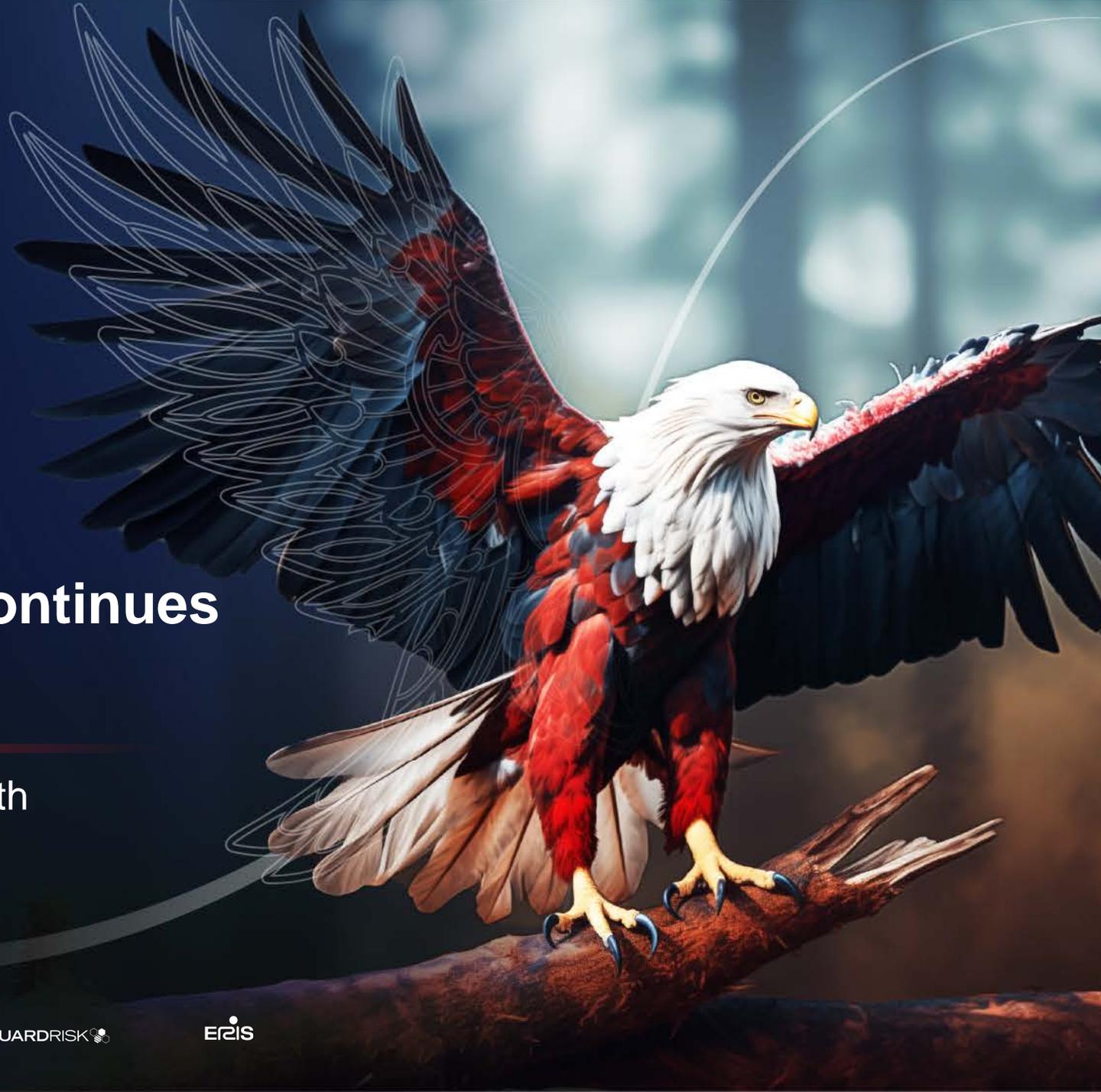


# Momentum Metropolitan continues to deliver robust earnings

Operating profit growth illustrates strength of core operations



# Overview

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**Key takeouts**



**Reinvent and Grow**



**Conclusion**

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**Jeanette Marais**  
Group Chief Executive Officer



