes to the condensed consolidated financial statements

A. Notes to the condensed consolidated financial statements

A.1 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 thresholds:

(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.

A. Notes to the condensed consolidated financial statements *continued*

A.1 Segment information *continued*

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

1 Discovery

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.

2 Vitality

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.

3 All other segments

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

1 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.

2 Vitality

- Vitality Corporate Services (VCSL): provides administration, distribution and management services for entities within the UK Composite.
- Vitality Global Markets comprises Vitality Health International, which leverages Discovery Health and Vitality's intellectual property to create strategic partnerships and Vitality Network which provides a Vitality platform to international insurance businesses. This business line also includes the equity-accounted and Amplify Health
- Equity-accounted interests in Ping An Health Insurance.
- Includes Vitality AI spend, immaterial interests in equity-accounted interests, as well as unallocated central costs.

A. Notes to the condensed consolidated financial statements *continued*

A.1 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 Discoverys 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.

CHANGES EFFECTIVE FROM 1 JULY 2025

1. Effective from 1 July 2025, Discovery has revised the presentation of the 'Intersegment funding' charge between SA Invest and SA Life. Previously, this charge predominantly reflected the cost incurred by SA Invest in backing its liabilities using the assets arising from insurance contracts within SA Life. Over recent years, SA Invest has increasingly backed its liabilities using financial assets it held directly. As a result, the 'Intersegment funding' charge now predominantly reflects costs associated with the service component of providing benefits on integrated SA Life and SA Invest product offerings. To better reflect the service cost nature of this charge, the charge has been reclassified and is now included within insurance service expense and other. The comparative information has been restated accordingly. This change in presentation had no impact on the Group income statement, normalised profit from operations, basic and diluted earnings, or cash flows.

A. Notes to the condensed consolidated financial statements *continued*

A.1 Segment information *continued*

R million	Notes	SA HEALTH	SA LIFE
30 June 2026			
Income statement			
Insurance revenue		803	19 601
– Contracts measured under the General measurement model/Variable fee approach		–	15 847
– Contracts measured under Premium allocation approach		803	3 754
Insurance service expenses		(556)	(16 059)
– Claims and benefits		(378)	(11 576)
– Insurance service expense and other		(109)	(1 987)
– Insurance acquisition cash flows		(69)	(2 496)
Tax specific to policyholder tax funds[1]		–	–
Insurance service result (pre-reinsurance)		247	3 542
Net (expenses)/income from reinsurance contracts		(2)	(606)
– Reinsurance expense		(3)	(3 971)
– Insurance claims recovered from reinsurers		1	3 365
Insurance service result		245	2 936
Net financial result from insurance finance income and expense		–	2 766
– Net finance income/(expense) from insurance contracts		–	2 825
– Net finance expense from reinsurance contracts		–	(59)
Investment income using the effective interest rate method		11	84
Net fair value gains on financial instruments at fair value through profit or loss		2	3 303
Fair value adjustments to liabilities under investment contracts[2]		–	(2 810)
Third party interest: fair value adjustments to liabilities under investment contracts		–	–
Net insurance and investment results		258	6 279
Fee income from administration businesses	A.1.1	10 341	228
Vitality income		–	–
Net banking fee and commission income		–	–
– Banking fee and commission income		–	–
– Banking fee and commission expense		–	–
Net banking interest and similar income		–	–
– Banking interest and similar income using the effective interest rate		–	–
– Banking interest and similar expense using the effective interest rate		–	–
Other income	A.1.1	2 054	193
Non-insurance revenue and income		12 395	421
Net income		12 653	6 700
Non-insurance acquisition costs		–	–
Expected credit losses		–	–
Marketing and administration expenses	A.1.2	(8 023)	(828)
Share of net profits from equity-accounted investments		(1)	–
Normalised profit/(loss) from operations	A.2	4 629	5 872
Investment income earned on shareholder investments and cash		104	–
Intercompany investment income		–	–
Net fair value gains on financial assets at fair value through profit or loss		–	178
Gain from dilution of equity accounted investments		–	–
Amortisation of intangibles from business combinations		–	–
Market rentals related to Head Office building adjusted for finance costs and depreciation		–	–
1DP Lease termination gains		–	–
Restructuring costs		–	–
Interest expenses on borrowings and lease liabilities		(3)	(1)
Intercompany finance expenses on borrowings		(460)	–
Foreign exchange losses		–	–
Profit/(loss) before income tax		4 270	6 049
Income tax expense[3]		(1 138)	(1 615)
Profit/(loss) for the year		3 132	4 434
Profit attributable to:			
– Ordinary shareholders		3 132	4 434
– Preference shareholders		–	–
– Non-controlling interest		–	–

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, which is included in the fair value measurement.

SA INVEST	SA INSURE	SA BANK	UK HEALTH	UK LIFE	ALL OTHER SEGMENTS	SEGMENT TOTAL	IFRS REPORTING ADJUSTMENTS	IFRS TOTAL
4 796	6 448	–	20 611	9 184	(1)	61 442	–	61 442
4 796	–	–	–	9 184	–	29 827	–	29 827
–	6 448	–	20 611	–	(1)	31 615	–	31 615
(3 086)	(5 588)	–	(18 046)	(8 250)	8	(51 577)	–	(51 577)
(702)	(2 923)	–	(11 545)	(3 687)	10	(30 801)	–	(30 801)
(1 432)	(1 672)	–	(4 328)	(1 136)	(2)	(10 666)	–	(10 666)
(952)	(993)	–	(2 173)	(3 427)	–	(10 110)	–	(10 110)
(116)	–	–	–	–	–	(116)	116	–
1 594	860	–	2 565	934	7	9 749	116	9 865
–	(117)	–	2	(395)	(6)	(1 124)	–	(1 124)
–	(117)	–	(4)	(9 303)	–	(13 398)	–	(13 398)
–	–	–	6	8 908	(6)	12 274	–	12 274
1 594	743	–	2 567	539	1	8 625	116	8 741
(16 194)	(20)	–	–	244	–	(13 204)	(91)	(13 295)
(16 194)	(19)	–	–	648	–	(12 740)	(91)	(12 831)
–	(1)	–	–	(404)	–	(464)	–	(464)
103	322	–	203	79	27	829	288	1 117
17 497	2	59	42	–	–	20 905	5 234	26 139
(1 159)	–	–	–	–	–	(3 969)	75	(3 894)
–	–	–	–	–	–	–	(4 317)	(4 317)
1 841	1 047	59	2 812	862	28	13 186	1 305	14 491
1 605	–	–	38	–	2 492	14 704	(105)	14 599
–	–	–	31	298	5 880	6 209	(590)	5 619
–	–	1 815	–	–	(91)	1 724	375	2 099
–	–	2 763	–	–	–	2 763	(14)	2 749
–	–	(948)	–	–	(91)	(1 039)	389	(650)
–	–	1 255	–	–	–	1 255	1	1 256
–	–	2 570	–	–	–	2 570	–	2 570
–	–	(1 315)	–	–	–	(1 315)	1	(1 314)
1	77	58	–	–	16 062	18 445	(14 635)	3 810
1 606	77	3 128	69	298	24 343	42 337	(14 954)	27 383
3 447	1 124	3 187	2 881	1 160	24 371	55 523	(13 649)	41 874
(503)	–	–	–	–	(197)	(700)	364	(336)
–	–	(350)	–	–	–	(350)	–	(350)
(787)	(169)	(2 467)	(985)	(377)	(24 690)	(38 326)	15 751	(22 575)
–	58	–	–	(1)	1 547	1 603	(80)	1 523
2 157	1 013	370	1 896	782	1 031	17 750	2 386	20 136
4	12	–	–	2	166	288	(288)	–
–	–	–	–	–	1 367	1 367	(1 367)	–
48	–	–	–	–	89	315	(315)	–
–	211	–	–	–	–	211	50	261
–	(30)	–	–	–	(85)	(115)	115	–
–	–	–	–	–	(33)	(33)	33	–
–	–	–	–	–	1 463	1 463	(1 463)	–
–	–	–	–	–	(1)	(1)	1	–
–	–	–	(24)	(65)	(1 396)	(1 489)	(328)	(1 817)
–	–	–	–	(463)	(444)	(1 367)	1 367	–
–	–	–	–	–	(123)	(123)	–	(123)
2 209	1 206	370	1 872	256	2 034	18 266	191	18 457
(1 074)	(257)	(152)	(469)	(97)	(246)	(5 048)	(191)	(5 239)
1 135	949	218	1 403	159	1 788	13 218	–	13 218
1 135	949	218	1 403	159	1 702	13 132	–	13 132
–	–	–	–	–	86	86	–	86
–	–	–	–	–	–	–	–	–

3 On consolidation, the allocations referred to in items 1 and 2 above are grossed up and presented within the income tax expense line, as required by IFRS Accounting Standards. In addition, a deferred tax asset was recognised in prior years in respect of unutilised assessed losses accumulated within the Individual Policyholder Fund (IPF), amounting to approximately R1.6bn (net). During the period under review, the deferred tax asset began to reverse as the underlying assessed losses were utilised and, over the medium term, will result in an increase in reported income tax expense as the asset is utilised. This increase is a non-cash item and does not give rise to current tax payable.

A. Notes to the condensed consolidated financial statements *continued*

A.1 Segment information *continued*

R million	Notes	SA HEALTH	SA LIFE
30 June 2025			
Income statement			
Insurance revenue		518	19 149
– Contracts measured under the General measurement model/Variable fee approach		–	15 419
– Contracts measured under Premium allocation approach		518	3 730
Insurance service expenses		(362)	(15 150)
– Claims and benefits		(216)	(11 375)
– Insurance service expense and other		(66)	(1 433)
– Insurance acquisition cash flows		(80)	(2 342)
Tax specific to policyholder tax funds[2]		–	–
Insurance service result (pre-reinsurance)		156	3 999
Net (expenses)/income from reinsurance contracts		(1)	(1 021)
– Reinsurance expense		(2)	(3 838)
– Insurance claims recovered from reinsurers		1	2 817
Insurance service result		155	2 978
Net financial result from insurance finance income and expense		–	2 466
– Net finance income/(expense) from insurance contracts		–	2 590
– Net finance expense from reinsurance contracts		–	(124)
Investment income using the effective interest rate method		11	15
Net fair value gains on financial instruments at fair value through profit or loss		29	3 537
Fair value adjustments to liabilities under investment contracts[3]		–	(2 961)
Third party interest: fair value adjustments to liabilities under investment contracts		–	–
Other losses on financial instruments		–	–
Net insurance and investment results		195	6 035
Fee income from administration businesses	A.1.1	9 766	188
Vitality income	A.1.1	–	–
Net banking fee and commission income		–	–
– Banking fee and commission income		–	–
– Banking fee and commission expense		–	–
Net banking interest and similar income		–	–
– Banking interest and similar income using the effective interest rate		–	–
– Banking interest and similar expense using the effective interest rate		–	–
Other income	A.1.1	1 838	119
Non-insurance revenue and income		11 604	307
Net income		11 799	6 342
Non-insurance acquisition costs		–	–
Expected credit losses		–	–
Marketing and administration expenses	A.1.2	(7 540)	(817)
Share of net profits from equity-accounted investments		–	–
Normalised profit/(loss) from operations	A.2	4 259	5 525
Investment income earned on shareholder investments and cash		98	31
Intercompany investment income		–	–
Net fair value gains/(losses) on financial assets at fair value through profit or loss		–	51
Loss from dilution of equity accounted investments		–	–
Impairment of goodwill		(20)	–
Amortisation of intangibles from business combinations		–	–
Market rentals related to Head Office building adjusted for finance costs and depreciation		–	–
Restructuring costs		–	–
Interest expenses on borrowings and lease liabilities		(2)	(1)
Intercompany finance expenses on borrowings		(447)	–
Foreign exchange (losses)/gains		(5)	(14)
Profit/(loss) before income tax		3 883	5 592
Income tax expense[4]		(1 046)	(1 508)
Profit/(loss) for the year		2 837	4 084
Profit attributable to:			
– Ordinary shareholders		2 843	4 084
– Preference shareholders		–	–
– Non-controlling interest		(6)	–

1 *The comparative information has been restated due to those changes noted in items 1as discussed in the introduction to Segment information in section A.1.*
2 *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.*
3 *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.*

SA INVEST	SA INSURE	SA BANK	UK HEALTH	UK LIFE	ALL OTHER SEGMENTS	SEGMENT TOTAL	IFRS REPORTING ADJUSTMENTS	IFRS TOTAL
4 560	6 217	–	19 124	8 050	95	57 713	–	57 713
4 560	–	–	–	8 050	–	28 029	–	28 029
–	6 217	–	19 124	–	95	29 684	–	29 684
(3 038)	(5 499)	–	(17 292)	(7 595)	(92)	(49 028)	–	(49 028)
(608)	(3 000)	–	(11 300)	(3 681)	(51)	(30 231)	–	(30 231)
(1 419)	(1 597)	–	(3 981)	(879)	(37)	(9 412)	–	(9 412)
(1 011)	(902)	–	(2 011)	(3 035)	(4)	(9 385)	–	(9 385)
(97)	–	–	–	–	–	(97)	97	–
1 425	718	–	1 832	455	3	8 588	97	8 685
–	(112)	–	(3)	(165)	(4)	(1 306)	–	(1 306)
–	(130)	–	(5)	(8 839)	(34)	(12 848)	–	(12 848)
–	18	–	2	8 674	30	11 542	–	11 542
1 425	606	–	1 829	290	(1)	7 282	97	7 379
(15 831)	(20)	–	–	417	–	(12 968)	(120)	(13 088)
(15 831)	(20)	–	–	716	–	(12 545)	(120)	(12 665)
–	–	–	–	(299)	–	(423)	–	(423)
75	268	–	179	81	17	646	352	998
17 058	11	52	70	–	–	20 757	5 061	25 818
(905)	–	–	–	–	–	(3 866)	56	(3 810)
–	–	–	–	–	–	–	(4 394)	(4 394)
–	–	(9)	–	–	–	(9)	–	(9)
1 822	865	43	2 078	788	16	11 842	1 052	12 894
1 260	–	–	35	–	3 185	14 434	(108)	14 326
–	–	–	31	267	5 575	5 873	(551)	5 322
–	–	1 373	–	–	(77)	1 296	399	1 695
–	–	2 238	–	–	–	2 238	–	2 238
–	–	(865)	–	–	(77)	(942)	399	(543)
–	–	965	–	–	–	965	1	966
–	–	2 203	–	–	–	2 203	–	2 203
–	–	(1 238)	–	–	–	(1 238)	1	(1 237)
1	79	69	19	–	14 591	16 716	(14 884)	1 832
1 261	79	2 407	85	267	23 274	39 284	(15 143)	24 141
3 083	944	2 450	2 163	1 055	23 290	51 126	(14 091)	37 035
(395)	–	–	–	–	(294)	(689)	305	(384)
–	–	(279)	–	–	–	(279)	–	(279)
(701)	(213)	(2 239)	(975)	(424)	(23 305)	(36 214)	14 449	(21 765)
–	86	–	–	6	1 174	1 266	(51)	1 215
1 987	817	(68)	1 188	637	865	15 210	612	15 822
13	7	–	–	–	203	352	(352)	–
–	–	–	–	–	1 351	1 351	(1 351)	–
54	–	–	–	–	–	105	(105)	–
–	(32)	–	–	–	–	(32)	–	(32)
–	–	–	–	–	–	(20)	–	(20)
–	(51)	–	–	–	(71)	(122)	122	–
–	–	–	–	–	(72)	(72)	72	–
–	–	–	–	–	(80)	(80)	80	–
–	–	–	(18)	(201)	(1 588)	(1 810)	(277)	(2 087)
–	–	–	–	(444)	(460)	(1 351)	1 351	–
(5)	–	–	–	1	(13)	(36)	–	(36)
2 049	741	(68)	1 170	(7)	135	13 495	152	13 647
(793)	(216)	25	(311)	(62)	(26)	(3 937)	(152)	(4 089)
1 256	525	(43)	859	(69)	109	9 558	–	9 558
								–
1 256	525	(43)	859	(69)	16	9 471	–	9 471
–	–	–	–	–	93	93	–	93
–	–	–	–	–	–	(6)	–	(6)

4 On consolidation, the allocations referred to in items 1 and 2 above are grossed up and presented within the income tax expense line, as required by IFRS Accounting Standards. In addition, a deferred tax asset was recognised in prior years in respect of unutilised assessed losses accumulated within the Individual Policyholder Fund (IPF), amounting to approximately R1.6bn (net). During the period under review, the deferred tax asset began to reverse as the underlying assessed losses were utilised and, over the medium term, will result in an increase in reported income tax expense as the asset is utilised. This increase is a non-cash item and does not give rise to current tax payable.

