

# Insurer Discovery posts 9% drop in interim profit on higher rates, choppy market

South African insurer Discovery Ltd reported a 9% drop in interim profit on Thursday, hurt by higher interest rates and macroeconomic volatility.



Source: Reuters.

It posted headline earnings per share (Heps), which strip out one-off items, of 453.6 cents for the half year that ended 31 December, as against 499.1 cents a year earlier.

Normalised Heps, which Discovery considers a more accurate measure of its profit and which also excludes exceptional items, was 570.2 cents, up 30% from year ago.

Discovery is one of South Africa's top health insurers and also has operations in the United Kingdom. Of late, it has diversified into other insurance products and financial services.

The company invested a fifth of its operating profit into its key new businesses Vitality, a global wellness initiative, and Discovery Bank, forcing it to keep dividends suspended.

Its insurance peers in the country have reinstated dividends post Covid-19.

Discovery said dividends will remain suspended and it would revisit the policy at the end of its financial year in June.

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