# Strong increase in normalised headline earnings

R'million

3 000

2 500

2 000

1 500

1 000

500

-

+42%

1 704

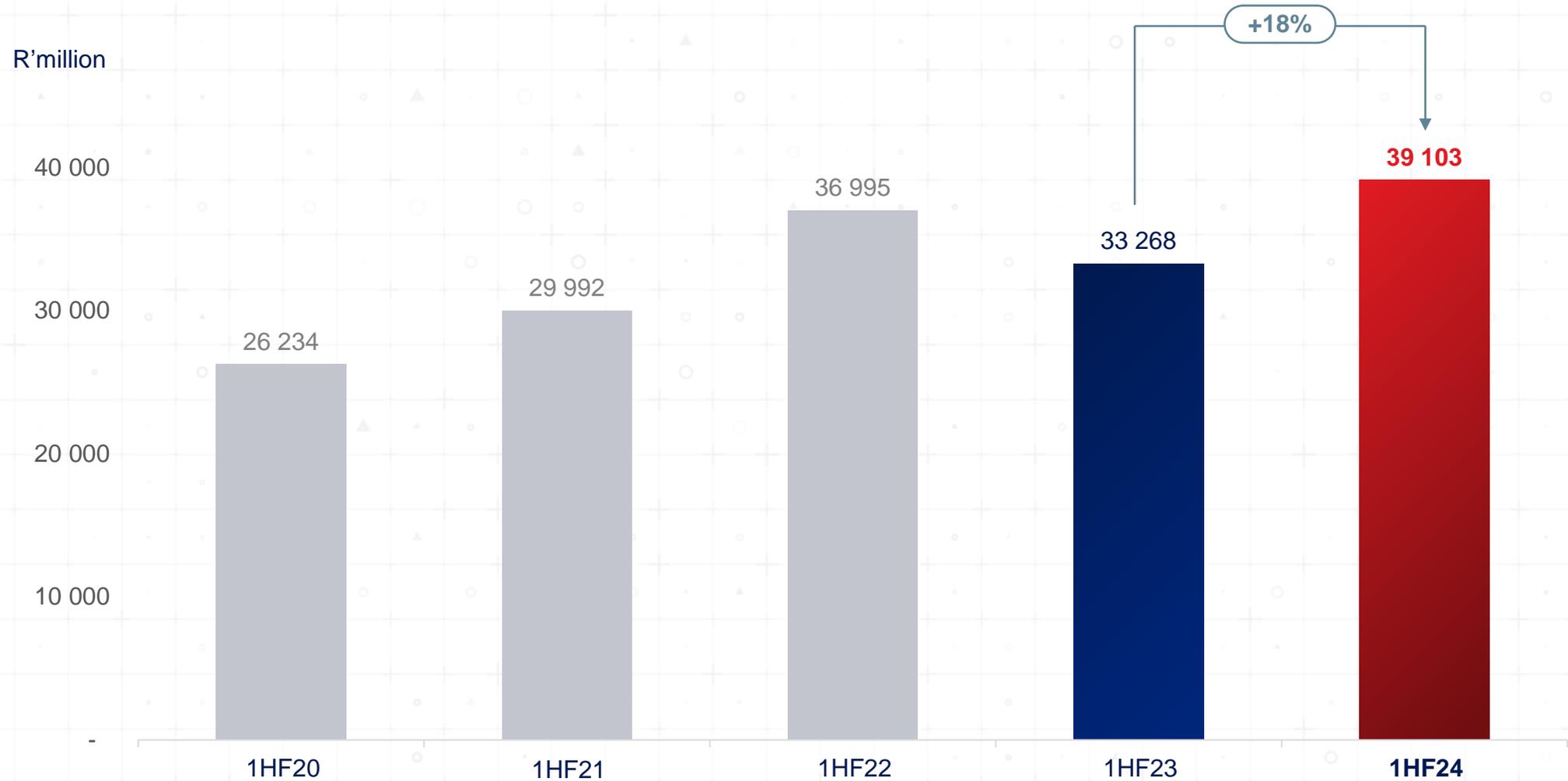
2 424

1HF23\*

1HF24

\* Restated figures

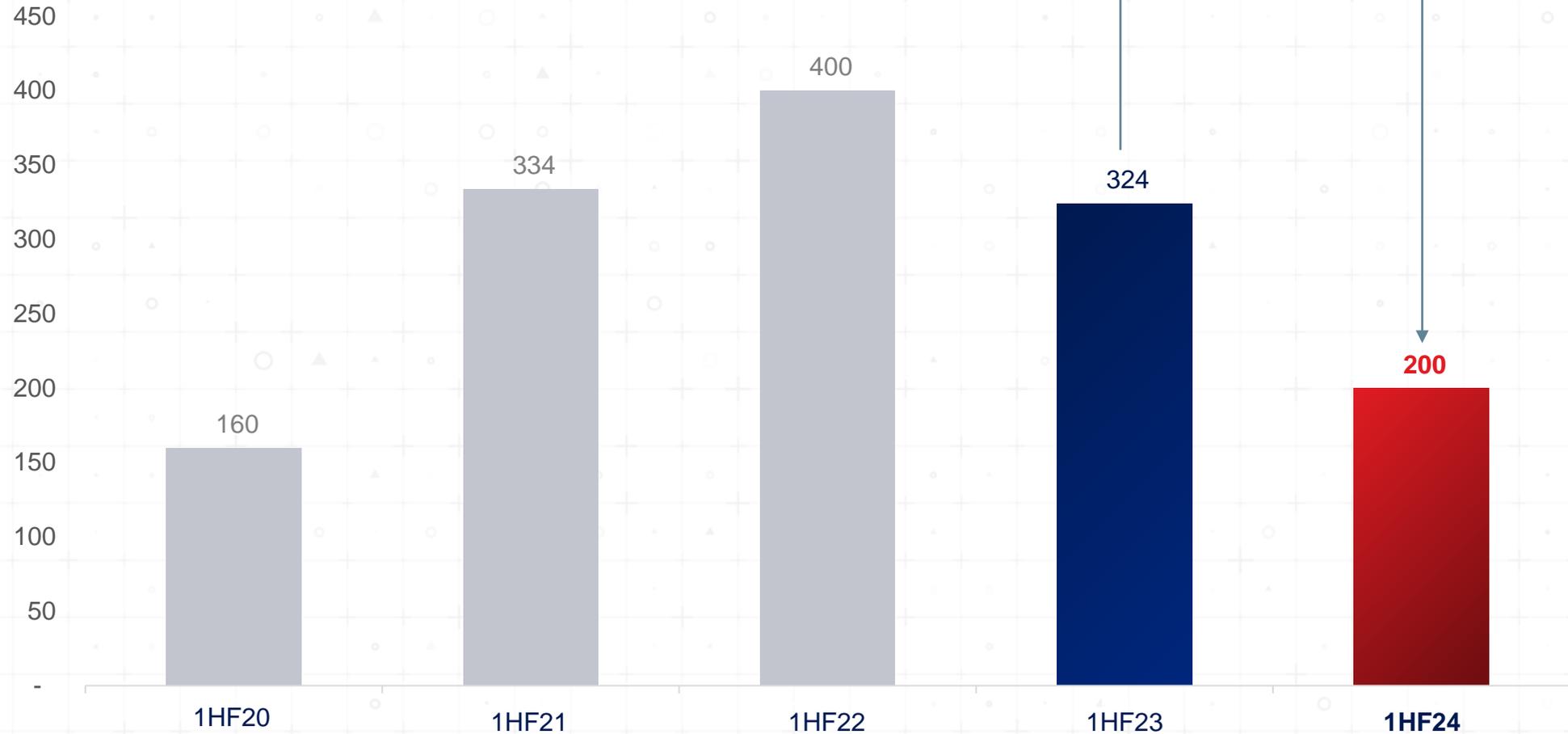
# Sales volumes at record high



\* PVNBP year-on-year is not directly comparable as a change was made to the discount rate due to IFRS 17

# Pressure on value of new business

R'million



\* VNB for prior periods (incl. F2023) not restated for IFRS 17

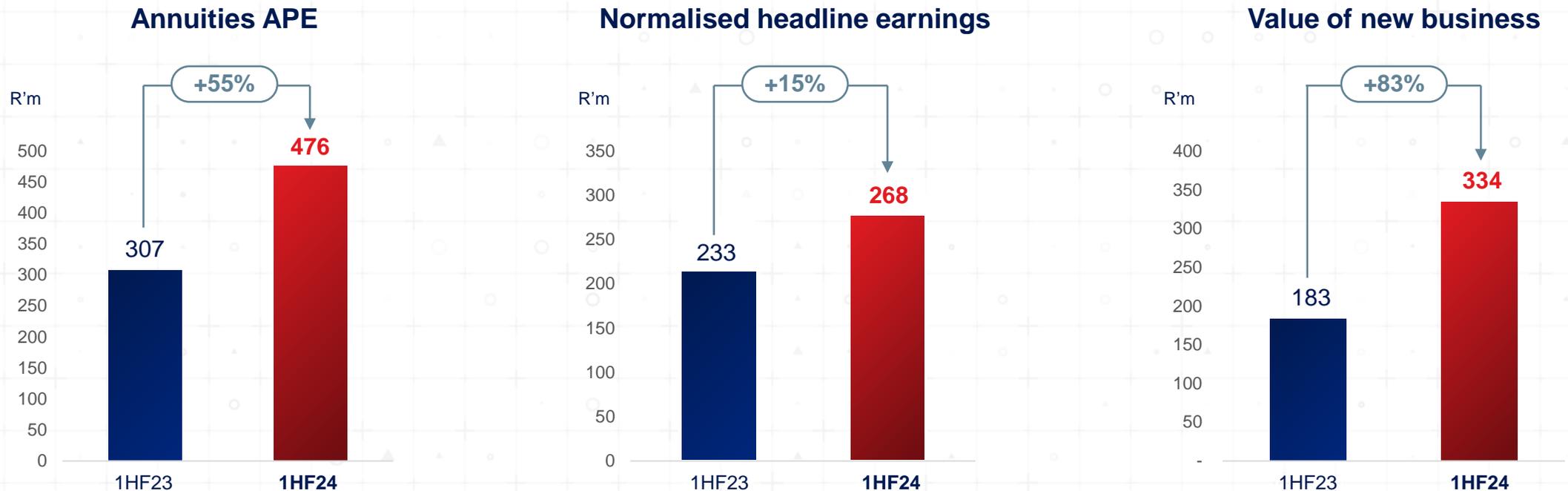
# A story of 3 businesses

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- 1 Momentum Investments
  - 2 Momentum Insure
  - 3 Metropolitan Life
- 



# Momentum Investments' growth boosts the Group

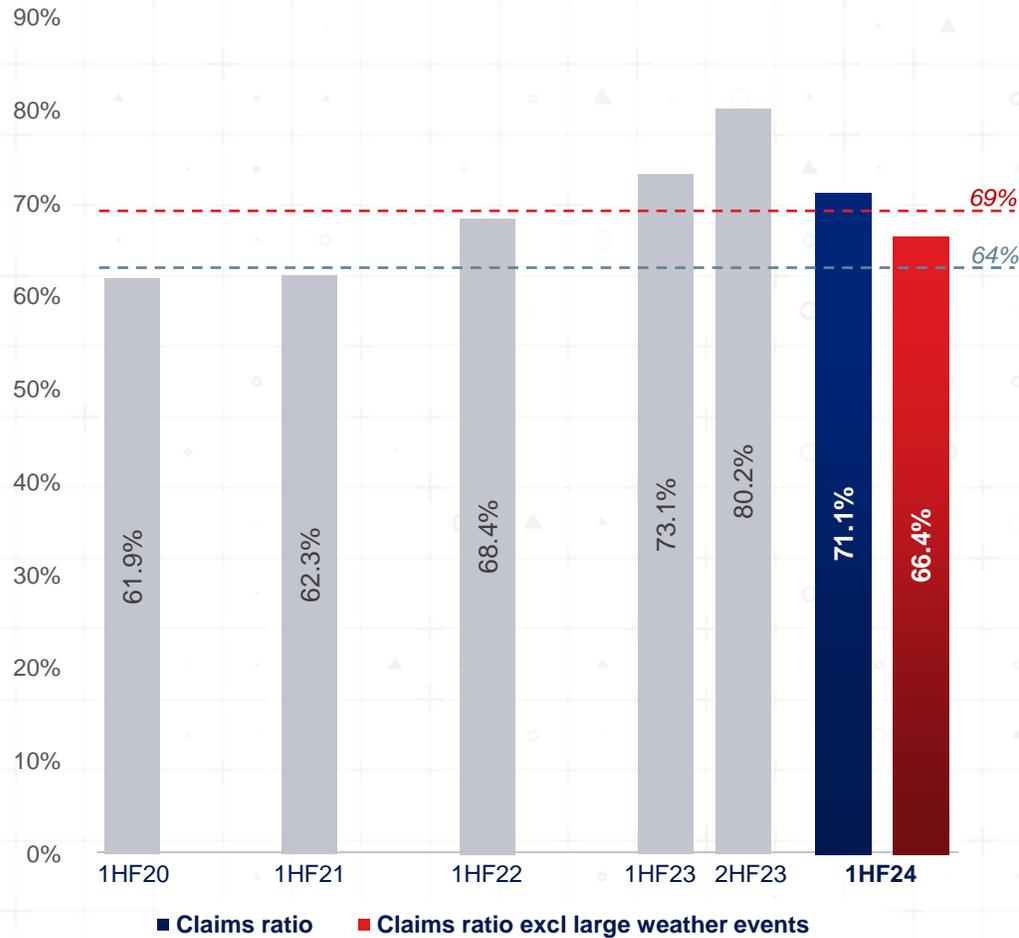


\* VNB for prior periods (incl. F2023) not restated for IFRS 17

- Market leader in IFA annuity sales
- Increasing local platform market share
- Momentum Wealth International net flows highest in market
- Great collaboration with Momentum Corporate paying off
- RMI Investment Managers transaction