A. Notes to the condensed consolidated financial statements *continued*

A.1 Segment information *continued*

A.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
30 June 2026		
Fee income from administration businesses	**–**	**–**
Vitality income	**–**	**–**
Other income	**249**	**169**
Total	**249**	**169**
30 June 2025		
Fee income from administration businesses	–	–
Vitality income	–	–
Other income	235	130
Total	235	130

A.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
30 June 2026		
Depreciation and amortisation	**(191)**	**(2)**
Derecognition of intangible assets and property and equipment	**–**	**–**
Impairment of intangible assets and property and equipment	**–**	**–**
Staff costs	**(3 076)**	**(286)**
Other expenses[1]	**(4 756)**	**(540)**
Total: Marketing and administration expenses	**(8 023)**	**(828)**
30 June 2025		
Depreciation and amortisation	(174)	(1)
Derecognition of intangible assets and property and equipment	–	(43)
Impairment of intangible assets and property and equipment	(20)	(28)
Staff costs	(3 038)	(284)
Other expenses[1]	(4 308)	(461)
Total: Marketing and administration expenses	(7 540)	(817)

1 *Included in SA Health other expenses are IT systems and consumables of R1 756 million (2025: R1 576 million).*

SA INVEST	SA INSURE	SA BANK	UK HEALTH	UK LIFE	ALL OTHER SEGMENTS	SEGMENT TOTAL
–	**–**	**–**	**–**	**–**	**91**	**91**
–	**–**	**–**	**–**	**–**	**590**	**590**
1	**52**	**58**	**93**	**–**	**15 991**	**16 613**
1	**52**	**58**	**93**	**–**	**16 672**	**17 294**
–	–	–	–	–	94	94
–	–	–	–	–	551	551
1	64	69	94	–	14 784	15 377
1	64	69	94	–	15 429	16 022

SA INVEST	SA INSURE	SA BANK	UK HEALTH	UK LIFE	ALL OTHER SEGMENTS	SEGMENT TOTAL
(33)	**(5)**	**(332)**	**–**	**(58)**	**(1 330)**	**(1 951)**
–	**(7)**	**–**	**–**	**(6)**	**(36)**	**(49)**
–	**(12)**	**–**	**–**	**–**	**(94)**	**(106)**
(272)	**(78)**	**(1 092)**	**–**	**–**	**(8 796)**	**(13 600)**
(482)	**(67)**	**(1 043)**	**(985)**	**(313)**	**(14 434)**	**(22 620)**
(787)	**(169)**	**(2 467)**	**(985)**	**(377)**	**(24 690)**	**(38 326)**
(24)	(1)	(368)	–	(58)	(1 273)	(1 899)
–	(52)	–	–	(1)	(45)	(141)
–	(18)	–	(79)	–	–	(145)
(262)	(95)	(984)	–	–	(8 062)	(12 725)
(415)	(47)	(887)	(896)	(365)	(13 925)	(21 304)
(701)	(213)	(2 239)	(975)	(424)	(23 305)	(36 214)

A. Notes to the condensed consolidated financial statements *continued*

A.2 Normalised profit from operations

The following table shows the main components of the normalised profit from operations for the year ended 30 June 2026:

R million	Group 2026	Group 2025	% Change
Discovery Health	**4 629**	4 259	9 %
Discovery Life	**5 872**	5 525	6 %
Discovery Invest	**2 157**	1 987	9 %
Discovery Insure - Personal lines	**1 013**	817	24 %
Discovery Bank	**370**	(68)	(644)%
Other initiatives and central costs[1]	**(173)**	(515)	(66)%
Normalised profit from Discovery SA	**13 868**	12 005	16 %
VitalityHealth	**1 896**	1 188	60 %
VitalityLife	**782**	637	23 %
Ping An Health Insurance[1]	**1 317**	1 206	9 %
Vitality Global Markets[2]	**186**	263	(29)%
Vitality AI[1,3]	**(299)**	(89)	236 %
Normalised profit from Vitality	**3 882**	3 205	21 %
Normalised profit from operations	**17 750**	15 210	17 %

1 Presented in 'All other segments' on the Segment information disclosure note in section A.1.
2 Comparative information has been re-presented to combine Vitality Health International – Other (2025: loss R291 million) and Vitality Network (2025: R554 million) into Vitality Global Markets to align with the way management monitors and assesses the performance of the Vitality operations.
3 Vitality AI also includes other central costs of R56 million (2025: R89 million).

A.3 Earnings, headline earnings and normalised headline earnings

	Group 2026	Group 2025
Number of shares used in calculation		
Weighted number of shares in issue ('000)	**671 104**	665 168
Diluted weighted number of shares ('000)	**675 000**	668 715
Earnings per share (cents):		
– basic	**1 936.7**	1 402.2
– diluted	**1 925.5**	1 394.9
Headline earnings per share (cents):		
– basic	**1 925.6**	1 447.0
– diluted	**1 914.5**	1 439.4
Normalised headline earnings per share (cents):		
– basic	**1 757.6**	1 470.4
– diluted	**1 747.4**	1 462.8
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES ('000)		
Issued ordinary shares at 1 July	**666 587**	661 021
Effect of shares options exercised and vesting of shares awards	**4 517**	4 147
Weighted-average number of ordinary shares at 30 June (basic)	**671 104**	665 168
Effect of share options exercised and vesting of share awards	**3 896**	3 547
Weighted-average number of ordinary shares at 30 June (diluted)	**675 000**	668 715
EARNINGS RECONCILIATION (R MILLION)		
Profit attributable to the ordinary shareholders	**13 132**	9 471
Adjusted for:		
– Profit attributable to non-forfeitable dividend share plan	**(135)**	(144)
Basic earnings attributable to ordinary shareholders	**12 997**	9 327

A. Notes to the condensed consolidated financial statements *continued*

A.3 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.

	Group 2026			Group 2025		
R million	Gross	Tax	Net	Gross	Tax	Net
Basic earnings attributable to ordinary shareholders			**12 997**			9 327
Adjusted for:						
IFRS 3: Goodwill impairment	–	–	–	20	–	20
IFRS 5: Impairment - Non-current asset held for sale change of intention	–	–	–	79	–	79
IAS 38: Impairment of intangible assets	106	(27)	79	65	(10)	55
IAS 16: Gain on disposal of property and equipment	(1)	*	(1)	(1)	*	(1)
IAS 16: Loss on derecognition of property and equipment	23	(6)	17	11	(3)	8
IAS 38: Loss on derecognition of intangible assets	68	(15)	53	131	(19)	112
IAS 28: (Gains)/losses on the dilution and disposal of equity-accounted investments	(261)	39	(222)	32	(7)	25
Headline earnings (basic and diluted)			**12 923**			9 625

* *Amount is less than R500 000.*

Normalised headline earnings reconciliation

Normalised headline earnings is calculated per Discovery's policy as set out in the Accounting Policies in note E.2. 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.

	Group 2026			Group 2025		
R million	Gross	Tax	Net	Gross	Tax	Net
Headline earnings			**12 923**			9 625
Adjusted for:						
– Amortisation of intangible assets arising from business combinations	85	(21)	64	71	(18)	53
– Restructuring costs	1	–	1	80	(19)	61
– Gain arising from the initial recognition of deferred tax assets resulting from prior period assessed losses, net of related adjustments	–	(205)	(205)	–	(9)	(9)
– 1DP Lease termination gains	(1 463)	395	(1 068)	–	–	–
Adjustments attributable to equity-accounted investments:						
– Amortisation of intangible assets arising from business combinations	30	–	30	51	–	51
– CMT disposal related transaction costs	50	–	50	–	–	–
Normalised headline earnings (basic and diluted)			**11 795**			9 781

A. Notes to the condensed consolidated financial statements *continued*

A.4 Revenue from non-insurance activities

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 A.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 2026**	Group 2025[1]
Fee income from administration business	**14 599**	14 326
– Over time	**14 508**	13 769
– Point-in-time	**91**	557
Vitality income	**5 619**	5 322
– Over time	**4 018**	3 671
– Point-in-time	**1 601**	1 651
Banking fee and commission income	**2 749**	2 238
– Over time	**984**	783
– Point-in-time	**1 765**	1 455

[1] *Banking fee and commission income has been reclassified. For the year ended 30 June 2025, monthly account fees of R783 million, recognised over time, were inadvertently classified as point-in-time revenue, while interchange and transaction fees of R1 455 million, recognised at a point in time, were inadvertently classified as over-time revenue. The total Banking fee and commission income of R2 238 million was unaffected. This classification error has been corrected, and the comparative period has been restated accordingly.*

A.5 Borrowings at amortised cost

R million	Reference	**Group 2026**	Group 2025
Borrowings from banks	A.5.1	**17 787**	16 103
Lease liabilities		**905**	3 941
Bank overdraft		**–**	2
Balance at end of the year		**18 692**	20 046
Current		**5 261**	7 452
Non-current		**13 431**	12 594
Balance at end of the year		**18 692**	20 046

A.5.1 BORROWINGS FROM BANKS

Discovery continues to maintain strong access to funding markets. During the period, favourable market conditions and sustained investor demand for Discovery debt instruments provided an opportunity to optimise its funding structure. The initiatives undertaken enhanced funding efficiency, lowered financing costs by approximately R200 million, and further aligned the debt profile with Discovery's underlying operational and currency exposures.

Key actions included refinancing UK borrowings through Rand-denominated funding at attractive rates, supported by cross-currency basis swaps to manage foreign exchange and interest rate exposures; issuing redeemable preference shares to support capital deployment within the UK operations; and arranging a specific funding facility for the acquisition of 1 Discovery Place (Discovery's head office building in Sandton, South Africa) as well as entering into related interest rate hedging strategies.

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.

A. Notes to the condensed consolidated financial statements *continued*

A.5 Borrowings at amortised cost *continued*

A.5.1 BORROWINGS FROM BANKS *continued*

R million	Reference	Weighted average funding rate[2]	Group 2026[1] Carrying amount	Group 2026[1] Facility value	Group 2025 Carrying amount	Group 2025 Facility value
SA Borrowings			**17 324**	**18 296**	12 393	12 674
Fixed interest rate loan facilities			**2 758**	**3 197**	3 757	4 104
– Unsecured: Other[3]		9.21%	**2 758**	**3 197**	1 707	2 050
– Unsecured: DMTN			**–**	**–**	2 050	2 054
Floating interest rate with floating-to-fixed interest rate swap			**9 947**	**9 905**	6 821	6 768
– Unsecured: Other			**–**	**–**	1 500	1 500
– Unsecured: DMTN[4]		8.03%	**6 823**	**6 768**	5 321	5 268
– Secured: Other[4]	(i)	7.22%	**3 124**	**3 137**	–	–
Floating interest rate			**4 619**	**5 194**	1 815	1 802
– Unsecured: Other[4]		8.41%	**1 507**	**1 500**	694	691
– Unsecured: DMTN[4]		7.84%	**2 710**	**2 694**	1 121	1 111
– Secured: Other[4]	(i)	8.08%	**402**	**1 000**	–	–
UK Borrowings			**463**	**1 195**	3 710	3 773
Floating interest rate			**463**	**1 195**	3 710	3 773
– Unsecured: Other	(ii)	6.58%	**463**	**1 195**	3 710	3 773
Total borrowings (Refer to note A.5)			**17 787**	**19 491**	16 103	16 447

1 *The borrowings note has been redesigned in this financial year to enhance the presentation of the Group's funding arrangements and related risk exposures. Comparative information has been re-presented on a consistent basis.*

2 *The weighted average annual interest rate has been calculated by weighting the all-in rate (or hedged rate where hedge accounting was applied) by facility value at the reporting date.*

3 *Includes Redeemable Preference shares issued of R1.2 billion.*

4 *Included in the weighted average rate are JIBAR linked interest rates.*

i. During June 2026, Discovery finalised the acquisition of Phase 1 of 1 Discovery Place (1DP), which was fully funded through bank borrowings. The increase in the Borrowings from banks was offset by the termination of the leases of Phase 1 and Phase 2 of 1 Discovery Place (1DP), which resulted in the derecognition of the related lease liabilities also presented within Borrowings at amortised cost.

ii. In October 2025, the Group settled £100 million of UK borrowings ahead of their contractual maturity in December 2025. The settlement was funded through a drawdown of R1.5 billion under the Group’s existing revolving credit facility, together with additional South African borrowings to fund the remaining balance. The refinancing was executed through an intercompany loan arrangement, with the associated foreign exchange and interest rate exposures managed through a cross-currency basis swap.

Total finance costs in respect of the UK borrowings for the year ended 30 June 2026 was £5.07 million (R117 million) (2025: £12.14 million (R285 million)).

Total finance costs in respect of South African borrowings and related hedges for the year ended 30 June 2026 was R1 227 million (2025: R1 261 million).

A. Notes to the condensed consolidated financial statements *continued*

A.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 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 instruments or identical instruments in markets that 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 be based on observable market data.

R million	Level 1	Level 2	Level 3	Total
30 June 2026				
Financial assets				
Financial instruments mandatorily at fair value through profit or loss:	177 449	45 435	–	222 884
– Equity portfolios	115 151	18 236	–	133 387
– Debt portfolios	62 084	1 311	–	63 395
– Money market portfolios	–	11 664	–	11 664
– Multi-asset portfolios	214	14 224	–	14 438
Derivative financial instruments at fair value:	–	147	–	147
– used as cash flow hedges	–	1	–	1
– not designated as hedging instruments	–	146	–	146
Cash and cash equivalents	–	26	–	26
Total financial assets	177 449	45 608	–	223 057
Financial liabilities				
Third-party interest in consolidated funds	–	40 901	–	40 901
Investment contracts at fair value through profit or loss	–	38 614	–	38 614
Derivative financial instruments at fair value:	–	117	–	117
– used as cash flow hedges	–	79	–	79
– not designated as hedging instruments	–	38	–	38
Total financial liabilities	–	79 632	–	79 632

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

A. Notes to the condensed consolidated financial statements *continued*

A.6 Fair value hierarchy *continued*

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 portfolios	–	12 948	–	12 948
– Multi-asset portfolios	–	25 025	–	25 025
Financial instruments at fair value through other comprehensive income:	–	–	14	14
– Equity portfolios	–	–	14	14
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.*

A. Notes to the condensed consolidated financial statements *continued*

A.6 Fair value hierarchy *continued*

SPECIFIC VALUATION TECHNIQUES USED TO VALUE FINANCIAL INSTRUMENTS IN LEVEL 2 AND LEVEL 3

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 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

B
Other significant items in these results

B. Other significant items in these results

B.1 Exchange rates to the South African rand used in the preparation of these results

Exchange rate to SA rand	Closing rates Group 2026	Closing rates Group 2025	Average rates Group 2026	Average rates Group 2025
US dollar	**16.37**	17.77	**16.90**	18.16
Pound sterling	**21.73**	24.34	**22.68**	23.48
Chinese yuan	**2.41**	2.48	**2.42**	2.51

B.2 Capital management, financial leverage ratio and covenants

The Group's capital is defined as capital and reserves attributable to shareholders, as presented in the Group statement of financial position. The Group's objectives when managing capital are:

- To comply with the statutory capital and liquidity requirements in each of its regulated entities;
- To maintain a capital and liquidity buffer in excess of the statutory requirements in order to reduce the risk of breaching the statutory requirements;
- 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 centre and subsidiaries within South Africa, UK and US. The committee is the governance body for all capital allocation activities across the Group ultimately overseen by the Board.

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

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 their insurance liabilities. 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 (Insurance Act), and the related Prudential Standards, while VitalityHealth and VitalityLife are regulated under the Solvency UK regulatory regime.

The table below summarises the capital requirements of insurance companies on a statutory basis, across the Group subsidiaries, and the actual solvency capital held in relation to these requirements as at the end of the reporting period.

	2026 Solvency capital requirements	2026 Cover	2025 Solvency capital requirements	2025 Cover
Discovery Life	**R29 951 million**	**1.7 times**	R23 479 million	1.9 times
Discovery Insure	**R1 273 million**	**2.1 times**	R1 112 million	2.1 times
VitalityHealth	**£127 million (R2 754 million)**	**1.9 times**	£126 million (R3 072 million)	1.8 times
VitalityLife	**£451 million (R9 807 million)**	**1.9 times**	£383 million (R9 322 million)	2.0 times

Discovery Bank's common equity tier 1 (CET1) ratio is 16.29 % (2025: 16.31%). 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.

B. Other significant items in these results *continued*

B.2 Capital management, financial leverage ratio and covenants *continued*

As part of the capital management process, the Group monitors its capital structure in line with a Financial Leverage Ratio (FLR) risk appetite. The Group's strategy is to maintain a prudent FLR in line with Discovery's risk appetite statement, with an overall maximum FLR of 28%, which remains conservative.

The FLR is calculated as follows: total debt[1] ÷ (total debt + total equity + 50% Contractual Service Margin (CSM) net of reinsurance and net of tax). Non-recourse financial reinsurance and all IFRS 16 lease liabilities are not included in the measurement of total debt.

R million	Group 2026	Group 2025
Borrowings at amortised cost, excluding lease liabilities (refer to note A.5.1)	17 787	16 105
Total debt	**17 787**	16 105
Total equity	**82 661**	65 699
Total Contractual Service Margin (CSM)[2]	**29 393**	28 047
Financial leverage ratio % (50% CSM factored in)[1]	**15.4%**	16.8%

1 *If the borrowings for 1 Discovery Place are excluded, the total debt would be R14 261million and the Finance leverage ratio would be 12.8%.*
2 *The CSM is net of reinsurance and net of tax.*

The FLR at 30 June 2026 is within Discovery's risk appetite.

DEBT COVENANTS

The information presented in the table below relating to the Embedded Value and Solvency Capital Requirement is unaudited. 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	Unaudited Group 2026	Unaudited Group 2025
Group Debt[1] to EBITDA[2] Ratio:	Less than 2.5 times	**0.91 times**	1.02 times
Group financial indebtedness to embedded value[3]	Less than 30% of Group Embedded value	**13.1 %**	13.3 %
Discovery Life Solvency Capital Requirement (SCR) Cover	SCR cover must be more than 1.1	**1.7 times**	1.9 times
Group embedded value	Greater than R30 billion	**R142 924 million**	R126 554 million
New business embedded value must not be negative	Positive value of new business for 3 consecutive 6-month periods	**June 2026: R1 465 million December 2025: R1 356 million June 2025: R1 201 million**	June 2025: R1 201 million December 2024: R953 million June 2024: R1 148 million

1 *Group debt is contractually defined and means the aggregate consolidated financial indebtedness of the Group and excludes items such as the 1 Discovery Place (Discovery head office building in Sandton, South Africa) 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 1 Discovery Place and excludes items deemed extraordinary and specified Financial Reinsurance (FinRe) arrangements.*
3 *Group financial indebtedness is as per Group Debt in the calculation.*

B. Other significant items in these results *continued*

B.3.1 Impact of market rate changes within the SA Life and UK Life operating segments

The actuarial bases of Discovery Life and VitalityLife are actively maintained to ensure that the most up-to-date best estimate view of future expectations is reflected. Under IFRS 17, financial risk assumptions are updated to reflect current market prices at the reporting date and remain in place until the next reporting date. These assumptions also affect insurance finance income and expense (IFIE) for the following reporting period.

Discovery has elected, as permitted under IFRS 17 Insurance Contracts, to recognise the valuation date impact of changes in financial risk at the reporting date in Other Comprehensive Income (OCI) for specified portfolios. Consequently, changes in financial risk, comprising changes in discount rates, inflation and foreign currency, do not directly affect the Group income statement as a result of this election. Instead, the effect of changes in financial risk during the period is recognised within net IFIE from insurance contracts issued and reinsurance contracts held in OCI, with the cumulative effect presented in the Insurance Finance Reserve within equity.

During the financial year ended 30 June 2026:

- A significant reduction in long-term government bond yield curves in South Africa (c. 285 bps in the weighted average nominal rate and c. 145 bps in the weighted average real rate) resulted in net gains recognised in OCI, thereby improving the Insurance Finance Reserve for Discovery Life. The gain is net of the negative impact of lower implied inflation rates.
- An increase in government bond yield curves in the United Kingdom (c. 20 bps in the weighted average nominal rate and c. 7 bps increase in the weighted average real rate) resulted in gains recognised in OCI, thereby improving the Insurance Finance Reserve for VitalityLife. The VitalityLife own license portfolio benefitted from a favourable inflation movement, which was partly offset by an unfavourable interest rate movement. For the portfolios still held on the Prudential Assurance Company Limited (PAC) license, the interest rate impact was greater than the inflation impact, resulting in a net favourable impact.

The balance of the Insurance Finance Reserve will effectively be reclassified to profit or loss using a constant rate over the remaining life of each relevant group of contracts. As a result, the reserve is expected to unwind to zero over the remaining lifetime of the contracts. The OCI election reduces the income statement volatility that would otherwise arise from changes in interest rates, as IFRS 17 requires IFIE to be recognised using a constant rate over time.

Changes in the implied inflation assumption, that is extrapolated from the differential in prevailing market yield curves , affect the long-term best estimate cash flows. These impacts are also recognised over the life of the contracts. They therefore change the IFIE recognised in the period, compared with the amount that would have been recognised before the update to the best estimate cash flow assumptions.

Under IFRS 17, IFIE is a material driver of earnings and is determined using the interest rate curves at the start of the financial year. The reduction in implied future long-term inflation is expected to reduce Discovery Group's FY2027 systematic accretion through IFIE by c. R650 million, all else being equal.

A summary of the movements in the Insurance Finance Reserve, net of reinsurance and net of tax, for the respective portfolios during the period is set out below.

INSURANCE FINANCE RESERVE (IFR)

R million Accumulated comprehensive (income)/expenses within IFR	SA Life Risk (GMM)	SA Life: Group Life and Other (PAA)	UK Life Risk (GMM)	Total
Balance at beginning of the period	5 938	(262)	(2 748)	2 928
Effects of changes in financial risk	(8 113)	268	(572)	(8 417)
Balance at end of the period	(2 175)	6	(3 320)	(5 489)

B. Other significant items in these results *continued*

B.3.2 Purchase of Discovery's South African Head office building, 1 Discovery Place (1DP)

During June 2026, Discovery finalised the acquisition of Phase 1 of 1DP, comprising the Grove and Park buildings, and cancelled the remaining period of the long-term lease for Phase 2, comprising the Ridge building. The transaction was announced on SENS on 6 February 2026.

The acquisition was facilitated through Discovery Propco (Pty) Limited, a wholly owned subsidiary of Discovery Limited. The total consideration for the transaction was R4.05 billion, exclusive of VAT, and was fully funded through pre-arranged debt.

At the date of the transaction becoming effective, Discovery Group:

- Derecognised the right-of-use assets and lease liabilities relating to 1DP, including Phases 1 and 2, resulting in a net gain from the early termination of the lease of c.R1.6 billion before tax. Discovery excluded this gain on termination of the leases, net of related expenses, from normalised profit from operations and normalised headline earnings.
- Recognised the acquired land and buildings as “owner occupied” for purposes of the Group’s consolidated financial statements, together with external borrowings of c.R4 billion.

As explained at the time of the announcement, the transaction resulted in an initial increase in the FLR as debt was raised specifically to fund the property acquisition. However, the transaction is effectively self-funding compared to the previous lease obligations and has immediate cash flow benefit to the Group. It is still expected that the Group’s FLR will reduce towards the lower end of the Group's guidance range of 10% to 20% over the next few years.

B.3.3 Partial disposal of interest in Cambridge Mobile Telematics Incorporated (CMT)

As announced on SENS on 24 March 2026, Discovery, through its wholly owned subsidiary, Vitality Group International Incorporated (VGI), disposed of approximately half of its remaining interest in Cambridge Mobile Telematics Incorporated (CMT). Before the disposal, Discovery held an 8.7% shareholding in CMT.

Discovery originally invested US$5 million in 2014 to acquire a 21.67% interest in CMT, which has been both an associate investment and a strategic partner to Discovery Insure, providing leading expertise in the telematics environment. Since the original investment, various capital injections by other investing parties and corporate actions have resulted in net dilution and disposal gains for Discovery of US$75 million in aggregate, which have been recognised outside of normalised profit from operations and headline earnings over time. This included a partial sell-down in 2019, for which Discovery received US$28.5 million in cash proceeds.

Following an offer from TPG Global LLC, VGI disposed of 49.4% of its total shareholding in CMT and received gross cash proceeds of US$49.5 million, equivalent to c.R831 million. The strategic partnership is expected to remain largely unaffected by the reduction in the Group’s shareholding and Discovery will continue to account for the investment as an associate as a result of its contractual strategic rights and ongoing involvement. The disposal crystallised the equity-accounted earnings attributable to the disposed portion to date, as well as an additional gain on the partial disposal of an interest in an associate of $10.1 million, equivalent to c.R169 million, net of attributable costs, tax as well as the reclassification of related foreign currency translation reserves. The gain on disposal is excluded from normalised operating profit, headline earnings (exclusive of specified costs) and normalised headline earnings.

B. Other significant items in these results *continued*

B.4 Cash and cash equivalents

B.4.1 GROUP STATEMENT OF CASH FLOWS

R million	Group 2026	Group 2025
Cash flows from operating activities	**7 036**	8 667
Cash flows from investing activities	**(4 798)**	(1 823)
Cash flows from financing activities	**(538)**	(4 016)
Net increase in cash and cash equivalents	**1 700**	2 828

Discovery's cash flows from operating activities decreased to R7 036 million (2025: R8 667 million) attributable to: Cash generated from operations increased to R2 867 million (2025: R1 289 million) which was supported by favourable underwriting experience across the insurance entities and positive contributions from Discovery Health and Discovery Vitality.This was offset by higher taxation paid and a lower net inflow from operating assets and liabilities of R6 790 million (2025: R9 167 million), mainly reflecting stronger growth in loans and advances relative to deposits in Discovery Bank.

Net cash used in investing activities increased to R4 798 million (2025: R1 823 million), mainly due to the acquisition of 1 Discovery Place, the Group's South African head office, for R4.05 billion excluding VAT, which is reflected in higher purchases of property and equipment. These outflows were partly offset by proceeds of R801 million from the disposal of a portion of the Group's stake in Cambridge Mobile Telematics and dividends received from equity-accounted investments of R566 million.

Cash used in financing activities reduced to R538 million (2025: R4 016 million), mainly due to higher proceeds from borrowings raised to fund the 1 Discovery Place acquisition. This was partly offset by higher repayments of borrowings and lease liabilities and higher dividends paid to ordinary shareholders. The Group statement of cash flows includes policyholder-related flows and those arising from the consolidated Discovery Unit Trusts. To assist in understanding cash flows not distorted by these items, a Group shareholder free cash movement has been included in the additional analyst information published on Discovery's website.

B.4.2 SHAREHOLDER CASH AND CASH EQUIVALENTS

R million	Shareholder	Unit-linked investment and insurance contracts[1]	Total
Cash and cash equivalents at beginning of the year	**17 216**	4 750	21 966
Effects of exchange rate changes on cash and cash equivalents	**(762)**	–	(762)
Increase in cash and cash equivalents	**1 483**	217	1 700
Cash and cash equivalents at end of the year	**17 937**	4 967	22 904

1 Includes cash held within specific portfolios to match specific insurance liabilities.

Included in shareholder cash, is the cash held in the Group's insurance entities which is used to fund new business and match claims and other policyholder-related liabilities. This cash, together with the cash balances held by Discovery Bank of R4.9 billion (30 June 2025: R6.3 billion), although unencumbered, is held for specific purposes and therefore not considered available for distribution.

Cash available to support Group liquidity requirements is R3.9 billion (30 June 2025: R2.6 billion). In addition, the Group also has undrawn revolving credit facilities of R2.6 billion at 30 June 2026.

B. Other significant items in these results *continued*

B.5 Consolidation of Discovery Unit Trusts

Unit trusts that the Group controls in terms of IFRS 10 Consolidated Financial Statements are consolidated into Discovery's results for accounting purposes, which results in the recognition of the underlying assets and liabilities of each of the funds.

As these policies are linked, the consolidation of the Discovery Unit Trusts has no impact on the net asset value for shareholders. Assets and liabilities of these Discovery Unit Trusts however increased by R5 214 million, compared to the prior financial year ended 30 June 2025, with movements in the following line items on the Group's statement of financial position:

R million	Group 2026	Group 2025	Movements
Investments at fair value through profit or loss	**38 211**	32 513	5 698
Contract receivables and other receivables	**1 394**	1 214	180
Cash and cash equivalents	**2 226**	2 910	(684)
Other assets	**31**	11	20
Total change in assets	**41 862**	36 648	5 214
Third-party interest in consolidated funds	**40 901**	35 932	4 969
Borrowings at amortised costs (bank overdraft)	**–**	2	(2)
Other financial payables at amortised cost	**762**	626	136
Liabilities arising from insurance contracts issued	**164**	73	91
Other liabilities	**35**	15	20
Total change in liabilities	**41 862**	36 648	5 214

1 *The comparatives have been restated, as communicated in the interim results for the six months ended 31 December 2025, to reflect the impact of consolidating the global multi-asset investment funds managed through Discovery Mauritius Asset Management, in line with the presentation of the impact in the current reporting period.*

There are significant trade volumes in the underlying funds of Discovery Unit Trusts. The net cash outflow of the movement in policyholder investments for the period is R804 million (2025: R632 million) and has been included in the 'Increase in operating assets' line item on the Group's statement of cash flows.

B.6 Changes in Directorate

Changes to the Board of Discovery Limited from 1 July 2025 to the date of this announcement are as follows:

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

She is a member of the Discovery Limited Nominations, Remuneration and Social and Ethics Committees. Her appointment will further augment the Board's global business experience and expertise while improving its diversity.

B. Other significant items in these results *continued*

B.7 Events after reporting date

The following non-adjusting events occurred between the end of the reporting period and the date when the financial statements were authorised for issue.

B.7.1 DIVIDEND DECLARATION IN RESPECT OF THE YEAR ENDED 30 JUNE 2026

B PREFERENCE SHARE CASH DIVIDEND DECLARATION

On Thursday, 27 August 2026, the Board of Directors declared a final gross cash dividend of 510.47945 cents (408.38356 cents net of dividend withholding tax) per B preference share for the period 1 January 2026 to 30 June 2026, payable from the income reserves of the Company.

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, 21 September 2026
Shares commence trading “ex” dividend	Tuesday, 22 September 2026
Record date	Friday, 25 September 2026
Payment date	Monday, 28 September 2026

B preference share certificates may not be dematerialised or rematerialised between Tuesday, 22 September 2026 and Friday, 25 September 2026, both days inclusive.

ORDINARY SHARE CASH DIVIDEND DECLARATION

On Wednesday, 2 September 2026, the Board of Directors declared a final gross cash dividend of 273.00000 cents (218.40000 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 682 491 619. The salient dates for the dividend will be as follows:

Last day of trade to receive a dividend	Tuesday, 13 October 2026
Shares commence trading “ex” dividend	Wednesday, 14 October 2026
Record date	Friday, 16 October 2026
Payment date	Monday, 19 October 2026

Ordinary share certificates may not be dematerialised or rematerialised between Wednesday, 14 October 2026 and Friday, 16 October 2026, both days inclusive.

B. Other significant items in these results *continued*

B.7 Events after reporting date *continued*

B.7.2 NEW ACQUISITION OF SUBSIDIARY, ICARIO

Subsequent to the reporting date, on 1 September 2026, Discovery Limited's wholly owned subsidiary, Vitality Group International Incorporated (VGI), acquired 100% of the shares and voting rights in Icario Holdco Incorporated (Icario).

Icario is a United States of America (US)-based healthcare services company that provides end-to-end member engagement solutions, primarily to US government-sponsored health plans, including Medicaid, Medicare Advantage and Dual Eligible Special Needs (D-SNP) plans. The acquisition enables VGI to accelerate its growth in the government-sponsored health plan segment in the US, while strengthening its member activation, engagement and health plan capabilities. The transaction enhances VGI's scale, market position and access to a strategically important customer segment and supports future growth through expanded product capabilities and cross-sell opportunities.