# Momentum Insure's turnaround plan on track

## Claims ratio



## Progress

### Turnaround plan on track

- Small profit
- Earnings benefited from strong investment returns
- Maintained targeted SCR ratio

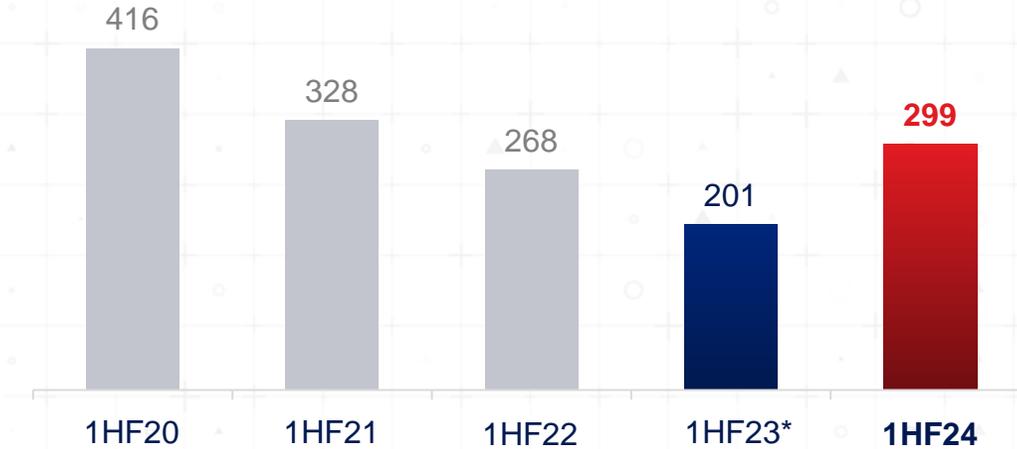
### Corrective actions showing positive results

- Material improvement in claims ratio
- New business premium corrections
- Higher renewal increases support GWP growth
- Cancellation of policies outside risk appetite
- Additional security requirements for high-risk vehicles

# Metropolitan Life turnaround progress, but VNB disappoints

R'million

## Normalised headline earnings



\* Restated figures

## New business margin



\* VNB for prior periods (incl. F2023) not restated for IFRS 17

## Progress

- NHE increased 49% to R299 million
- Negative new business margin

## Solid progress with 5-point plan

- Product commerciality
- Channel workforce management
- Improve business quality
- Align cost base to revenue
- Migration and automation

# IFRS 17 successfully implemented

## Highlights

- On time and within budget
- Internal resources
- Global best practice
- Results in line with predictions and what was communicated
- New insights and business value from IFRS 17

**Thank you to the team!**

# Overview

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Key takeouts



Reinvent and Grow



Conclusion

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# Reinvent and Grow update



# Digital transformation accelerating

## Momentum Life

- Myriad digital leads grew from **4%** to **25%**
- **25 000 LifeReturns** mobile screenings done
- **1 of 7 policies** underwritten and onboarded **digitally**

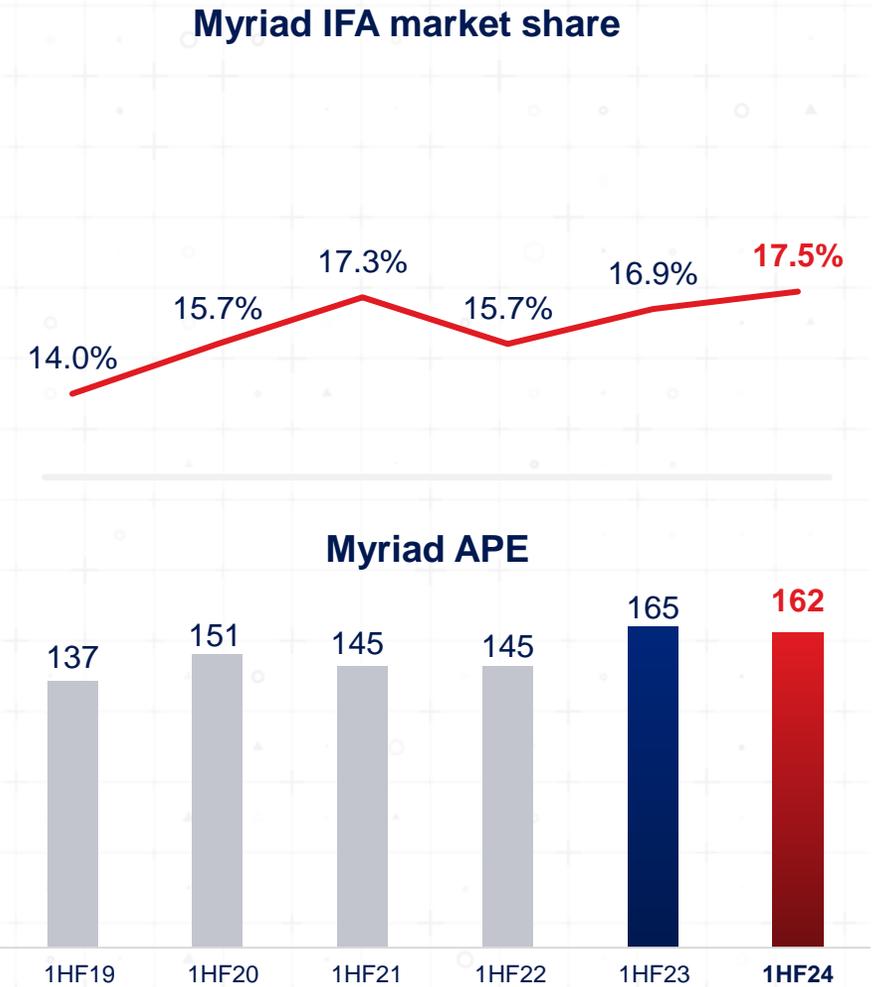
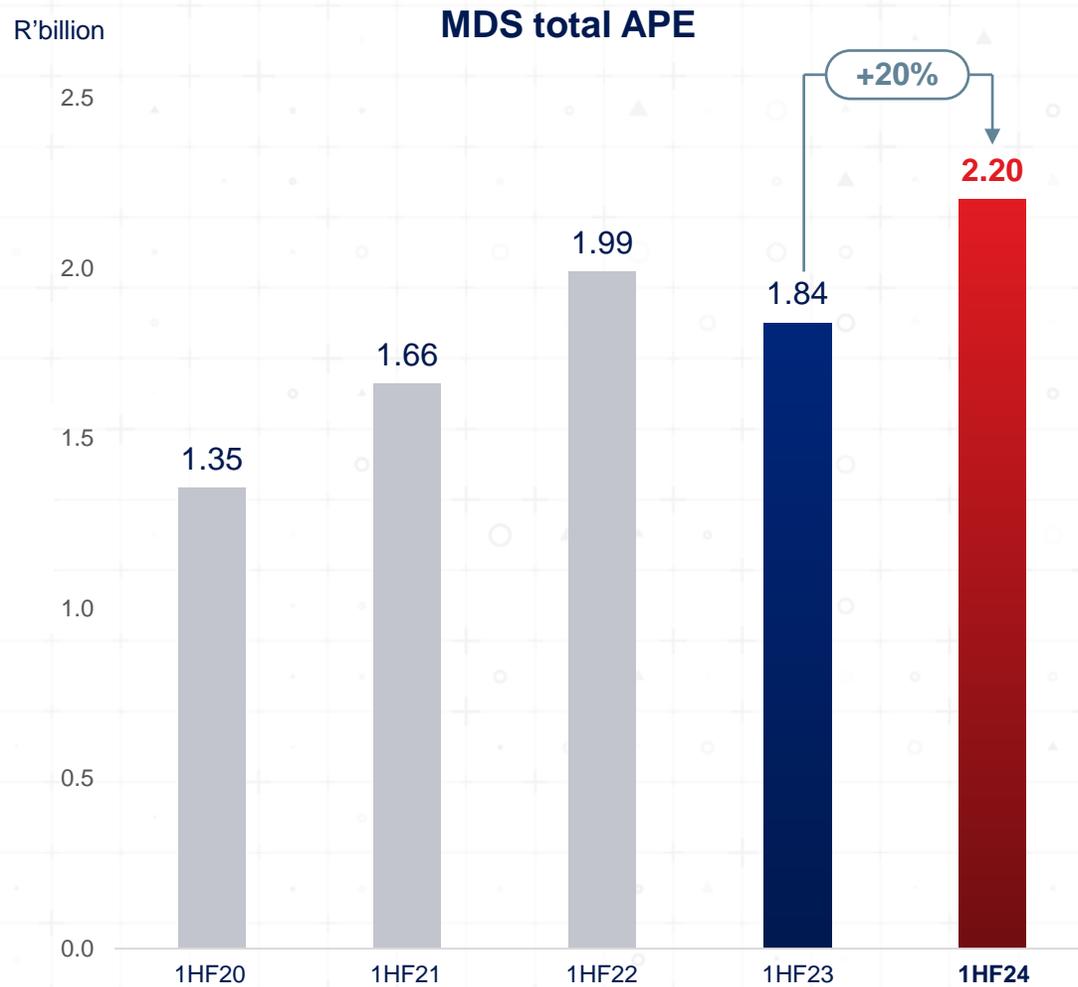
## Health