The acquisition is within the scope of IFRS 3 *Business Combination*s, which requires Discovery to apply the acquisition method and determine the fair values of the identifiable assets acquired and liabilities assumed. As the acquisition completed shortly before the financial statements were approved for issue, the purchase price allocation remains provisional. The provisional assessment is subject to finalisation of the valuation of closing net assets and liabilities assumed, customer relationships, contingent consideration and any resulting goodwill.

Total consideration transferred and liabilities assumed

Million	Amounts in USD	Amounts in ZAR
Upfront cash consideration	27	435
Contingent consideration[1]	Up to 32.5	Up to 523
Total purchase consideration	**27 up to 59.5**	**435 up to 958**

1 *The contingent consideration is dependent on both Icario maintaining specified revenue levels in the near-term relative to the agreed baseline, as well as an earn-out which may become payable based on contracted annual recurring revenue growth in the near-term. The final amount will vary depending on actual performance.*

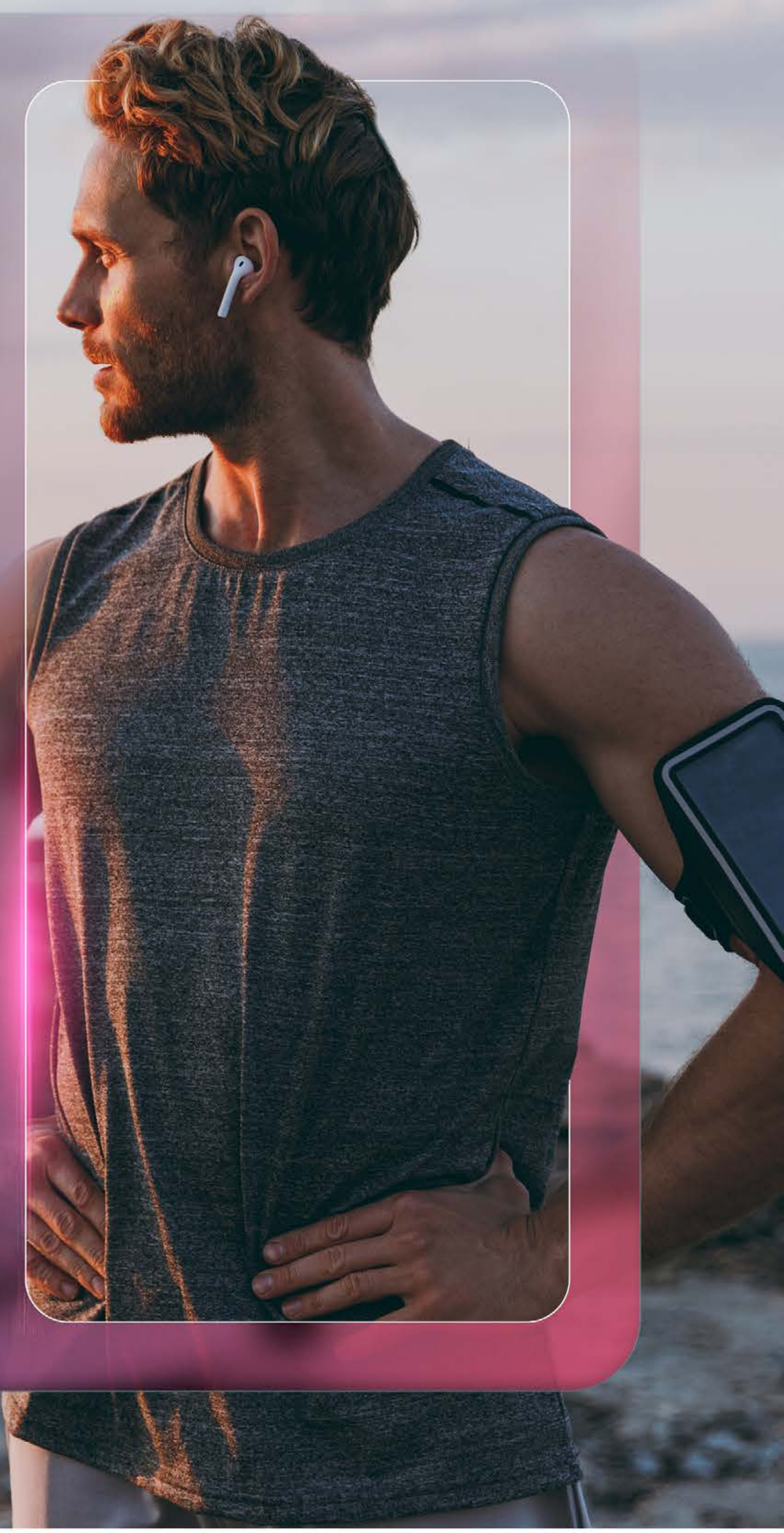
No revenue, profit or loss of Icario has been included in the consolidated income statement for the reporting period, as the acquisition occurred after the reporting date.

Acquired assets and liabilities

At the date of approval of these financial statements, Discovery has commenced the purchase price allocation following the recent completion of the acquisition. The transaction was concluded on a debt-free and cash-free basis, with adequate working capital. As the valuation of the net assets acquired and liabilities assumed has not yet been finalised, the disclosures for each major class have not been provided separately. Once the valuation has been finalised, Discovery will allocate the total consideration transferred, as disclosed above, to identifiable intangible assets, including software and customer relationships, and/or any resulting goodwill. In determining the fair value of customer relationships, Discovery will apply a multi-period excess earnings model, consistent with previous acquisitions, which considers the present value of the net cash flows expected to be generated by those customer relationships, excluding cash flows related to contributory assets.

C

Insurance and reinsurance contracts related disclosure



C. Insurance and reinsurance contracts related disclosure

C.1.1 Insurance and reinsurance contracts disclosures and reconciliations

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.

INTRODUCTION

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 that 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.

Discovery

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 lines, GAP and Trauma Cover, Travel Cover and AfricaHealth)

Vitality

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

UK Health | PAA
(Private Medical Insurance)

C. Insurance and reinsurance contracts related disclosure *continued*

C.1.1 Insurance and reinsurance contracts disclosures and reconciliations *continued*

The following index is a summary of all the quantitative disclosures set out in the notes:

	Note	Description
Analysis of financial position	**C.1.2.1 Summary of insurance contracts issued and reinsurance contracts held** **Summary of movements** C.1.2.1.1 Contractual service margin and risk adjustment[1] C.1.2.1.2 Insurance finance reserve[1]	The note summarises the total value of insurance and reinsurance contracts held as well as a summary of movements in the CSM, risk adjustment and IFR, across the disclosed portfolios. Insurance and reinsurance contracts are presented separately for portfolios in a net liability or net asset position.
	Reconciliation of insurance contracts *Analysis by measurement component* **GMM** C.1.2.2.1 SA Life (Risk) C.1.2.2.2 SA Invest (Risk) C.1.2.2.3 UK Life (Risk) **VFA** C.1.2.3.1 SA Invest (Participating) **Reconciliation of reinsurance contracts** *Analysis by measurement component* **GMM** C.1.2.4.1 SA Life (Risk) C.1.2.4.2 UK Life (Risk)	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.

C. Insurance and reinsurance contracts related disclosure *continued*

C.1.1 Insurance and reinsurance contracts disclosures and reconciliations *continued*

<table>
<tr><th></th><th>Note</th><th>Description</th></tr>
<tr><td rowspan="2">Analysis of income statement</td><td>C.1.2.5 Insurance revenue</td><td>The note provides a breakdown of the makeup of insurance revenue for each disclosed portfolio business unit.
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.</td></tr>
<tr><td>C.1.2.6 Net investment result</td><td>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).</td></tr>
<tr><td>Additional information</td><td>Effect of contracts initially recognised in the period:
C.1.2.7 Effect of insurance contracts initially recognised in the year.
C.1.2.7 Effect of reinsurance contracts initially recognised in the year.</td><td>The notes provide a breakdown of the contracts initially recognised during the period for each disclosed portfolio business unit.
■ For insurance contracts, differentiate between profitable contracts recognised with CSM and onerous contracts.
■ Reinsurance contracts reflect contracts originated with and without the loss-recovery component.</td></tr>
</table>

1 *New notes summarising the movements in the CSM, Risk adjustment and IFR across the disclosed portfolios.*

C. Insurance and reinsurance contracts related disclosure *continued*

C.1.1 Insurance and reinsurance contracts disclosures and reconciliations *continued*

DEFINITIONS AND ABBREVIATIONS

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

Abbreviation or definition	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	Insurance 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
IFR	Insurance Finance Reserve
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

C. Insurance and reinsurance contracts related disclosure *continued*

C.1.2 Insurance and reinsurance contract disclosures and reconciliations

C.1.2.1 SUMMARY OF INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD

Group R million (Assets)/Liabilities	Navigation	**SA Life Risk (GMM)**	**SA Invest Risk (GMM)**	**UK Life Risk (GMM)**	**SA Invest Participating (VFA)**	**SA Life: Group Life and other (PAA)**	**SA Insure and other (PAA)**	**UK Health (PAA)**	**Total**
Year ended 30 June 2026									
Insurance Contracts	A= D + E	**(37 694)**	**24 112**	**(21 083)**	**103 729**	**7 483**	**770**	**(4 859)**	**72 458**
Reinsurance Contracts	B = F	**439**	**–**	**10 243**	**–**	**(1 035)**	**3**	**(13)**	**9 637**
Total	C = A +B	**(37 255)**	**24 112**	**(10 840)**	**103 729**	**6 448**	**773**	**(4 872)**	**82 095**
Insurance contracts issued									
Assets arising from insurance contracts									
– Insurance contract balances		**(37 694)**	**–**	**(21 083)**	**–**	**–**	**(25)**	**821**	**(57 981)**
– Assets for insurance acquisition cash flows		**–**	**–**	**–**	**–**	**–**	**(20)**	**(5 680)**	**(5 700)**
Total	D	**(37 694)**	**–**	**(21 083)**	**–**	**–**	**(45)**	**(4 859)**	**(63 681)**
Liabilities arising from insurance contracts									
– Insurance contract balances		**–**	**24 112**	**–**	**103 729**	**7 483**	**815**	**–**	**136 139**
Total	E	**–**	**24 112**	**–**	**103 729**	**7 483**	**815**	**–**	**136 139**
Reinsurance contracts held									
Reinsurance contract assets		**–**	**–**	**–**	**–**	**(1 035)**	**(1)**	**(13)**	**(1 049)**
Reinsurance contract liabilities		**439**	**–**	**10 243**	**–**	**–**	**4**	**–**	**10 686**
Total	F	**439**	**–**	**10 243**	**–**	**(1 035)**	**3**	**(13)**	**9 637**
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		–	–	–	–	–	–	(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
Cross reference to related notes of insurance contracts issued									
– Analysis by measurement component		C.1.2.2.1	C.1.2.2.2	C.1.2.2.3	C.1.2.3				
Cross reference to related notes of reinsurance contracts held									
– Analysis by measurement component		C.1.2.4.1		C.1.2.4.2					

C. Insurance and reinsurance contracts related disclosure *continued*

C.1.2 Insurance and reinsurance contract disclosures and reconciliations *continued*

C.1.2.1 SUMMARY OF INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD *continued*

C.1.2.1.1 Contractual service margin (CSM) and risk adjustment (RA)

ANALYSIS OF CSM AND RISK ADJUSTMENT NET OF REINSURANCE

	SA Composite					
Group	SA Life Risk (GMM)			SA Invest Risk (GMM)		
R million (Assets)/Liabilities	CSM	RA	Total	CSM	RA	Total
Year ended 30 June 2026						
Balance at beginning of the period	**22 687**	**7 686**	**30 373**	**820**	**190**	**1 010**
Changes that relate to current services	**(1 681)**	**(607)**	**(2 288)**	**(318)**	**(42)**	**(360)**
CSM release and risk adjustment changes for services provided	**(1 681)**	**(607)**	**(2 288)**	**(318)**	**(42)**	**(360)**
Experience adjustments	**–**	**–**	**–**	**–**	**–**	**–**
Changes that relate to future services	**421**	**44**	**465**	**134**	**(86)**	**48**
New Business (contracts initially recognised in the period)	**1 565**	**452**	**2 017**	**97**	**7**	**104**
Changes in estimates that adjust CSM	**(1 144)**	**(357)**	**(1 501)**	**37**	**(43)**	**(6)**
Changes in estimates that result in onerous contracts	**–**	**(51)**	**(51)**	**–**	**(50)**	**(50)**
Changes that relate to past services	**–**	**(10)**	**(10)**	**–**	**–**	**–**
Adjustment to liability for incurred claims	**–**	**(10)**	**(10)**	**–**	**–**	**–**
Net finance expenses from insurance contracts (interest accretion)	**2 248**	**3 892**	**6 140**	**80**	**65**	**145**
Effects of movement in exchange rates	**–**	**–**	**–**	**–**	**–**	**–**
Net changes	**988**	**3 319**	**4 307**	**(104)**	**(63)**	**(167)**
Balance at the end of the period	**23 675**	**11 005**	**34 680**	**716**	**127**	**843**
Year ended 30 June 2025						
Balance at beginning of the period	23 772	7 108	30 880	941	135	1 076
Changes that relate to current services	(1 537)	(569)	(2 106)	(395)	(38)	(433)
CSM release and risk adjustment changes for services provided	(1 537)	(569)	(2 106)	(395)	(38)	(433)
Experience adjustments	–	–	–	–	–	–
Changes that relate to future services	(1 728)	72	(1 656)	179	65	244
New Business (contracts initially recognised in the period)	1 114	374	1 488	245	25	270
Changes in estimates that adjust CSM	(2 842)	(286)	(3 128)	(66)	17	(49)
Changes in estimates that result in onerous contracts	–	(16)	(16)	–	23	23
Changes that relate to past services	–	5	5	–	–	–
Adjustment to liability for incurred claims	–	5	5	–	–	–
Net finance expenses from insurance contracts (interest accretion)	2 180	1 070	3 250	95	28	123
Effects of movement in exchange rates	–	–	–	–	–	–
Net changes	(1 085)	578	(507)	(121)	55	(66)
Balance at the end of the period	22 687	7 686	30 373	820	190	1 010

SA Composite						UK Composite			Discovery Group		
SA Invest Participating (VFA)			Total SA Composite			UK Life Risk (GMM)			Total		
CSM	RA	Total	CSM	RA	Total	CSM	RA	Total	CSM	RA	Total
7 108	**843**	**7 951**	**30 615**	**8 719**	**39 334**	**7 598**	**2 041**	**9 639**	**38 213**	**10 760**	**48 973**
(1 344)	**(176)**	**(1 520)**	**(3 343)**	**(825)**	**(4 168)**	**(740)**	**(243)**	**(983)**	**(4 083)**	**(1 068)**	**(5 151)**
(1 446)	**(176)**	**(1 622)**	**(3 445)**	**(825)**	**(4 270)**	**(740)**	**(243)**	**(983)**	**(4 185)**	**(1 068)**	**(5 253)**
102	**–**	**102**	**102**	**–**	**102**	**–**	**–**	**–**	**102**	**–**	**102**
2 765	**190**	**2 955**	**3 320**	**148**	**3 468**	**991**	**462**	**1 453**	**4 311**	**610**	**4 921**
597	**77**	**674**	**2 259**	**536**	**2 795**	**1 121**	**411**	**1 532**	**3 380**	**947**	**4 327**
2 168	**111**	**2 279**	**1 061**	**(289)**	**772**	**(130)**	**33**	**(97)**	**931**	**(256)**	**675**
–	**2**	**2**	**–**	**(99)**	**(99)**	**–**	**18**	**18**	**–**	**(81)**	**(81)**
–	**–**	**–**	**–**	**(10)**	**(10)**	**–**	**–**	**–**	**–**	**(10)**	**(10)**
–	**–**	**–**	**–**	**(10)**	**(10)**	**–**	**–**	**–**	**–**	**(10)**	**(10)**
–	**67**	**67**	**2 328**	**4 024**	**6 352**	**131**	**13**	**144**	**2 459**	**4 037**	**6 496**
–	**–**	**–**	**–**	**–**	**–**	**(831)**	**(228)**	**(1 059)**	**(831)**	**(228)**	**(1 059)**
1 421	**81**	**1 502**	**2 305**	**3 337**	**5 642**	**(449)**	**4**	**(445)**	**1 856**	**3 341**	**5 197**
8 529	**924**	**9 453**	**32 920**	**12 056**	**44 976**	**7 149**	**2 045**	**9 194**	**40 069**	**14 101**	**54 170**
6 306	773	7 079	31 019	8 016	39 035	7 592	1 768	9 360	38 611	9 784	48 395
(1 290)	(186)	(1 476)	(3 222)	(793)	(4 015)	(696)	(221)	(917)	(3 918)	(1 014)	(4 932)
(1 324)	(186)	(1 510)	(3 256)	(793)	(4 049)	(696)	(221)	(917)	(3 952)	(1 014)	(4 966)
34	–	34	34	–	34	–	–	–	34	–	34
2 092	189	2 281	543	326	869	181	396	577	724	722	1 446
732	89	821	2 091	488	2 579	346	395	741	2 437	883	3 320
1 360	99	1 459	(1 548)	(170)	(1 718)	(165)	(4)	(169)	(1 713)	(174)	(1 887)
–	1	1	–	8	8	–	5	5	–	13	13
–	–	–	–	5	5	–	–	–	–	5	5
–	–	–	–	5	5	–	–	–	–	5	5
–	67	67	2 275	1 165	3 440	118	(5)	113	2 393	1 160	3 553
–	–	–	–	–	–	403	103	506	403	103	506
802	70	872	(404)	703	299	6	273	279	(398)	976	578
7 108	843	7 951	30 615	8 719	39 334	7 598	2 041	9 639	38 213	10 760	48 973

C. Insurance and reinsurance contracts related disclosure *continued*

C.1.2 Insurance and reinsurance contract disclosures and reconciliations *continued*

C.1.2.1 SUMMARY OF INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD *continued*

C.1.2.1.2 Insurance finance reserve

The following table sets out the insurance finance reserve for the insurance contracts issued and reinsurance contracts held, net of their related tax effects.

Group R million Accumulated (income)/expense	SA Composite SA Life Risk (GMM)	 SA Life: Group Life and other (PAA)	 Total	UK Composite UK Life Risk (GMM)	Discovery Group Total
Year ended 30 June 2026					
Balance at beginning of the period	**5 938**	**(262)**	**5 676**	**(2 748)**	**2 928**
Net finance (income)/expense for insurance contracts					
Amounts recognised in OCI	**(11 797)**	**419**	**(11 378)**	**(776)**	**(12 154)**
Related tax effects	**3 185**	**(113)**	**3 072**	**194**	**3 266**
Net finance income/(expense) for reinsurance contracts					
Amounts recognised in OCI	**683**	**(51)**	**632**	**13**	**645**
Related tax effects	**(184)**	**13**	**(171)**	**(3)**	**(174)**
Balance at the end of the period	**(2 175)**	**6**	**(2 169)**	**(3 320)**	**(5 489)**
Year ended 30 June 2025					
Balance at beginning of the period	7 003	(214)	6 789	(1 957)	4 832
Net finance (income)/expense for insurance contracts					
Amounts recognised in OCI	(1 684)	(74)	(1 758)	(1 203)	(2 961)
Related tax effects	455	20	475	300	775
Net finance income/(expense) for reinsurance contracts					
Amounts recognised in OCI	221	8	229	153	382
Related tax effects	(57)	(2)	(59)	(41)	(100)
Balance at the end of the period	5 938	(262)	5 676	(2 748)	2 928

C. Insurance and reinsurance contracts related disclosure *continued*

C.1.2 Insurance and reinsurance contract disclosures and reconciliations *continued*

C.1.2.2 MOVEMENT IN INSURANCE CONTRACT BALANCES: GMM

C.1.2.2.1 SA LIFE (RISK)

ANALYSIS BY MEASUREMENT COMPONENT

Group R million (Assets)/Liabilities	Navigation	2026 Estimates of PVFCF	 RA for non-financial risk	CSM Other contracts	 Total
Opening assets arising from insurance contracts issued		(58 654)	8 357	27 295	(23 002)
Net balance at beginning of the year	A	(58 654)	8 357	27 295	(23 002)
Changes in the income statement and OCI					
Changes that relate to current services					
CSM recognised for services provided		–	–	(2 000)	(2 000)
Change in Risk Adjustment for non-financial risk that relates to expired risk		–	(678)	–	(678)
Experience adjustments		(569)	–	–	(569)
Changes that relate to future services					
Contracts initially recognised in the period		(2 168)	475	1 777	84
Changes in estimates that adjust CSM		1 858	(376)	(1 482)	–
Changes in estimates that result in onerous contract losses or reversal of losses		684	(60)	–	624
Servicing expenses and commission for onerous contracts		18	–	–	18
Changes that relate to past services					
Adjustment to liability for incurred claims		–	(16)	–	(16)
Insurance service result	B	(177)	(655)	(1 705)	(2 537)
Net finance expenses from insurance contracts	C	(21 774)	4 012	2 671	(15 091)
Net changes to income statement and OCI	D = B + C	(21 951)	3 357	966	(17 628)
Cash flows	E	2 936	–	–	2 936
Net balance at the end of the year	F = A + D + E	(77 669)	11 714	28 261	(37 694)
Closing assets arising from insurance contracts issued		(77 669)	11 714	28 261	(37 694)
Net balance at the end of the year		(77 669)	11 714	28 261	(37 694)

	2025			
			CSM	
	Estimates of PVFCF	RA for non-financial risk	Other contracts	Total
	(54 499)	7 811	28 842	(17 846)
	(54 499)	7 811	28 842	(17 846)
	–	–	(1 862)	(1 862)
	–	(642)	–	(642)
	(724)	–	–	(724)
	(1 647)	395	1 286	34
	4 046	(362)	(3 684)	–
	202	(14)	–	188
	13	–	–	13
	–	6	–	6
	1 890	(617)	(4 260)	(2 987)
	(8 647)	1 163	2 713	(4 771)
	(6 757)	546	(1 547)	(7 758)
	2 602	–	–	2 602
	(58 654)	8 357	27 295	(23 002)
	(58 654)	8 357	27 295	(23 002)
	(58 654)	8 357	27 295	(23 002)

C. Insurance and reinsurance contracts related disclosure *continued*

C.1.2 Insurance and reinsurance contract disclosures and reconciliations *continued*

C.1.2.2 MOVEMENT IN INSURANCE CONTRACT BALANCES: GMM *continued*

C.1.2.2.2 SA INVEST (RISK)

ANALYSIS BY MEASUREMENT COMPONENT

Group R million (Assets)/Liabilities	Navigation	2026 Estimates of PVFCF	 RA for non-financial risk	CSM Other contracts	 Total
Opening liabilities arising from insurance contracts issued		22 570	190	820	23 580
Net balance at beginning of the year	A	22 570	190	820	23 580
Changes in the income statement and OCI					
Changes that relate to current services					
CSM recognised for services provided		–	–	(318)	(318)
Change in Risk Adjustment for non-financial risk that relates to expired risk		–	(42)	–	(42)
Experience adjustments		27	–	–	27
Changes that relate to future services					
Contracts initially recognised in the period		(99)	7	97	5
Changes in estimates that adjust CSM		6	(43)	37	–
Changes in estimates that result in onerous contract losses or reversal of losses		(6)	(50)	–	(56)
Insurance service result	B	(72)	(128)	(184)	(384)
Net finance expenses from insurance contracts	C	3 375	65	80	3 520
Net changes to income statement and OCI	D = B + C	3 303	(63)	(104)	3 136
Cash flows	E	(2 604)	–	–	(2 604)
Net balance at the end of the year	F = A + D + E	23 269	127	716	24 112
Closing liabilities arising from insurance contracts issued		23 269	127	716	24 112
Net balance at the end of the year		23 269	127	716	24 112

2025			
		CSM	
Estimates of PVFCF	RA for non-financial risk	Other contracts	Total
23 489	135	941	24 565
23 489	135	941	24 565
–	–	(395)	(395)
–	(38)	–	(38)
32	–	–	32
(266)	25	245	4
49	17	(66)	–
(5)	23	–	18
(190)	27	(216)	(379)
2 805	28	95	2 928
2 615	55	(121)	2 549
(3 534)	–	–	(3 534)
22 570	190	820	23 580
22 570	190	820	23 580
22 570	190	820	23 580

C. Insurance and reinsurance contracts related disclosure *continued*

C.1.2 Insurance and reinsurance contract disclosures and reconciliations *continued*

C.1.2.2 MOVEMENT IN INSURANCE CONTRACT BALANCES: GMM *continued*

C.1.2.2.3 UK LIFE (RISK)

ANALYSIS BY MEASUREMENT COMPONENT

Group R million (Assets)/Liabilities	Navigation	2026 Estimates of PVFCF	 RA for non-financial risk	CSM Other contracts	 Total
Opening assets arising from insurance contracts issued		(38 091)	2 562	15 349	(20 180)
Net balance at beginning of the year	A	(38 091)	2 562	15 349	(20 180)
Changes in the income statement and OCI					
Changes that relate to current services					
CSM recognised for services provided		–	–	(1 461)	(1 461)
Change in Risk Adjustment for non-financial risk that relates to expired risk		–	(254)	–	(254)
Experience adjustments		(132)	–	–	(132)
Changes that relate to future services					
Contracts initially recognised in the period		(2 932)	510	2 836	414
Changes in estimates that adjust CSM		164	43	(207)	–
Changes in estimates that result in onerous contract losses or reversal of losses		465	34	–	499
Insurance service result	B	(2 435)	333	1 168	(934)
Net finance expenses from insurance contracts	C	(1 792)	11	357	(1 424)
Net changes to income statement and OCI	D = B + C	(4 227)	344	1 525	(2 358)
Cash flows	E	(844)	–	–	(844)
Effect of movements in exchange rates	F	4 299	(289)	(1 711)	2 299
Net balance at the end of the year	G = A + D + E + F	(38 863)	2 617	15 163	(21 083)
Closing assets arising from insurance contracts issued		(38 863)	2 617	15 163	(21 083)
Net balance at the end of the year		(38 863)	2 617	15 163	(21 083)

2025			
		CSM	
Estimates of PVFCF	RA for non-financial risk	Other contracts	Total
(30 819)	2 239	13 311	(15 269)
(30 819)	2 239	13 311	(15 269)
–	–	(1 332)	(1 332)
–	(246)	–	(246)
362	–	–	362
(2 192)	471	2 128	407
(164)	(2)	166	–
345	9	–	354
(1 649)	232	962	(455)
(2 178)	(39)	298	(1 919)
(3 827)	193	1 260	(2 374)
(1 553)	–	–	(1 553)
(1 892)	130	778	(984)
(38 091)	2 562	15 349	(20 180)
(38 091)	2 562	15 349	(20 180)
(38 091)	2 562	15 349	(20 180)

C. Insurance and reinsurance contracts related disclosure *continued*

C.1.2 Insurance and reinsurance contract disclosures and reconciliations *continued*

C.1.2.3 MOVEMENT IN INSURANCE CONTRACT BALANCES: VFA

C.1.2.3.1 SA INVEST (PARTICIPATING)

ANALYSIS OF MEASUREMENT COMPONENT

Group		2026				
				CSM		
R million (Assets)/Liabilities	Navigation	Estimates of PVFCF	RA for non-financial risk	Transition: Modified retro-spective	Other contracts	Total
Opening liabilities arising from insurance contracts issued		80 199	843	5 377	1 731	88 150
Net balance at beginning of the year	A	80 199	843	5 377	1 731	88 150
Changes in the income statement and OCI						
Changes that relate to current services						
CSM recognised for services provided		–	–	(1 014)	(432)	(1 446)
Change in Risk Adjustment for non-financial risk that relates to expired risk		–	(176)	–	–	(176)
Experience adjustments		(189)	–	90	12	(87)
Changes that relate to future services						
Contracts initially recognised in the period		(629)	77	–	597	45
Changes in estimates that adjust CSM[1]		(2 279)	111	1 510	658	–
Changes in estimates that result in onerous contract losses or reversal of losses		(27)	2	–	–	(25)
Insurance service result	B	(3 124)	14	586	835	(1 689)
Net finance expenses from insurance contracts[1]	C	12 698	67	–	–	12 765
Net changes to income statement and OCI	D = B + C	9 574	81	586	835	11 076
Cash flows	E	4 503	–	–	–	4 503
Net balance at the end of the year	F = A + D + E	94 276	924	5 963	2 566	103 729
Closing liabilities arising from insurance contracts issued		94 276	924	5 963	2 566	103 729
Net balance at the end of the year		94 276	924	5 963	2 566	103 729

1 *Effective 1 July 2025, the Group updated the presentation of IFIE for the VFA portfolios in line with evolving industry disclosure practices. IFIE, which was previously presented separately, is now included within changes in estimates that adjust the CSM. The comparative information has been restated to align with the current period presentation.*

	2025				
			CSM		
	Estimates of PVFCF	RA for non-financial risk	Transition: Modified retrospective	Other contracts	Total
	66 642	773	5 275	1 031	73 721
	66 642	773	5 275	1 031	73 721
	–	–	(1 058)	(266)	(1 324)
	–	(186)	–	–	(186)
	(96)	–	56	(22)	(62)
	(764)	89	–	732	57
	(1 459)	99	1 104	256	–
	6	1	–	–	7
	(2 313)	3	102	700	(1 508)
	12 957	67	–	–	13 024
	10 644	70	102	700	11 516
	2 913	–	–	–	2 913
	80 199	843	5 377	1 731	88 150
	80 199	843	5 377	1 731	88 150
	80 199	843	5 377	1 731	88 150

C. Insurance and reinsurance contracts related disclosure *continued*

C.1.2 Insurance and reinsurance contract disclosures and reconciliations *continued*

C.1.2.4 MOVEMENT IN REINSURANCE CONTRACT BALANCES: GMM

C.1.2.4.1 SA LIFE (RISK)

ANALYSIS BY MEASUREMENT COMPONENT

Group		2026				
				CSM		
R million (Assets)/Liabilities	Navigation	Estimates of PVFCF	RA for non-financial risk	Transition: Modified retro-spective	Other contracts	Total
Opening liabilities arising from reinsurance contracts held		5 649	(671)	(104)	(4 504)	370
Net balance at beginning of the year	A	5 649	(671)	(104)	(4 504)	370
Changes in the income statement and OCI						
Changes that relate to current services						
CSM recognised for services provided		–	–	7	312	319
Change in Risk Adjustment for non-financial risk that relates to expired risk		–	71	–	–	71
Experience adjustments		260	–	–	–	260
Changes that relate to future services						
Contracts initially recognised in the period		220	(23)	–	(212)	(15)
Changes in estimates that adjust CSM		(349)	19	–	338	8
Changes in estimates that relate to losses and reversal of losses on underlying contracts		(63)	9	–	–	(54)
Changes that relate to past services						
Adjustment to assets for incurred claims		–	6	–	–	6
Net Expenses from reinsurance contracts held	B	68	82	7	438	595
Net finance income from reinsurance contracts	C	1 342	(120)	(13)	(410)	799
Net changes to income statement and OCI	D = B + C	1 410	(38)	(6)	28	1 394
Cash flows	E	(1 325)	–	–	–	(1 325)
Net balance at the end of the year	F = A + D + E	5 734	(709)	(110)	(4 476)	439
Closing liabilities arising from reinsurance contracts held		5 734	(709)	(110)	(4 476)	439
Net balance at the end of the year		5 734	(709)	(110)	(4 476)	439

	2025				
			CSM		
	Estimates of PVFCF	RA for non-financial risk	Transition: Modified retro-spective	Other contracts	Total
	5 899	(703)	(100)	(4 970)	126
	5 899	(703)	(100)	(4 970)	126
	–	–	6	319	325
	–	73	–	–	73
	624	–	–	–	624
	187	(21)	–	(172)	(6)
	(897)	76	3	839	21
	(19)	(2)	–	–	(21)
	–	(1)	–	–	(1)
	(105)	125	9	986	1 015
	1 035	(93)	(13)	(520)	409
	930	32	(4)	466	1 424
	(1 180)	–	–	–	(1 180)
	5 649	(671)	(104)	(4 504)	370
	5 649	(671)	(104)	(4 504)	370
	5 649	(671)	(104)	(4 504)	370