- Transformation to digital operating model
- **R1bn** benefits per week, **1m** transactions per day, **96%** digitally
- **300%** increase in digital leads, **80%** of new business via digital

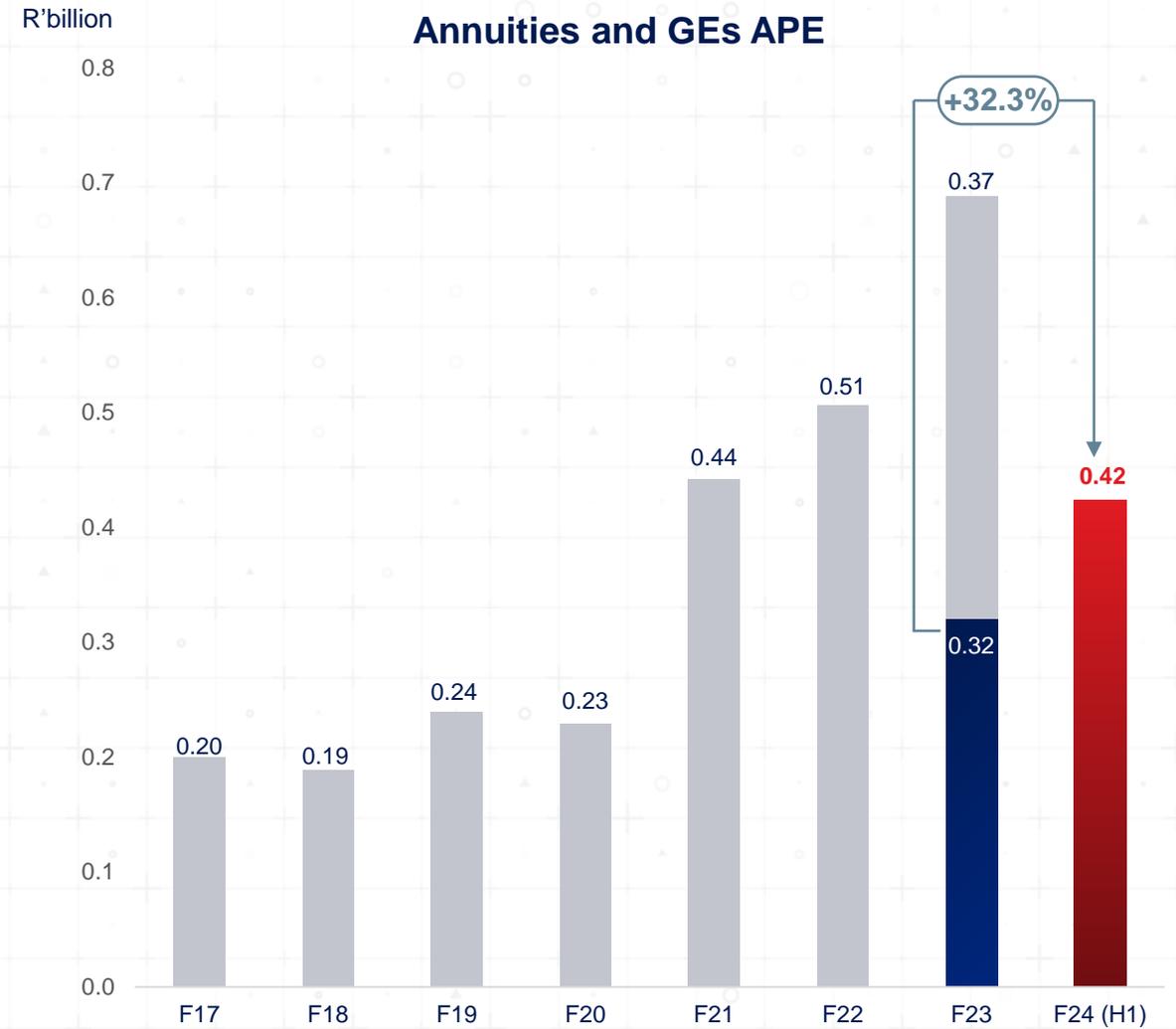
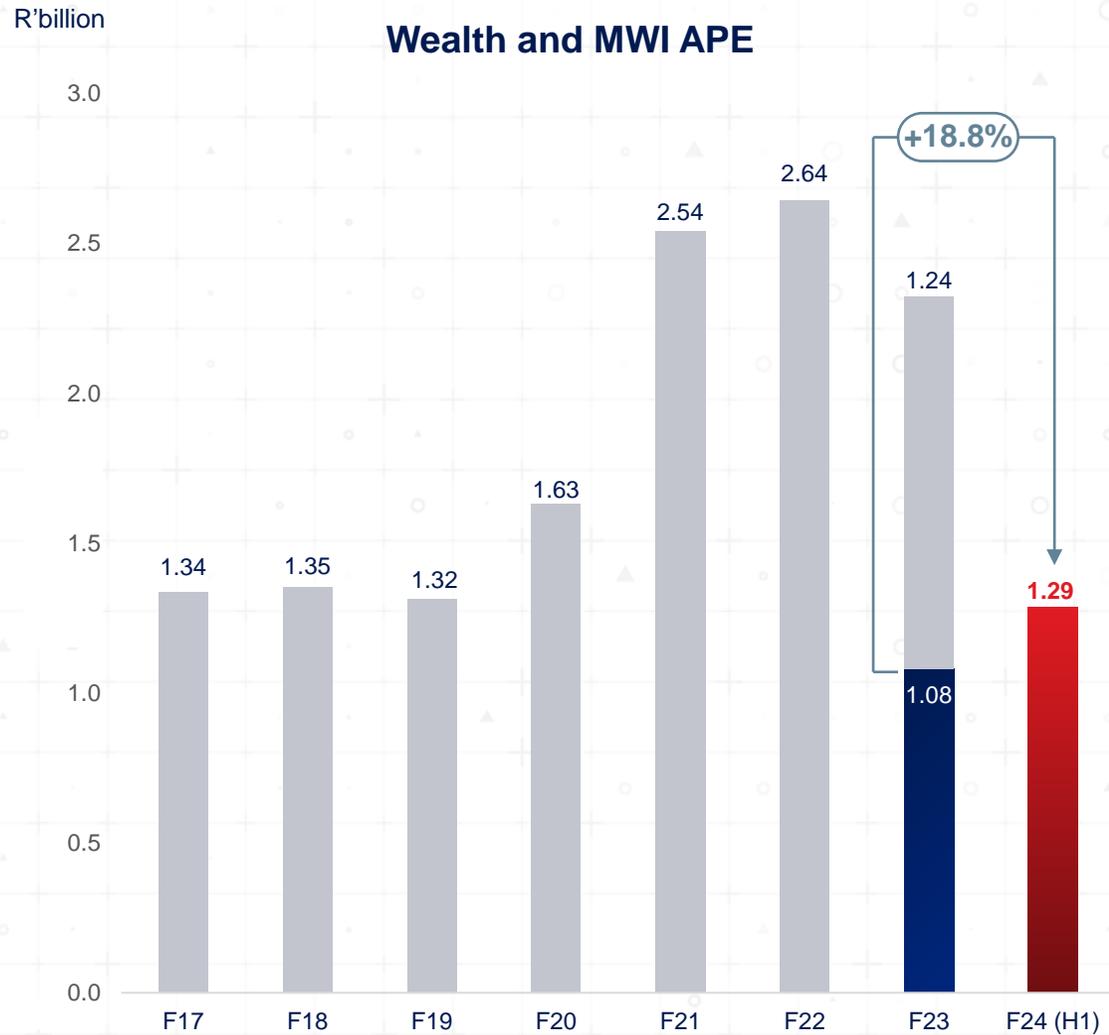
## Guardrisk

- **Agricultural** industry
- Soil moisture insurance
- Satellite data from NASA, CPESA
- Can be used in **climate change models**