C. Insurance and reinsurance contracts related disclosure *continued*

C.1.2 Insurance and reinsurance contract disclosures and reconciliations *continued*

C.1.2.4 MOVEMENT IN REINSURANCE CONTRACT BALANCES: GMM *continued*

C.1.2.4.2 UK LIFE (RISK)

ANALYSIS BY MEASUREMENT COMPONENT

Group R million (Assets)/Liabilities	Navigation	2026 Estimates of PVFCF	RA for non-financial risk	CSM Other contracts	Total
Opening liabilities arising from reinsurance contracts held		17 023	(521)	(7 751)	8 751
Net balance at beginning of the year	A	17 023	(521)	(7 751)	8 751
Changes in the income statement and OCI					
Changes that relate to current services					
CSM recognised for services provided		–	–	721	721
Change in Risk Adjustment for non-financial risk that relates to expired risk		–	11	–	11
Experience adjustments		186	–	–	186
Changes that relate to future services					
Contracts initially recognised in the period		1 519	(99)	(1 715)	(295)
Changes in estimates that adjust CSM		(67)	(10)	77	–
Changes in estimates that relate to losses and reversal of losses on underlying contracts		(212)	(16)	–	(228)
Net Expenses from reinsurance contracts held	B	1 426	(114)	(917)	395
Net finance income from reinsurance contracts	C	642	2	(226)	418
Net changes to income statement and OCI	D = B + C	2 068	(112)	(1 143)	813
Cash flows	E	1 725	–	–	1 725
Effect of movements in exchange rates	F	(1 987)	61	880	(1 046)
Net balance at the end of the year	G = A + D + E + F	18 829	(572)	(8 014)	10 243
Closing liabilities arising from reinsurance contracts held		18 829	(572)	(8 014)	10 243
Net balance at the end of the year		18 829	(572)	(8 014)	10 243

	2025			
			CSM	
	Estimates of PVFCF	RA for non-financial risk	Other contracts	Total
	11 460	(471)	(5 719)	5 270
	11 460	(471)	(5 719)	5 270
	–	–	636	636
	–	25	–	25
	(130)	–	–	(130)
	1 574	(76)	(1 782)	(284)
	333	(2)	(331)	–
	(81)	(4)	–	(85)
	1 696	(57)	(1 477)	162
	598	34	(180)	452
	2 294	(23)	(1 657)	614
	2 460	–	–	2 460
	809	(27)	(375)	407
	17 023	(521)	(7 751)	8 751
	17 023	(521)	(7 751)	8 751
	17 023	(521)	(7 751)	8 751

C. Insurance and reinsurance contracts related disclosure *continued*

C.1.2 Insurance and reinsurance contract disclosures and reconciliations *continued*

C.1.2.5 INSURANCE REVENUE

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

Group R million Income/(expenses)
Year ended 30 June 2026
Contracts not measured under the PAA
Amounts relating to changes in liabilities for remaining coverage
– CSM recognised for services provided
– Change in risk adjustment for non-financial risk for risk expired
– Expected incurred claims and other insurance service expenses
– Experience adjustments
Recovery of insurance acquisition cash flows
Contracts not measured under the PAA
Contracts measured under the PAA
Total insurance revenue
Year ended 30 June 2025
Contracts not measured under the PAA
Amounts relating to changes in liabilities for remaining coverage
– CSM recognised for services provided
– Change in risk adjustment for non-financial risk for risk expired
– Expected incurred claims and other insurance service expenses
– Experience adjustments
Recovery of insurance acquisition cash flows
Contracts not measured under the PAA
Contracts measured under the PAA
Total insurance revenue

SA Life Risk (GMM)	SA Invest Risk (GMM)	UK Life Risk (GMM)	SA Invest Participating (VFA)	SA Life: Group life and other (PAA)	SA Insure and other (PAA)	UK Health (PAA)	Total
13 499	**996**	**5 758**	**2 849**	**–**	**–**	**–**	**23 102**
2 000	**318**	**1 461**	**1 446**	**–**	**–**	**–**	**5 225**
675	**41**	**246**	**173**	**–**	**–**	**–**	**1 135**
10 843	**627**	**3 961**	**1 147**	**–**	**–**	**–**	**16 578**
(19)	**10**	**90**	**83**	**–**	**–**	**–**	**164**
2 348	**173**	**3 426**	**778**	**–**	**–**	**–**	**6 725**
15 847	**1 169**	**9 184**	**3 627**	**–**	**–**	**–**	**29 827**
–	**–**	**–**	**–**	**3 762**	**7 242**	**20 611**	**31 615**
15 847	**1 169**	**9 184**	**3 627**	**3 762**	**7 242**	**20 611**	**61 442**
13 257	975	5 014	2 574	–	–	–	21 820
1 862	395	1 332	1 324	–	–	–	4 913
640	36	239	167	–	–	–	1 082
10 712	502	3 565	986	–	–	–	15 765
43	42	(122)	97	–	–	–	60
2 162	228	3 036	783	–	–	–	6 209
15 419	1 203	8 050	3 357	–	–	–	28 029
–	–	–	–	3 738	6 822	19 124	29 684
15 419	1 203	8 050	3 357	3 738	6 822	19 124	57 713

C. Insurance and reinsurance contracts related disclosure *continued*

C.1.2 Insurance and reinsurance contract disclosures and reconciliations *continued*

C.1.2.6 NET INVESTMENT RESULT

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

Group R million Income/(expenses)
Year ended 30 June 2026
Investment return
Interest revenue from financial assets not measured at FVTPL
Net gains on FVTPL investments
Total investment return
Movement in investment contract liabilities
Movement in third party interests in consolidated funds
Finance income/(expenses) from insurance contracts
Amounts recognised in profit or loss
– Changes in fair value of underlying items of direct participation contracts
– Interest accreted to the CSM
– Interest on FCF and other finance (income)/expenses
– Effect of changes in interest rates and other financial assumptions
Amounts recognised in OCI
– Interest accreted to the CSM
– Interest on FCF and other finance (income)/expenses
– Effect of changes in interest rates and other financial assumptions
– Effect of changing FCF at current rates when adjusting the CSM at rates on initial recognition
– Effect of movements in exchange rates
Net finance expenses from insurance contracts
Finance income/(expenses) from reinsurance contracts
Amounts recognised in profit or loss
– Interest accreted to the CSM
– Interest on FCF and other finance (income)/expenses
Amounts recognised in OCI
– Interest accreted to the CSM
– Interest on FCF and other finance (income)/expenses
– Effect of changes in interest rates and other financial assumptions
– Effect of changing FCF at current rates when adjusting the CSM at rates on initial recognition
– Effect of movements in exchange rates
Net finance income from reinsurance contracts

SA Life Risk (GMM)	SA Invest Risk (GMM)	UK Life Risk (GMM)	SA Invest Participating (VFA)	SA Life: Group Life and other (PAA)	SA Insure and other immaterial (PAA)	UK Health (PAA)	Other businesses	Total
48	–	74	50	–	4	180	761	1 117
9	3 524	–	12 819	477	–	42	9 268	26 139
57	3 524	74	12 869	477	4	222	10 029	27 256
							(3 894)	(3 894)
							(4 317)	(4 317)
3 294	(3 520)	648	(12 765)	(469)	(19)	–	–	(12 831)
–	–	–	(12 765)	–	–	–	–	(12 765)
(3 333)	(80)	(335)	–	–	–	–	–	(3 748)
6 627	(1 604)	983	–	(469)	(19)	–	–	5 518
–	(1 836)	–	–	–	–	–	–	(1 836)
11 797	–	776	–	(419)	–	–	–	12 154
575	–	(22)	–	–	–	–	–	553
(2 631)	–	404	–	63	–	–	–	(2 164)
13 231	–	251	–	(495)	–	–	–	12 987
755	–	143	–	–	–	–	–	898
(133)	–	–	–	13	–	–	–	(120)
15 091	(3 520)	1 424	(12 765)	(888)	(19)	–	–	(677)
(116)	–	(405)	–	57	–	–	–	(464)
473	–	213	–	–	–	–	–	686
(589)	–	(618)	–	57	–	–	–	(1 150)
(683)	–	(13)	–	51	–	–	–	(645)
(39)	–	13	–	–	–	–	–	(26)
184	–	(88)	–	(5)	–	–	–	91
(792)	–	213	–	69	–	–	–	(510)
(41)	–	(151)	–	–	–	–	–	(192)
5	–	–	–	(13)	–	–	–	(8)
(799)	–	(418)	–	108	–	–	–	(1 109)

C. Insurance and reinsurance contracts related disclosure *continued*

C.1.2 Insurance and reinsurance contract disclosures and reconciliations *continued*

C.1.2.6 NET INVESTMENT RESULT *continued*

Group R million Income/(expenses)
Year ended 30 June 2025
Investment return
Interest revenue from financial assets not measured at FVTPL
Net gains on FVTPL investments
Total investment return
Movement in investment contract liabilities
Movement in third party interests in consolidated funds
Finance income/(expenses) from insurance contracts
Amounts recognised in profit or loss
– Changes in fair value of underlying items of direct participation contracts
– Interest accreted to the CSM[1]
– Interest on FCF and other finance (income)/expenses[1]
– Effect of changes in interest rates and other financial assumptions
Amounts recognised in OCI
– Interest accreted to the CSM
– Interest on FCF and other finance (income)/expenses
– Effect of changes in interest rates and other financial assumptions
– Effect of changing FCF at current rates when adjusting the CSM at rates on initial recognition
– Effect of movements in exchange rates
Net finance expenses from insurance contracts
Finance income/(expenses) from reinsurance contracts
Amounts recognised in profit or loss
– Interest accreted to the CSM
– Interest on FCF and other finance (income)/expenses
Amounts recognised in OCI
– Interest accreted to the CSM
– Interest on FCF and other finance (income)/expenses
– Effect of changes in interest rates and other financial assumptions
– Effect of changing FCF at current rates when adjusting the CSM at rates on initial recognition
– Effect of movements in exchange rates
Net finance income from reinsurance contracts

1. Effective 1 July 2025, the Group updated the presentation of IFIE for the VFA portfolios in line with evolving industry disclosure practices. IFIE, which was previously presented separately, is now included within changes in estimates that adjust the CSM. The comparative information has been restated to align with the current period presentation

SA Life Risk (GMM)	SA Invest Risk (GMM)	UK Life Risk (GMM)	SA Invest Participating (VFA)	SA Life: Group Life and other (PAA)	SA Insure and other immaterial (PAA)	UK Health (PAA)	Other businesses	Total
3	–	76	–	–	5	154	760	998
29	2 986	–	13 130	503	–	70	9 100	25 818
32	2 986	76	13 130	503	5	224	9 860	26 816
							(3 810)	(3 810)
							(4 394)	(4 394)
3 087	(2 928)	716	(13 024)	(496)	(20)	–	–	(12 665)
–	–	–	(13 024)	–	–	–	–	(13 024)
(3 475)	(95)	(258)	–	–	–	–	–	(3 828)
6 562	(1 838)	974	–	(496)	(20)	–	–	5 182
–	(995)	–	–	–	–	–	–	(995)
1 684	–	1 203	–	74	–	–	–	2 961
731	–	(40)	–	–	–	–	–	691
(2 465)	–	1 061	–	81	–	–	–	(1 323)
2 309	–	125	–	(10)	–	–	–	2 424
1 151	–	57	–	–	–	–	–	1 208
(42)	–	–	–	3	–	–	–	(39)
4 771	(2 928)	1 919	(13 024)	(422)	(20)	–	–	(9 704)
(188)	–	(299)	–	64	–	–	–	(423)
509	–	156	–	–	–	–	–	665
(697)	–	(455)	–	64	–	–	–	(1 088)
(221)	–	(153)	–	(8)	–	–	–	(382)
(44)	–	24	–	–	–	–	–	(20)
291	–	(260)	–	(8)	–	–	–	23
(229)	–	12	–	3	–	–	–	(214)
(242)	–	71	–	–	–	–	–	(171)
3	–	–	–	(3)	–	–	–	–
(409)	–	(452)	–	56	–	–	–	(805)

C. Insurance and reinsurance contracts related disclosure *continued*

C.1.2 Insurance and reinsurance contract disclosures and reconciliations *continued*

C.1.2.7 SUMMARY EFFECT OF INITIALLY RECOGNISED CONTRACTED NET OF REINSURANCE

R million Assets/(Liabilities)	SA Life Risk (GMM)	SA Invest Risk (GMM)	SA Invest Participating (VFA)	UK Life Risk (GMM)
Year ended 30 June 2026				
Present value of estimated net cash inflows	**1 948**	**97**	**629**	**1 413**
Risk adjustment for non-financial risk	**(452)**	**(7)**	**(77)**	**(411)**
CSM	**(1 565)**	**(97)**	**(597)**	**(1 121)**
Losses recognised on initial recognition	**(69)**	**(7)**	**(45)**	**(119)**
Year ended 30 June 2025				
Present value of estimated net cash inflows	1 460	266	764	618
Risk adjustment for non-financial risk	(374)	(25)	(89)	(395)
CSM	(1 114)	(245)	(732)	(346)
Losses recognised on initial recognition	(28)	(4)	(57)	(123)

C.1.2.7.1 Effect of contracts initially recognised in the period

INSURANCE CONTRACTS

Group

R million Assets/(Liabilities)
Year ended 30 June 2026
Insurance acquisition cash flows
Claims and other insurance service expenses payable
Estimates of present value of cash outflows
Estimates of present value of cash inflows
Risk adjustment for non-financial risk
CSM
Losses recognised on initial recognition
Year ended 30 June 2025
Insurance acquisition cash flows
Claims and other insurance service expenses payable
Estimates of present value of cash outflows
Estimates of present value of cash inflows
Risk adjustment for non-financial risk
CSM
Losses recognised on initial recognition

Profitable contracts issued				Onerous contracts issued				
SA Life Risk (GMM)	SA Invest Risk (GMM)	SA Invest Participating (VFA)	UK Life Risk (GMM)	SA Life Risk (GMM)	SA Invest Risk (GMM)	SA Invest Participating (VFA)	UK Life Risk (GMM)	Total
(1 552)	**(116)**	**(670)**	**(5 763)**	**(177)**	**(5)**	**(116)**	**(1 398)**	**(9 797)**
(2 745)	**(2 292)**	**(10 246)**	**(9 243)**	**(370)**	**(107)**	**(1 863)**	**(3 054)**	**(29 920)**
(4 297)	**(2 408)**	**(10 916)**	**(15 006)**	**(547)**	**(112)**	**(1 979)**	**(4 452)**	**(39 717)**
6 512	**2 510**	**11 580**	**18 271**	**500**	**109**	**1 944**	**4 119**	**45 545**
(438)	**(5)**	**(67)**	**(429)**	**(37)**	**(2)**	**(10)**	**(81)**	**(1 069)**
(1 777)	**(97)**	**(597)**	**(2 836)**	**–**	**–**	**–**	**–**	**(5 307)**
–	**–**	**–**	**–**	**(84)**	**(5)**	**(45)**	**(414)**	**(548)**
(1 465)	(160)	(567)	(4 956)	(112)	(11)	(87)	(1 276)	(8 634)
(2 050)	(3 640)	(9 543)	(7 284)	(180)	(215)	(840)	(2 918)	(26 670)
(3 515)	(3 800)	(10 110)	(12 240)	(292)	(226)	(927)	(4 194)	(35 304)
5 176	4 063	10 913	14 760	278	229	888	3 866	40 173
(375)	(18)	(71)	(392)	(20)	(7)	(18)	(79)	(980)
(1 286)	(245)	(732)	(2 128)	–	–	–	–	(4 391)
–	–	–	–	(34)	(4)	(57)	(407)	(502)

C. Insurance and reinsurance contracts related disclosure *continued*

C.1.2 Insurance and reinsurance contract disclosures and reconciliations *continued*

C.1.2.7 SUMMARY EFFECT OF INITIALLY RECOGNISED CONTRACTED NET OF REINSURANCE *continued*

C.1.2.7.1 Effect of contracts initially recognised in the period *continued*

REINSURANCE CONTRACTS

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 2026			
Estimates of present value of cash outflows	**(1 254)**	**(15 490)**	**(16 744)**
Estimates of present value of cash inflows	**1 034**	**13 971**	**15 005**
Risk adjustment for non-financial risk	**23**	**99**	**122**
Income recognised on initial recognition (for offset)	**(15)**	**(295)**	**(310)**
CSM	**(212)**	**(1 715)**	**(1 927)**
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)

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.*

D
Accounting policies

D. Accounting policies

D.1 New Accounting Standards and amendments to published Accounting Standards not yet effective

The Group has not early adopted any other IFRS Accounting Standards, amendments or interpretations that have been issued but not yet effective. The Group does not expect any new IFRS Accounting Standards, amendments or interpretations that have been issued but not yet effective to have a material impact on the recognised amounts except for IFRS 18 *Presentation and disclosure in Financial Statements* (IFRS 18), which supersedes IAS 1 *Presentation of Financial Statements* (IAS 1) 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. For the Group, IFRS 18 will be effective from 1 July 2027. The Group is assessing additional disclosure requirements required.

For the financial year commencing 1 July 2025, there were no material new standards, amendments or interpretations that became effective for the Group.

INTEREST RATE BENCHMARK REFORMS (IBOR)

In recent years, major interest rate benchmarks have been reformed globally, resulting in the replacement of certain interbank offered rates (IBORs) with alternative reference rates. Discovery Limited has financial instruments that have been, or will be, affected by these market-wide reforms, most notably the transition from LIBOR to the Sterling Overnight Index Average (SONIA) in the United Kingdom and the replacement of the Johannesburg Interbank Average Rate (JIBAR) in South Africa.

The South African Reserve Bank (SARB) has confirmed that JIBAR will be permanently discontinued following its final publication on 31 December 2026. Following an observation period from 1 November 2022 to 31 October 2023, the South African Rand Overnight Index Average (ZARONIA) was endorsed as the successor benchmark rate. Industry milestones leading up to the cessation of JIBAR included the transition to a ZARONIA-first approach for derivatives in November 2024, the cash market in June 2025, and the cessation of new JIBAR-linked instruments from March 2026.

As at 30 June 2026, the Group's JIBAR-linked exposure comprises:

- SA Bank borrowings, with associated interest rate derivatives, as detailed in Note A.5.1
- Investments of c. R10.4 billion
- Home loans provided to customers of c. R3.9 billion

Certain secured floating-rate financial instruments within Discovery Bank are expected to transition directly from JIBAR to the South African prime lending rate as the designated replacement benchmark. The Bank intends to rely on the proposed amendments to the Financial Sector Regulation Act, expected to become effective towards the end of 2026, to facilitate the transition of these instruments.

The Group does not expect the benchmark reform to result in material accounting consequences. In accordance with the IFRS Accounting Standards reliefs applicable to IBOR reform, changes to the contractual cash flows of financial assets and liabilities arising directly from the reform will be accounted for as changes to the basis for determining contractual cash flows. Accordingly, the effective interest rate will be updated to reflect the replacement benchmark without recognising a gain or loss, provided that the new basis is economically equivalent to the previous basis.

For hedge accounting purposes, where cash flow hedges are affected by the reform, the Group will continue to apply the available reliefs. When assessing whether a forecast transaction remains highly probable, the interest rate benchmark on which the hedged cash flows are based is assumed to remain unchanged as a consequence of the reform.

The transition is not expected to result in any changes to the Group's or the Bank's risk management strategies. Management continues to monitor developments relating to benchmark reform, the transition of affected financial instruments and the associated risk management implications.

D. Accounting policies *continued*

D.2 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.

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.

D.3 Basis of preparation

STATEMENT OF COMPLIANCE

Discovery Limited is a company incorporated in South Africa.

The condensed consolidated annual financial statements for the year ended 30 June 2026 (annual results) consolidate the results of Discovery and its subsidiaries (together the Group) and equity account the Group's interests in associates and joint ventures.

The annual results comprise the Group statement of financial position at 30 June 2026, Group income statement, Group statement of other comprehensive income, Group statement of changes in equity and Group statement of cash flows for the year ended 30 June 2026 and selected explanatory notes.

The condensed consolidated annual financial statements have been prepared in accordance with the JSE Limited (JSE) Listings Requirements, IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards), including IAS 34 *Interim Financial Reporting* (IAS 34), the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Pronouncements as issued by the Financial Reporting Standards Council (FRSC) and the requirements of the Companies Act of South Africa.

The accounting policies adopted are consistent with the accounting policies applied in the prior annual financial statements.

The financial information in these annual results has been extracted from the Group audited consolidated financial statements for the year ended 30 June 2026, but is not itself audited. As such, these annual results do not include all the notes typically included in the annual financial statements and must be read together with the Group audited consolidated financial statements for the year ended 30 June 2026. The Board of Discovery takes full responsibility for the accuracy of the extracted information.

The Group audited consolidated financial statements for the year ended 30 June 2026 were audited by KPMG Inc. and Deloitte & Touche, who expressed an unmodified audit opinion. A copy of the set of Group audited consolidated 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.

Embedded value statement

Embedded value statement

for the year ended 30 June 2026

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.

Table 1: Group embedded value

R millions	30 June 2026	30 June 2025	% Change
Shareholders' funds	**82 661**	65 699	26
Adjustment to shareholders' funds from published basis[1]	**(52 264)**	(40 660)	29
Adjusted net worth[2]	**30 397**	25 039	21
Value of in-force covered business before cost of required capital	**116 089**	104 812	11
Cost of required capital	**(3 562)**	(3 297)	8
Discovery Group embedded value	**142 924**	126 554	13
Number of shares (millions)	**672.6**	666.6	
Embedded value per share	**R212.49**	R189.85	12
Diluted number of shares (millions)	**675.0**	668.7	
Diluted embedded value per share[3]	**R211.75**	R189.25	12

1 A breakdown of the "Adjustment to shareholders' funds from published basis" is shown in the table below. Note that where relevant, adjustments have been converted using the closing exchange rate of R21.73/GBP (June 2025: R24.34/GBP).

R millions	***30 June 2026***	*30 June 2025*
Life net assets under insurance contracts	***(31 944)***	*(21 333)*
Vitality Life Limited net assets under insurance contracts	***(11 691)***	*(11 663)*
VitalityHealth Insurance Acquisition Cash Flow (IACF) Asset	***(5 049)***	*(5 120)*
VitalityLife receivable relating to the Unemployment Cover benefit (net of deferred tax)	***(4)***	*(7)*
Goodwill relating to the acquisition of Standard Life Healthcare and the PAC joint venture	***(2 689)***	*(3 012)*
Intangible assets (net of deferred tax) in covered businesses	***(556)***	*(813)*
Net preference share capital	***(779)***	*(779)*
*Reversal of 1 Discovery Place IFRS 16 financial lease accounting**	***–***	*1 550*
*Equity settled share based payment mark-to-market adjustment***	***448***	*517*
Total	***(52 264)***	*(40 660)*

** The "Reversal of 1 Discovery Place IFRS 16 financial lease accounting" adjustment has reduced from R1.55 billion at 30 June 2025 to nil at 30 June 2026 following the purchase of the 1 Discovery Place building. The historical EV adjustment is no longer required and has been replaced by a once-off gain of R1.07 billion (net of tax) recognised on the termination of the lease arrangement, which is reflected in the Shareholders' funds and therefore forms part of the Adjusted net worth.*

*** 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.*

Embedded value statement *continued*

for the year ended 30 June 2026

Table 1: Group embedded value *continued*

2 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	***30 June 2026***	*30 June 2025*
Shareholders' funds	***82 661***	*65 699*
Adjustment to shareholders' funds	***(52 264)***	*(40 660)*
Adjusted net worth	***30 397***	*25 039*
Excess of available capital over adjusted net worth	***57 553***	*52 419*
Available capital	***87 950***	*77 458*
Required capital	***56 852***	*48 446*
Excess available capital	***31 098***	*29 012*

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 regulatory 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 SAM 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 2026***	*30 June 2025*
Health and Vitality	***1 328***	*1 286*
Life and Invest	***37 439***	*29 349*
VitalityHealth	***4 269***	*4 761*
VitalityLife	***13 816***	*13 050*
Total Required Capital	***56 852***	*48 446*

- *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.*

The cost of required capital in the embedded value is calculated assuming shareholder cash flow is limited to the cash flow available after having met both the required capital amount and, where relevant, an internally defined liquidity target capital requirement of tangible assets. As a result, changes in the required capital noted in the table above may differ from changes in the cost of required capital, where the liquidity target capital requirement of tangible assets is the prevailing constraint. Additional detail is provided in the 'basis of preparation' section.

3 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.

Table 2: Value of in-force covered business

R millions	**Value before cost of capital**	**Cost of capital**	**Value after cost of capital**
At 30 June 2026			
Health and Vitality	**31 570**	**(554)**	**31 016**
Life and Invest[1]	**52 233**	**(1 771)**	**50 462**
VitalityHealth[2]	**17 041**	**(461)**	**16 580**
VitalityLife[2]	**15 245**	**(776)**	**14 469**
Total	**116 089**	**(3 562)**	**112 527**
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

1 Included in the Life and Invest value of in-force covered business is R3 418 million (June 2025: R2 894 million) in respect of investment management services provided on off balance sheet investment business. The net assets of the investment service provider are included in the adjusted net worth.
2 The value of in-force has been converted using the closing exchange rate of R21.73/GBP (June 2025: R24.34/GBP).

Embedded value statement *continued*

for the year ended 30 June 2026

Table 3: Group embedded value earnings

R millions	Year ended 30 June 2026	Year ended 30 June 2025
Embedded value at end of period	**142 924**	126 554
Less: embedded value at beginning of period	**(126 554)**	(110 354)
Increase in embedded value	**16 370**	16 200
Dividends paid	**2 205**	1 707
Employee share option schemes	**(824)**	(721)
Net change in capital	**145**	23
Transfer to hedging reserve	**(52)**	104
Acquisition of subsidiaries with non-controlling interest	**1**	(1)
Embedded value earnings	**17 845**	17 312
Annualised return on opening embedded value	**14.1%**	15.7%

Table 4: Components of Group embedded value earnings

	Year ended 30 June 2026				Year ended 30 June 2025
R millions	Net Worth	Cost of required capital	Value of inforce covered business	Embedded Value	Embedded Value
Total profit from new business (at point of sale)	(7 234)	(356)	10 411	**2 821**	2 154
Profit from existing business					
– Expected return	9 777	(5)	1 175	**10 947**	10 878
– Change in methodology and assumptions[1]	3 223	(116)	2 223	**5 330**	(404)
– Experience variances	1 840	78	1 198	**3 116**	2 905
Impairment, amortisation and fair value adjustment[2]	(41)	–	–	**(41)**	(62)
Increase in goodwill and intangibles	(344)	–	–	**(344)**	(382)
Non-covered businesses[3]	2 819	–	–	**2 819**	2 537
Non-recurring expenses	(280)	–	–	**(280)**	(355)
Acquisition costs[4]	(64)	–	3	**(61)**	(45)
Finance costs[5]	(3 018)	–	–	**(3 018)**	(3 125)
Foreign exchange rate movements[6]	(1 204)	133	(3 732)	**(4 803)**	1 550
Other[7]	(74)	–	–	**(74)**	(8)
Return on shareholders' funds[5,8]	1 433	–	–	**1 433**	1 669
Embedded value earnings	**6 833**	**(266)**	**11 278**	**17 845**	**17 312**

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 Global.*

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 cR196 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. In addition, included in non-covered businesses is a net negative impact of R482 million relating to the termination of the 1 Discovery Place lease, reflecting the reversal of the historical EV shareholder adjustment partly offset by a once-off termination gain (net of tax).*

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 367 million at 30 June 2026 and R1 351 million at 30 June 2025).*

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 in-force.*

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.*

Embedded value statement *continued*

for the year ended 30 June 2026

Table 5: Experience variances

R millions	Health and Vitality Net worth	Health and Vitality Value of in-force	Life and Invest Net worth	Life and Invest Value of in-force	VitalityHealth Net worth	VitalityHealth Value of in-force	VitalityLife Net worth	VitalityLife Value of inforce	Year ended 30 June 2026 Total	Year ended 30 June 2025 Total
Renewal expenses	37	–	(27)	5	(76)	–	(22)	–	**(83)**	25
Lapses and surrenders[1]	25	339	32	129	–	(234)	(93)	125	**323**	1 583
Mortality and morbidity[2]	–	–	1 105	(105)	530	–	151	–	**1 681**	(462)
Policy alterations[3]	–	5	(613)	57	–	–	8	(70)	**(613)**	(761)
Backdated cancellations	–	–	–	–	–	–	–	–	**–**	–
Premium and Fee Income	197	–	10	(84)	(91)	–	4	30	**66**	1 100
Inflation-linked indexation	–	–	3	24	–	–	6	5	**38**	(130)
Economic[4]	–	–	157	219	180	–	–	–	**556**	719
Tax[5]	168	–	(59)	123	(18)	–	242	(2)	**454**	483
Reinsurance[6]	–	–	–	–	–	–	(227)	9	**(218)**	(94)
Maintain modelling term[7]	–	357	–	108	–	229	–	–	**694**	566
Vitality benefits[8]	88	–	–	–	–	–	4	–	**92**	(116)
Other[9]	–	–	131	7	–	–	(12)	–	**126**	(8)
Total	**515**	**701**	**739**	**483**	**525**	**(5)**	**61**	**97**	**3 116**	**2 905**

1 *For VitalityHealth, the lapse and surrender experience reflects lower than expected retained renewal premium increases, as a result of the business reducing renewal price increases earlier than planned to support retention, given strong profit margin emergence. For Health and Vitality, the lapse and surrender experience reflects the success of targeted interventions against the one-year stressed lapse assumption introduced in the prior period.*

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 largely reflects the net impact of lower than expected claims.*

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. A number of targeted interventions and management actions are currently being implemented, which are expected to improve the observed experience in the short-term.*

4 *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. In addition, this item includes impacts arising from the IAS 12 deferred tax liability, driven by market movements. For VitalityHealth, investment return continued to contribute to profitability as interest rates in the UK remain high.*

5 *The tax variance arises due to the difference in timing between expected and actual tax payments, as well as differences in the modelling of certain components of expected taxable profit compared to actual taxable profit.*

6 *For VitalityLife, higher financial reinsurance repayments made over the period results in a lower outstanding deficit account balance, which is reflected as a positive variance in the value of in-force and a negative variance in the net worth. In addition, for VitalityLife, higher than expected risk reinsurance premiums contributed to the negative variance in net worth.*

7 *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.*

8 *For Health and Vitality, the experience is driven by successful benefit management initiatives in the Vitality business.*

9 *For Life and Invest, this relates to offsetting differences between the actual timing of cash flows and model expectation.*

Embedded value statement *continued*

for the year ended 30 June 2026

Table 6: Methodology and assumption changes

R millions	Health and Vitality Net Worth	Health and Vitality Value of In-Force	Life and Invest Net Worth	Life and Invest Value of In-Force	VitalityHealth Net Worth	VitalityHealth Value of In-Force	VitalityLife Net Worth	VitalityLife Value of In-Force	**Year ended 30 June 2026 Total**	Year ended 30 June 2025 Total
Modelling changes[1]	–	(10)	92	(163)	–	–	267	(95)	**91**	(99)
Expenses[2]	–	(134)	(32)	(458)	–	–	(37)	(132)	**(793)**	(377)
Lapses[3]	–	(8)	–	(146)	–	–	(147)	25	**(276)**	(1 297)
Mortality and morbidity[4]	–	–	(206)	345	–	–	(52)	(127)	**(40)**	1 034
Benefit changes[5]	–	(73)	–	–	–	–	–	–	**(73)**	17
Vitality[6]	–	–	–	–	–	–	14	158	**172**	–
Tax[7]	–	–	–	(334)	–	–	–	–	**(334)**	–
Economic assumptions[8]	–	493	289	5 194	–	(489)	22	242	**5 751**	174
Premium and fee income[9]	–	401	–	–	–	–	–	–	**401**	196
Reinsurance and financing[10]	–	–	533	(29)	–	–	2 428	(2 602)	**330**	104
Other	–	–	39	38	–	–	13	11	**101**	(156)
Total	**–**	**669**	**715**	**4 447**	**–**	**(489)**	**2 508**	**(2 520)**	**5 330**	**(404)**