# Momentum Distribution Services – Specialisation drives growth



# Momentum Distribution Services – Specialisation drives growth



# Overview

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Key takeouts



Reinvent and Grow



**Conclusion**

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## Key themes

- Collaboration in a federated operating model
- Vertical integration
- Continued focus on advice and distribution
- Digital transformation
- Optimisation of corporate portfolio and operating performance

# In conclusion

- 1** Strong results in challenging environment
- 2** High confidence to achieve Reinvent and Grow targets
- 3** Strategy beyond Reinvent and Grow finalised by year end
- 4** Purpose with impact

# Financial results



**Financial overview**



Cash generation



Other topical matters



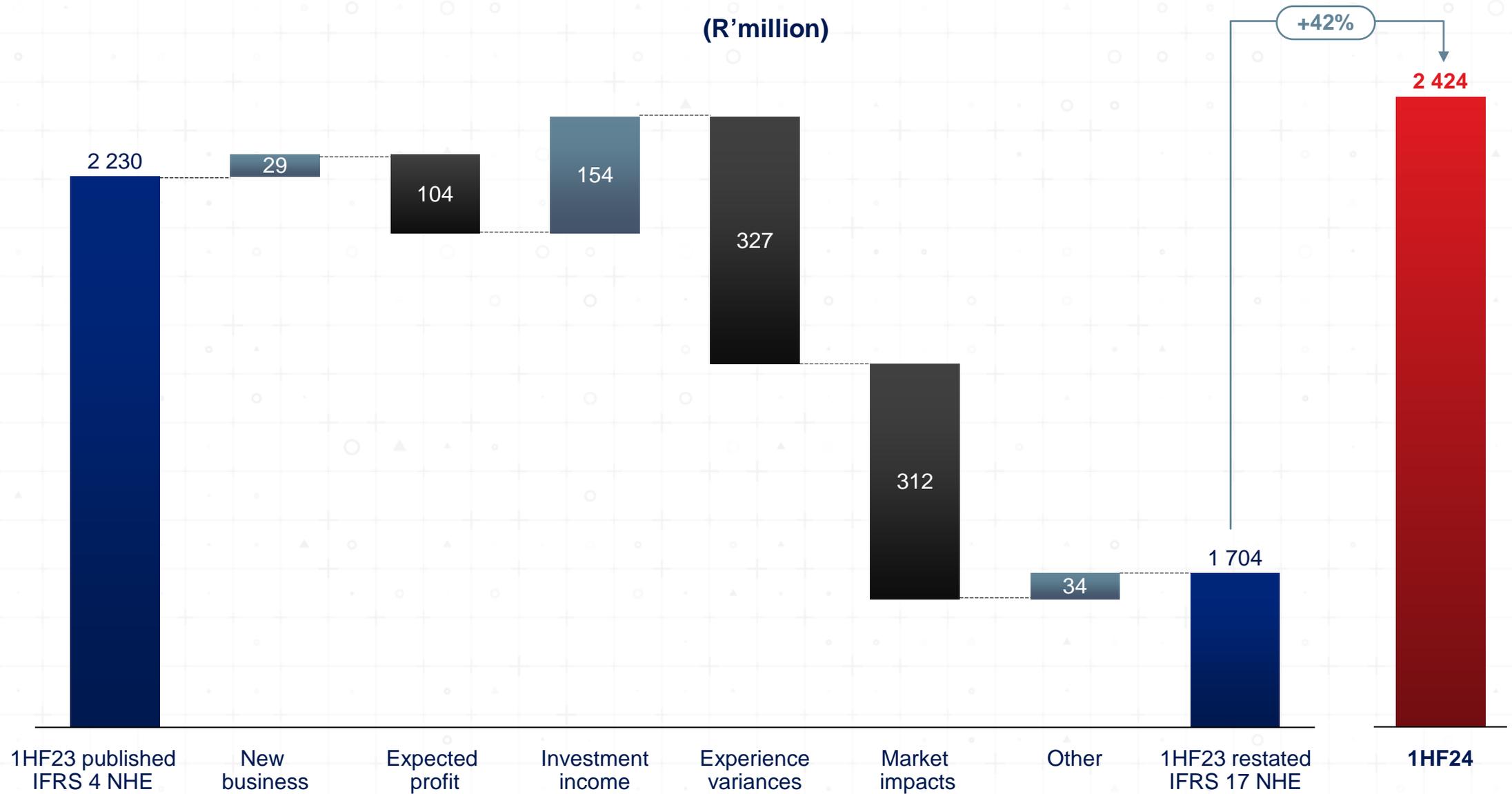
Conclusion

**Risto Ketola**  
Group Finance Director



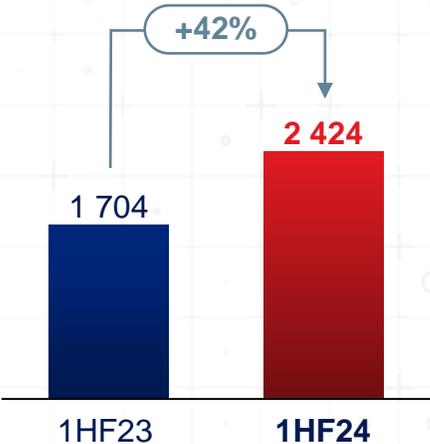
# IFRS 4 to IFRS 17 NHE

(R'million)

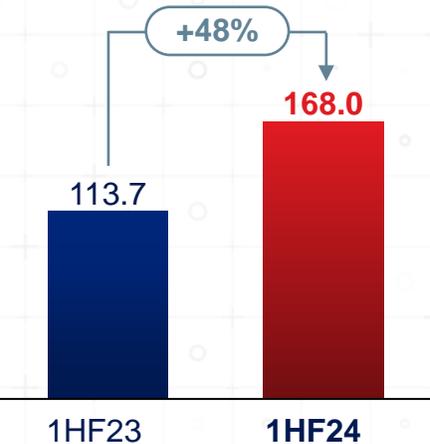


# Key financial measures

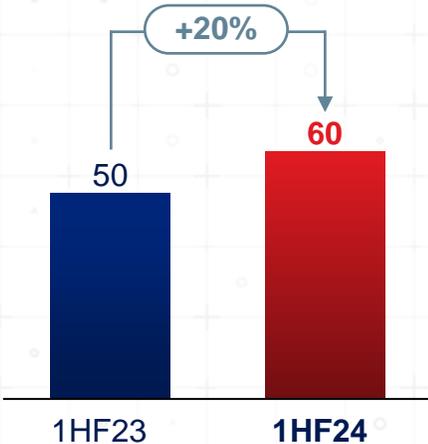
Normalised headline earnings  
(R'million)



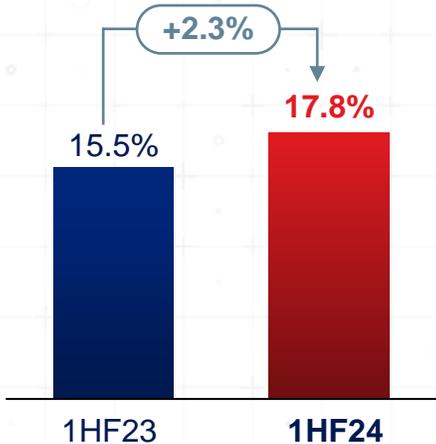
Normalised headline earnings  
per share (cents)



Dividend per share  
(cents)

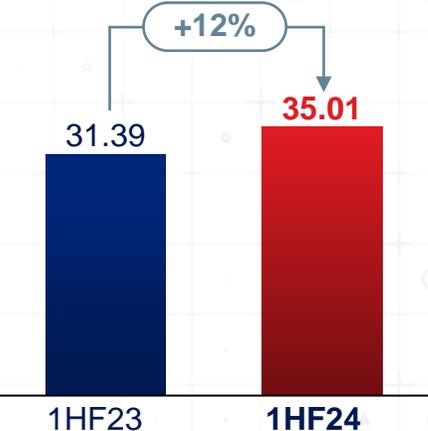


Return on equity  
(%)

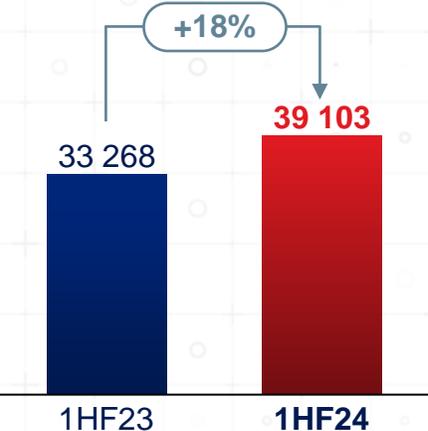


# Key financial measures

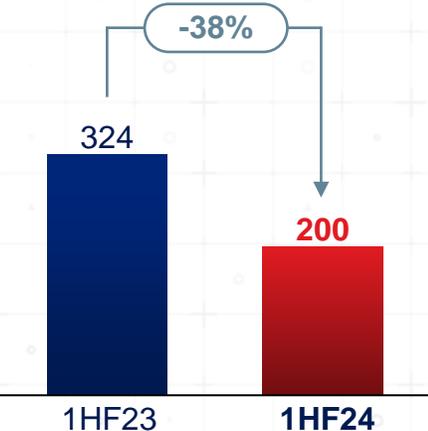
Diluted embedded value per share (R)



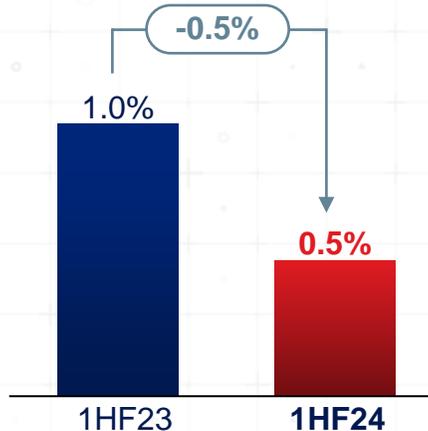
Present value of new business premiums (R'million)



Value of new business (R'million)

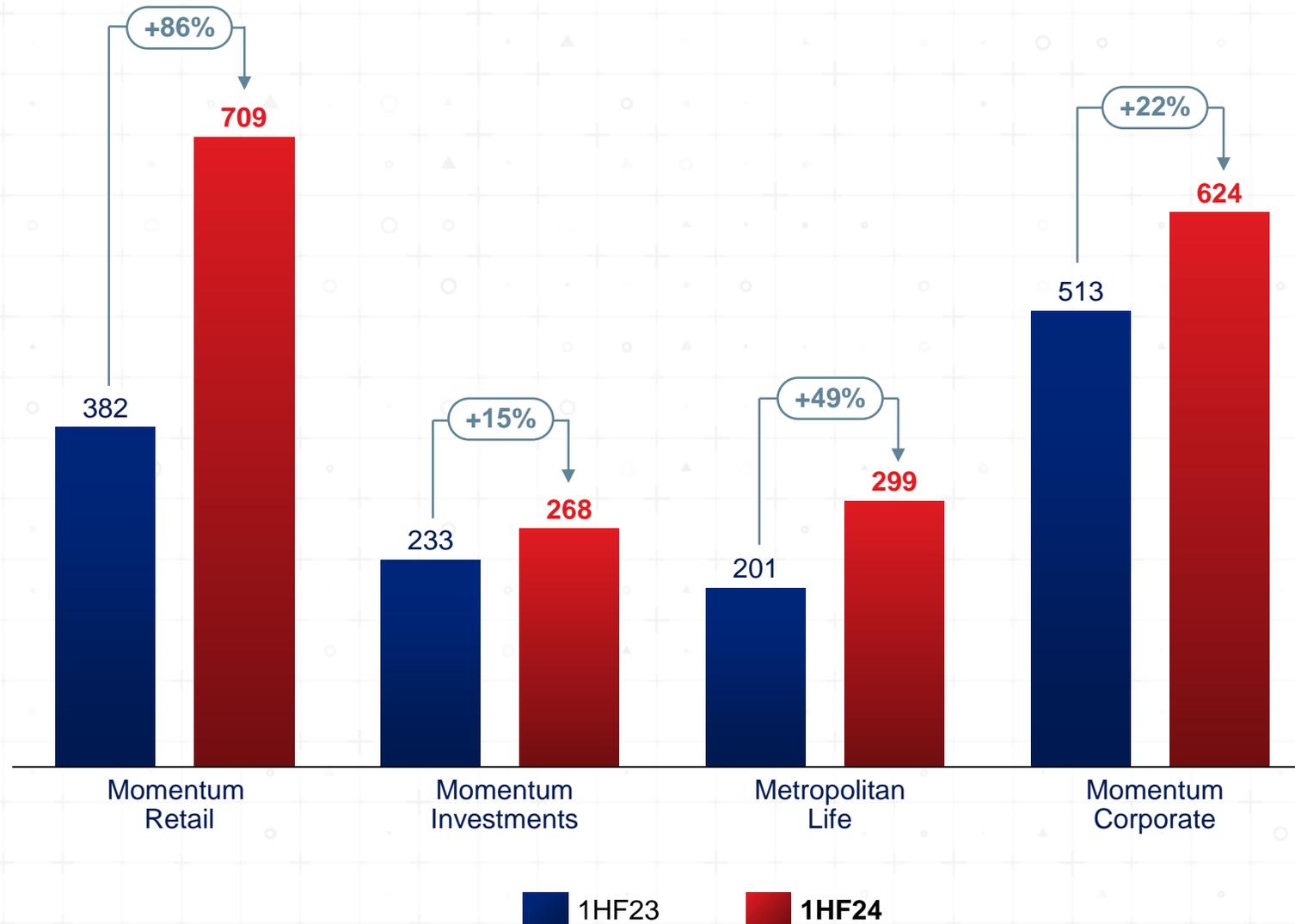


New business margin (%)



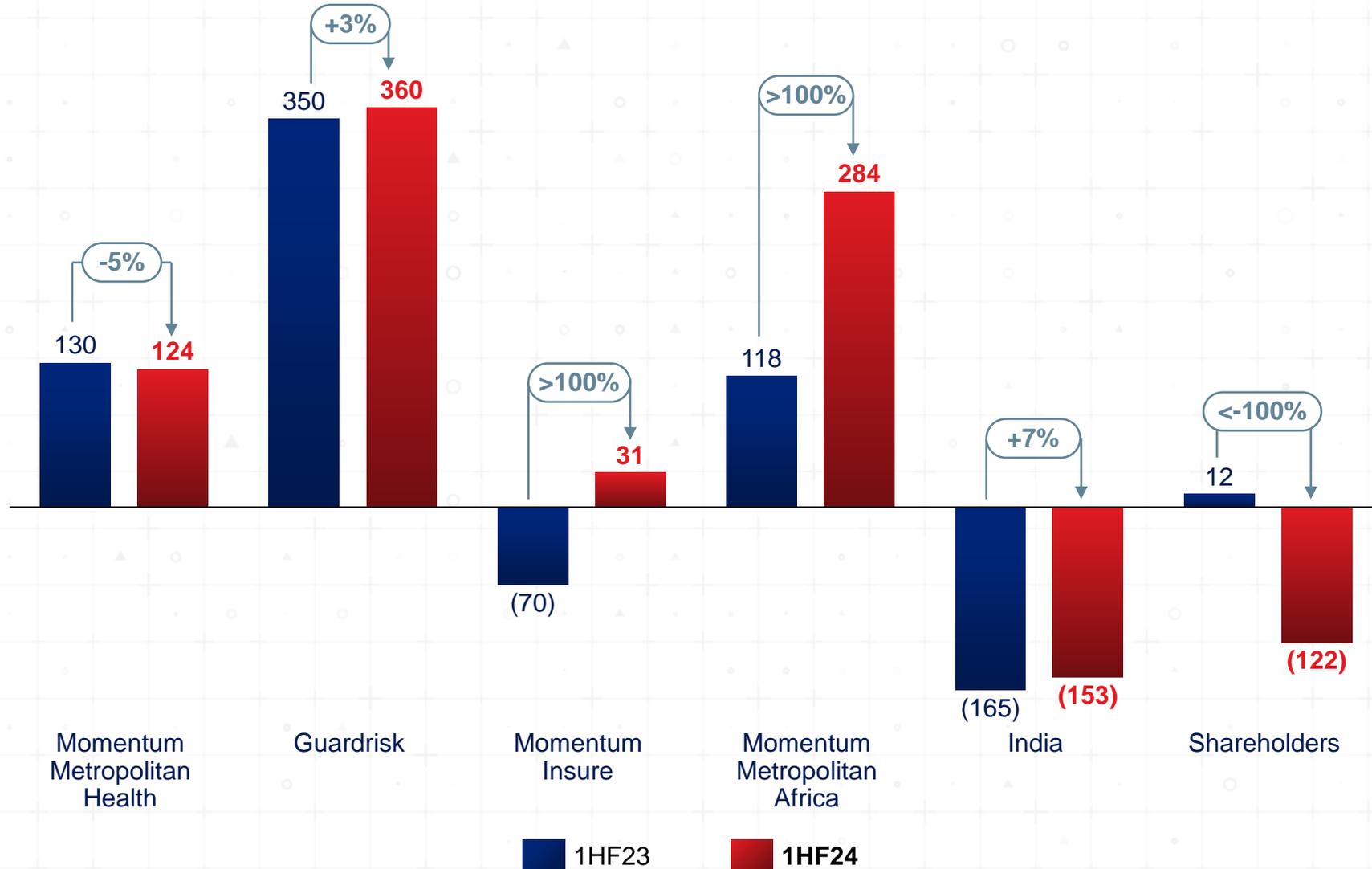
# SA life businesses

Normalised headline earnings (R'million)