1 *Refinements to the modelling environment were introduced. For Life and Invest, this largely relates to updates for commission modelling, and for VitalityLife this reflects modelling updates in respect of reinsurance retention.*

2 *For Health and Vitality, Life and Invest, and VitalityLife, the expense assumptions were updated to align to budget. For VitalityLife, expense assumptions were also updated to align more closely at a benefit level. For Group Life, a comprehensive review of expenses resulted in a higher allocation to renewal expenses.*

3 *For Health and Vitality, the one-year stressed lapse assumption which was introduced in the prior period was retained for Vitality only, to allow time for specific interventions to take effect. For Life and Invest, the lapse basis was updated to include the introduction of a one-year stressed assumption in respect of the phasing in of management actions to address policy alterations experience. For VitalityLife, the item includes a strengthening of the VitalityLife Whole of Life lapse basis.*

4 *For Life and Invest, refinements to the mortality and morbidity assumptions on the Individual Life, Invest and Group Life businesses were implemented, which largely offset in aggregate, with the net positive impact relating to aligning Group Life's claims assumption more closely to recent experience. For VitalityLife, the item reflects the impact of updating mortality improvement assumptions.*

5 *For Health and Vitality, the Vitality profit margin assumption was updated to align to budget.*

6 *For VitalityLife, the Vitality status distribution and physical activity assumptions were updated to align with recent experience.*

7 *For Life and Invest, the Invest transfer tax modelling under IFRS17 for Embedded Value purposes was refined.*

8 *For Health and Vitality, and Life and Invest, the item includes the impact of updating the internally derived yield curves as at 30 June 2026. For Health and Vitality, this also includes the impact of higher-than-expected inflation applicable to the administration and managed care fee escalation in 2026. For VitalityHealth, this includes the impact of the increase in the risk discount rate, following the increase in the underlying risk-free rate, which results in a decrease in the Annuity Factor. For VitalityLife, this item includes the impact of updating to the 30 June 2026 Solvency UK yield curves and IFRS interest rates.*

9 *For Health and Vitality, this item represents an additional administration and managed care fee margin effective for 2026. This additional margin is contractually effective given a defined level of spend to enhance the services rendered by the administrator.*

10 *For Life and Invest, the reinsurance and financing item includes reinsurance optimisation initiatives and 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.*

Embedded value statement *continued*

for the year ended 30 June 2026

Table 7: Value of new business

R millions	30 June 2026	30 June 2025	% Change
	Year ended		
Health and Vitality			
Gross profit from new business (at point of sale)	**1 506**	1 095	
Cost of required capital	**(51)**	(45)	
Present value of future profits from new business (at point of sale) after cost of required capital	**1 455**	1 050	39
New business annualised premium equivalent[1]	**6 919**	6 093	14
Life and Invest			
Present value of future profits from new business (at point of sale)[2]	**555**	535	
Cost of required capital	**(86)**	(74)	
Present value of future profits from new business (at point of sale) after cost of required capital	**469**	461	2
New business annualised premium equivalent[3]	**3 704**	3 270	13
Annualised profit margin[4]	**1.6%**	1.8%	
Annualised profit margin excluding Invest business	**3.8%**	2.1%	
VitalityHealth[5]			
Present value of future profits from new business (at point of sale)	**554**	671	
Cost of required capital	**(60)**	(62)	
Present value of future profits from new business (at point of sale) after cost of required capital	**494**	609	(19)
New business annualised premium equivalent[6]	**2 733**	2 564	7
Annualised profit margin[4]	**2.5%**	3.1%	
VitalityLife			
Present value of future profits from new business (at point of sale)	**562**	153	
Cost of required capital	**(159)**	(119)	
Present value of future profits from new business (at point of sale) after cost of required capital	**403**	34	1 085
New business annualised premium equivalent[7]	**2 519**	2 094	20
Annualised profit margin[4]	**2.3%**	0.2%	

The term "annual premium equivalent" ("APE") was disclosed as "annualised premium income" ("API") in previous reporting periods. The term was changed to avoid conflict with the new business disclosures in the published financial statements, which reference a different definition for "new business annualised premium income".

1 *Health new business annualised premium equivalent is the gross contribution to the medical schemes. The new business annualised premium equivalent 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 2026. The total Health and Vitality new business annualised premium income written over the period was R11 035 million (June 2025: R10 119 million).*

2 *Included in the Life and Invest embedded value of new business is R50 million (June 2025: R49 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.*

Embedded value statement *continued*

for the year ended 30 June 2026

Table 7: Value of new business *continued*

The new business annualised premium equivalent of R3 704 million (single premium APE: R1 860 million (June 2025: R1 717 million)) shown above excludes automatic premium increases, servicing increases in respect of existing business and Umbrella Funds and Other CEB new business annualised premium income. The total new business annualised premium equivalent written over the period was R7 109 million (single premium APE: R1 979 million (June 2025: R1 806million)) and is set out in the table below:

R millions	30 June 2026	30 June 2025
New business annualised premium equivalent	**3 704**	3 270
Automatic premium increases	**2 269**	2 219
Servicing increases	**839**	761
Umbrella Funds and other CEB new business annualised premium income	**297**	383
New business annualised premium income	**7 109**	6 633

The new business annual premium equivalent of R3 704 million is split between Life of R803 million (June 2025: R735 million) and Invest of R2 901 million (June 2025: R2 535 million).

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 shown in Table 8.*
6 *VitalityHealth new business is defined as individuals and employer groups which incepted during the reporting period. The new business annualised premium equivalent 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 2026.*
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. The new business annual premium equivalent shown above excludes automatic contribution increases and servicing increases in respect of existing business.*

Embedded value statement *continued*

for the year ended 30 June 2026

Basis of preparation

Table 8: Embedded value economic assumptions

R millions		30 June 2026	30 June 2025
Beta coefficient		**0.75**	0.75
Equity risk premium (%)		**3.50**	3.50
Risk discount rate (%)			
	– Health and Vitality[1]	**11.625**	13.875
	– Life and Invest[1]	**11.625**	14.625
	– VitalityHealth	**7.102**	6.573
	– VitalityLife	**7.077**	6.734
Rand / GB Pound Exchange Rate			
	– Closing	**21.73**	24.34
	– Average	**22.68**	23.48
Margin over Expense inflation to derive Medical Inflation (%)			
South Africa		**3.00**	3.00
Expense inflation (%)[2]			
South Africa	– Health and Vitality	**4.88**	5.66
	– Life and Invest	**5.16**	6.41
United Kingdom		**3.77**	3.72
Pre-tax investment return (%)			
South Africa	– Cash[1]	**7.50**	10.50
	– Life and Invest bonds[3]	**9.00**	12.00
	– Health and Vitality bonds[3]	**9.00**	11.25
	– Equity	**12.50**	15.50
United Kingdom	– VitalityHealth risk-free rate	**4.48**	3.95
	– VitalityLife risk-free rate	**4.45**	4.11
	– VitalityLife Investment return	**5.65**	5.26
Long-term corporation tax rate (%)			
South Africa		**27**	27
United Kingdom		**25**	25
VitalityHealth margin assumption			
	– Margin (net of tax and cost of capital) (%)	**10.58**	10.56
	– Annuity Factor	**7.57**	7.81
Projection term			
	– Health and Vitality	**20 years**	20 years
	– Discovery Life - VIF	**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.*
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.*

Embedded value statement *continued*

for the year ended 30 June 2026

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 information.

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 non-economic 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.

Embedded value statement *continued*

for the year ended 30 June 2026

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 2026 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	Health and Vitality	
R millions	Adjusted net worth	Value of inforce	Cost of required capital
Base	30 397	31 570	(554)
Impact of:			
Risk discount rate + 1%	30 397	29 783	(607)
Risk discount rate - 1%	30 397	33 552	(493)
Lapses - 10%	30 258	32 595	(580)
Interest rates - 1%[1]	30 540	31 533	(532)
Equity and property market value - 10%	29 923	31 570	(554)
Equity and property return + 1%	30 397	31 570	(554)
Renewal expenses - 10%	30 493	34 715	(513)
Mortality and Morbidity - 5%	30 639	31 570	(554)
Projection term + 1 year	30 397	31 972	(559)

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 Vitality	
R millions	Value of inforce	Cost of required capital
Base	1 506	(51)
Impact of:		
Risk discount rate + 1%	1 389	(56)
Risk discount rate - 1%	1 636	(45)
Lapses - 10%	1 603	(55)
Interest rates - 1%[1]	1 516	(49)
Equity and property return + 1%	1 506	(51)
Renewal expenses - 10%	1 710	(48)
Mortality and Morbidity - 5%	1 506	(51)
Projection term + 1 year	1 532	(52)
Acquisition Expenses - 10%	1 546	(51)

1 All economic assumptions were reduced by 1%.

Life and Invest		VitalityHealth		VitalityLife			
Value of inforce	Cost of required capital	Value of inforce	Cost of required capital	Value of inforce	Cost of required capital	**Embedded Value**	% change
52 233	(1 771)	17 041	(461)	15 245	(776)	**142 924**	
47 650	(1 906)	16 085	(601)	14 232	(877)	**134 156**	(6)
57 678	(1 605)	18 107	(303)	16 403	(624)	**153 112**	7
57 107	(1 822)	19 185	(519)	16 213	(867)	**151 570**	6
53 325	(1 818)	18 107	(490)	14 750	(886)	**144 529**	1
51 144	(1 765)	17 041	(461)	15 245	(776)	**141 367**	(1)
52 716	(1 770)	17 041	(461)	15 245	(776)	**143 408**	—
53 087	(1 754)	18 697	(461)	15 623	(754)	**149 133**	4
55 424	(1 655)	20 471	(461)	15 710	(754)	**150 390**	5
52 377	(1 774)	17 235	(466)	15 245	(776)	**143 651**	1

Life and Invest		VitalityHealth		VitalityLife			
Value of inforce	Cost of required capital	Value of inforce	Cost of required capital	Value of inforce	Cost of required capital	**Value of new business**	% change
555	(86)	554	(60)	562	(159)	**2 821**	
348	(93)	418	(76)	341	(175)	**2 096**	(26)
795	(78)	704	(41)	813	(130)	**3 654**	30
776	(89)	933	(70)	792	(183)	**3 707**	31
643	(88)	704	(64)	638	(183)	**3 117**	10
587	(86)	554	(60)	562	(159)	**2 853**	1
609	(85)	739	(60)	635	(155)	**3 345**	19
651	(80)	937	(60)	625	(158)	**3 370**	19
561	(86)	578	(60)	562	(159)	**2 876**	2
763	(86)	593	(60)	819	(159)	**3 365**	19

Annexure A

Annexure A

This Annexure does not form part of the IFRS results. Discovery assesses its performance using alternative performance measures in addition to those measurements determined using IFRS Accounting Standards. These measures enhance the comparability and understanding of the financial performance of the Group.

New business annualised premium income

for the year ended 30 June 2026

The new business annualised premium income (API) set out below provides a view of the scale of new business across all operations of the Group and does not necessarily reflect the new business attributable to the legal entities within the Group. For instance, Discovery Health includes new business attributable to medical schemes for which it earns a fee in respect of administration and marketing services.

New business API, increased by 6% for the year ended 30 June 2026 when compared to the corresponding prior period.

	Group 2026	Group 2025	Change %
Discovery Health[1]	10 495	9 573	10%
Discovery Life	3 244	3 203	1%
Individual Life	2 811	2 733	3%
CEB	433	470	(8%)
Discovery Invest	3 865	3 430	13%
Discovery Insure	1 390	1 361	2%
Discovery Vitality	540	546	(1%)
New business API from Discovery SA	**19 534**	18 113	8%
VitalityHealth	2 871	2 851	1%
VitalityLife	3 027	2 499	21%
Ping An Health Insurance (PAHI) own licence	2 723	3 023	(10%)
New business API from Vitality	**8 621**	8 373	3%
New business API of Group	**28 155**	26 486	6%

1 New business API for Discovery Health includes new business API for all businesses administered by Discovery Health, including DHMS, Closed Schemes and offerings such as Gap cover and FlexiCare cover. Closed Schemes refer to those restricted to certain employers and industries.

Calculation of new business API

New business API is calculated at 12 times the monthly premium for new recurring premium policies and 10% of the value of new single premium policies. It also includes both automatic premium increases and servicing increases on existing long-term insurance policies. The amounts exclude indirect taxes.

The new business API in the table above differs from the new business API disclosed in the embedded value largely as a result of:

- The timing of inclusion of the policyholders in the calculation of new business API – in the embedded value, new business is included from the earlier of the date that the first premium has been received or when the policy is on risk, whereas in the table above, new business is included when the policy has been contractually committed.
- Inclusion of automatic premium increases and servicing increases on existing life policies – these are included in the table above but excluded in the embedded value API values disclosed.

Refer to the footnotes to Table 7: Embedded Value of New Business for a more detailed description of the differences in new business disclosures between the embedded value and the table above.

Annexure A *continued*

Income from non-insurance business lines

for the year ended 30 June 2026

The table below includes income from business lines and activities not covered by the new business API definition, as outlined in the previous table. For Discovery Bank, banking fees and commissions are presented net of related expenses. This information differs from that provided in note A.4, which reflects the gross revenue streams for goods or services within the scope of IFRS 15 Revenue from Contracts with Customers.

	Group 2026	Group 2025	Change %
Discovery Health – Income excluded from API measure	**1 740**	1 343	30%
Discovery Bank	**3 070**	2 338	31%
Discovery Bank – Net banking fee and commission income (NIR)	**1 815**	1 373	32%
Discovery Bank – Net bank interest and similar income (NII)[1]	**1 255**	965	30%
Vitality Global Markets income[2]	**2 472**	2 962	(17%)
Total income from non-insurance business lines	**7 282**	6 643	10%

1 *Refer to A.1 Segment Information.*
2 *Vitality Global Markets income includes gross recurring and lump sum revenues earned by Vitality Group and solutions revenue from external clients, while that from internal clients and rewards is specifically excluded.*

Cash conversion ratio

for the year ended 30 June 2026

Cash conversion is calculated as Operating Cash Flow (per the Group shareholder free cash movement included in the additional analyst information on Discovery's website), divided by Normalised profit from operations (IFRS total, excluding the IFRS Reporting Adjustments for shareholder investment income and fair value gains/(losses), as well as the once-off gain on termination of the lease through the acquisition of 1 Discovery Place) net of Income tax expense (IFRS total) per A.1 Segment Information. The Operating Cash Flow includes the net impact of funding sourced from financial reinsurance (whether securitised from new business or the in-force book), which offsets new business acquisition costs, and the in-period repayments in respect of previous funding taken.

	Group 2026	Group 2025[1]	Change
Cash conversion ratio	**85%**	80%	5pp

1 *The prior year cash conversion ratio of 77% has been restated, as communicated in the interim results for the six months ended 31 December 2025, to allow for the reversal of the IFRS Reporting Adjustments for shareholder investment income and fair value gains/(losses) to better align Normalised profit from operations and Operating Cash Flow.*

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Sponsors and debt sponsors
Nedbank Corporate and Investment Banking,
a division of Nedbank Limited

Secretary and registered office
AC Ceba (FCG) (F.Inst D)
Discovery Limited

(Incorporated in the Republic of South Africa)
(Registration number: 1999/007789/06)
Company tax reference number: 9652/003/71/7

JSE share code:	DSY ISIN: ZAE000022331
JSE share code:	DSBP ISIN: ZAE000158564
JSE bond company code:	DSYI

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Directors
ME Tucker (UK) (Chairperson), A Gore* (Group Chief Executive), LM Chiume, VN Fakude[1]
R Farber, WM Hlahla, FN Khanyile, D Macready, KC Ramon, M Schreuder, B Swartzberg*,
BA van Kralingen, DM Viljoen* (Group Chief Financial Officer).

** Executive.*
1 Appointed effective 1 September 2025.

Debt officer
DM Viljoen

Annual financial results
– prepared by L Motsepe-Setiloane CA(SA), K Modiba CA(SA), G Pieterse CA(SA),
– supervised by DM Viljoen CA(SA)

Embedded value statement
– prepared by P Bolink FASSA
– supervised by A Rayner FASSA, FIA1

Discovery

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