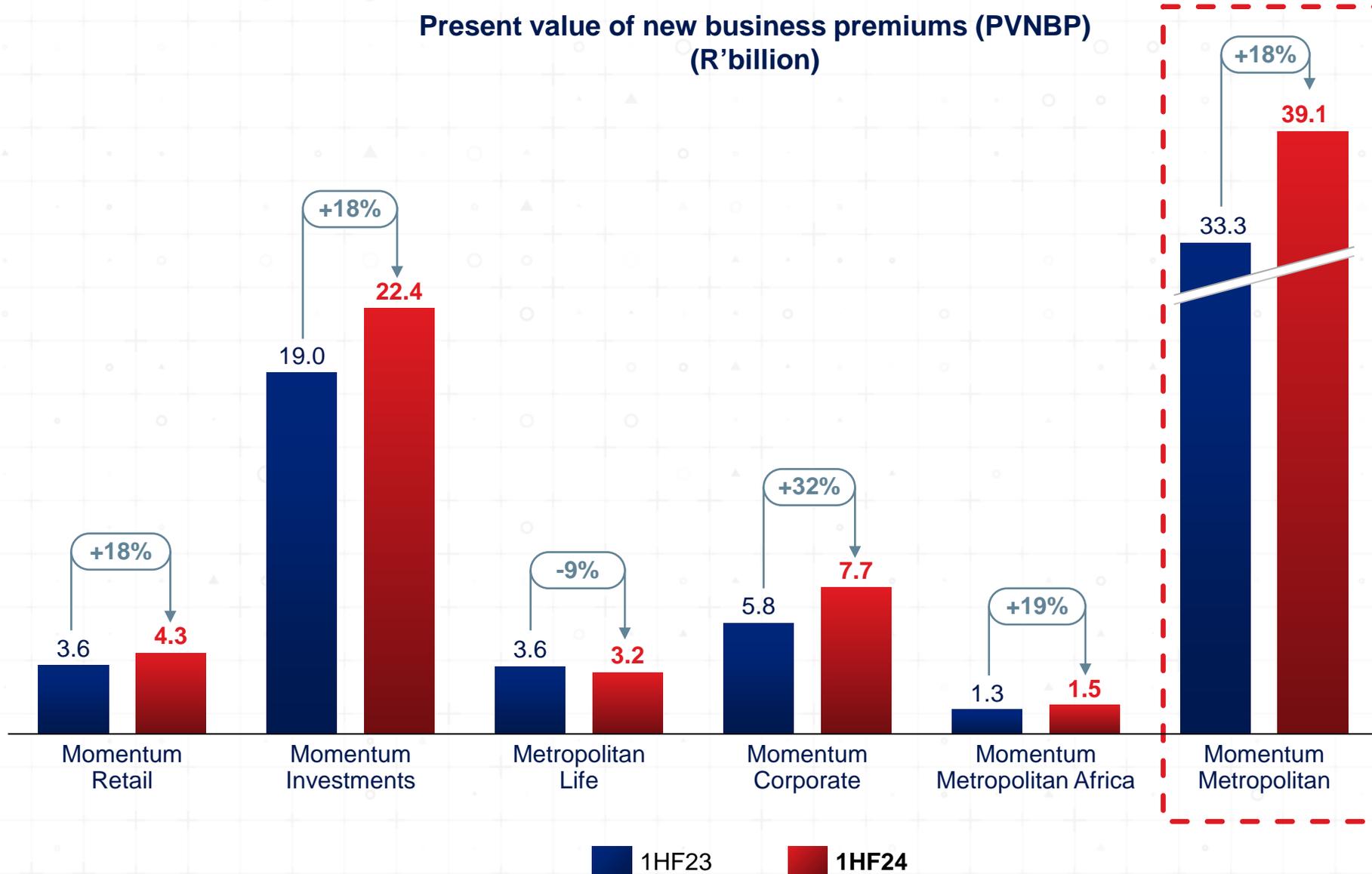
# Other businesses

Normalised headline earnings (R'million)



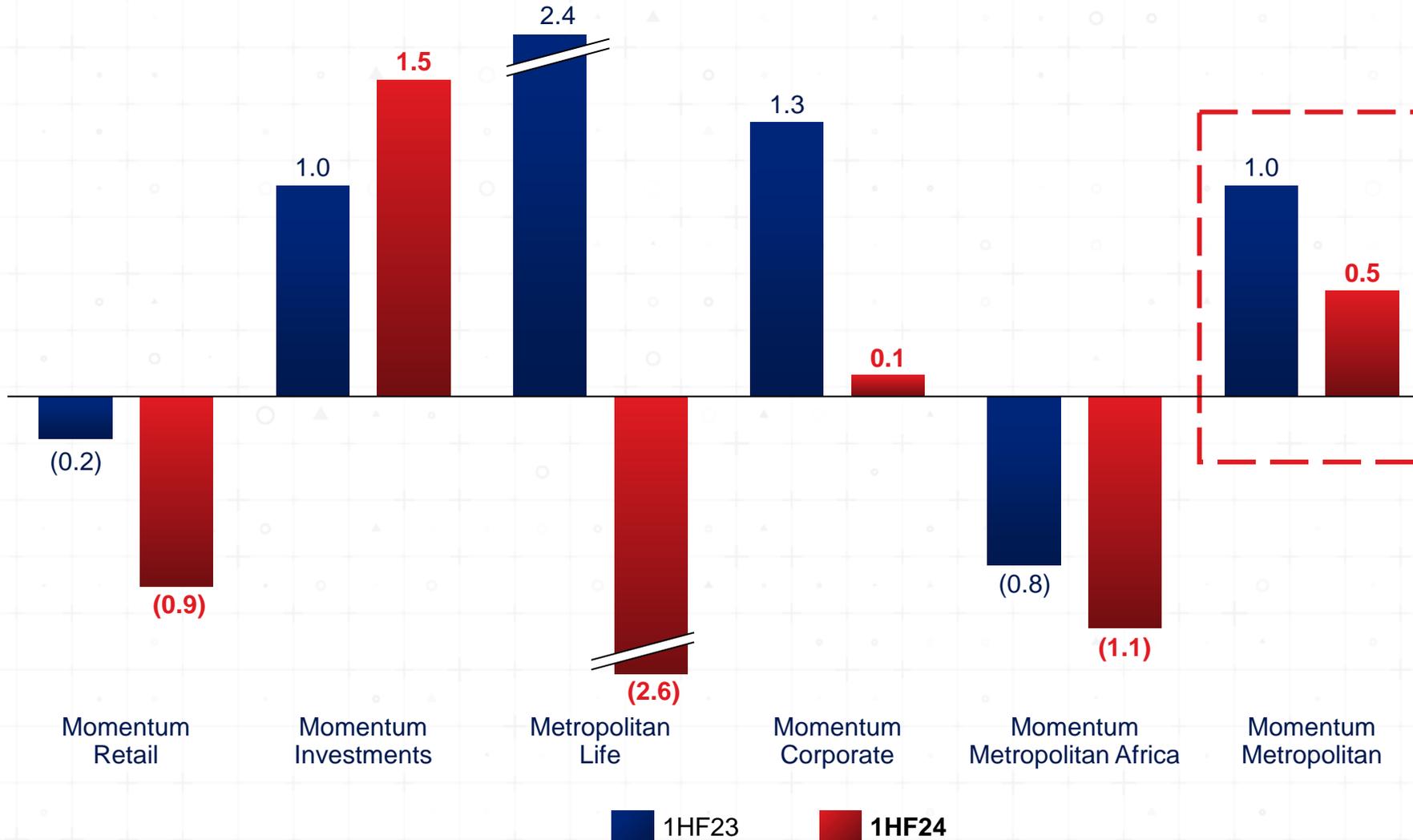
# New business volumes continue to grow

Present value of new business premiums (PVNBP)  
(R'-billion)

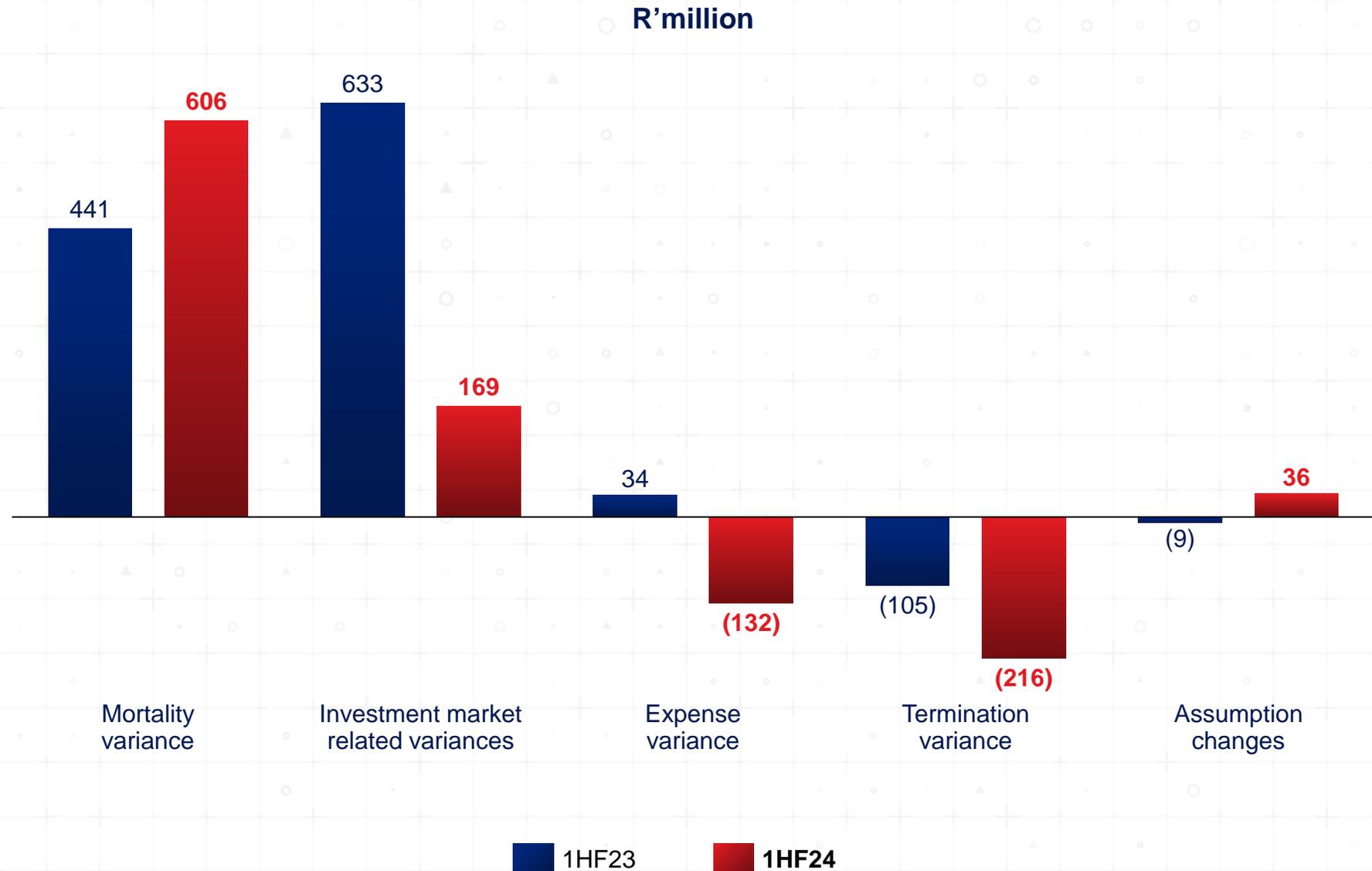


# New business margin under pressure

New business margin (%)

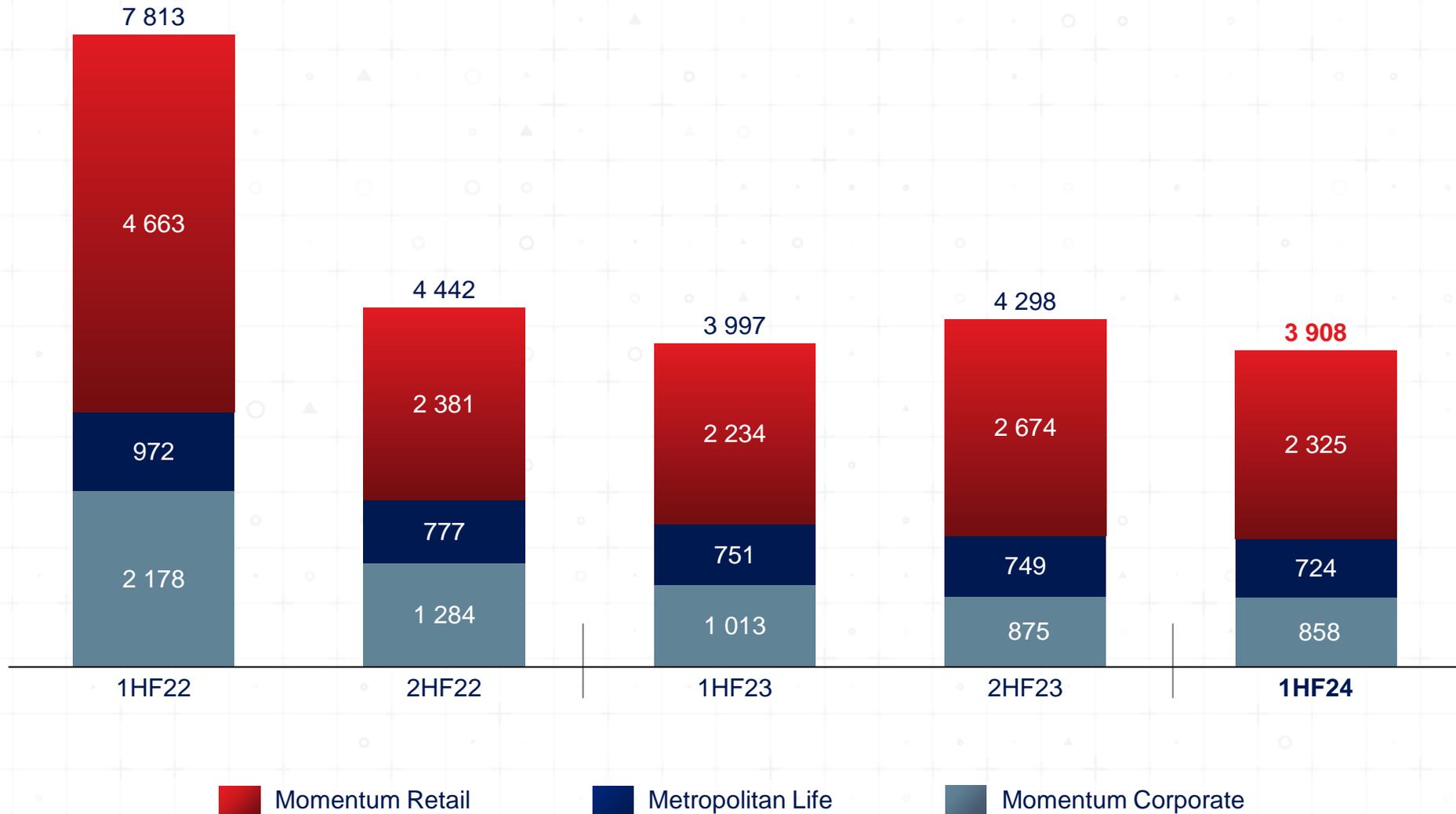


# Covered EV variances – thematic overview of our business



# Reduced mortality, although higher than pre-Covid levels

Death claims (R'million)

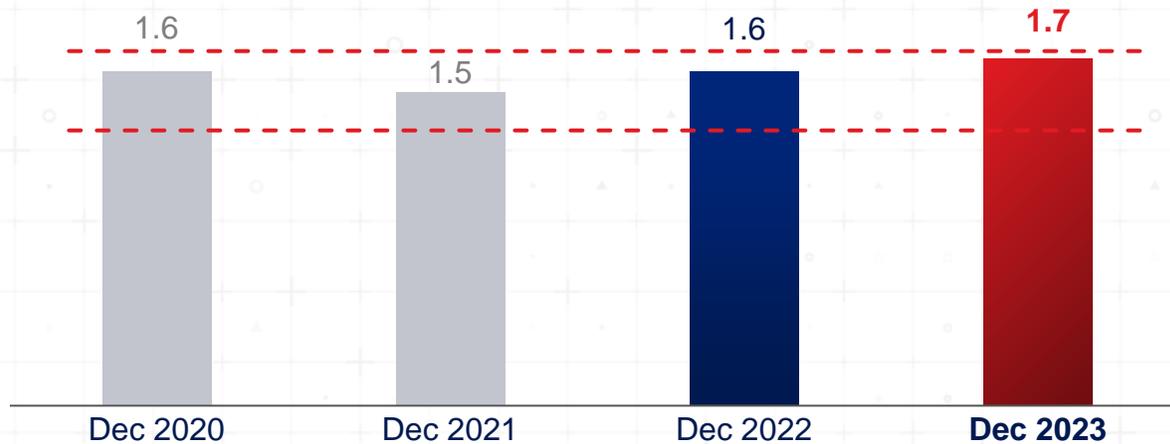


# Capital cover above the upper end of specified target ranges

## Momentum Metropolitan Life



## Momentum Metropolitan Holdings



--- Target range

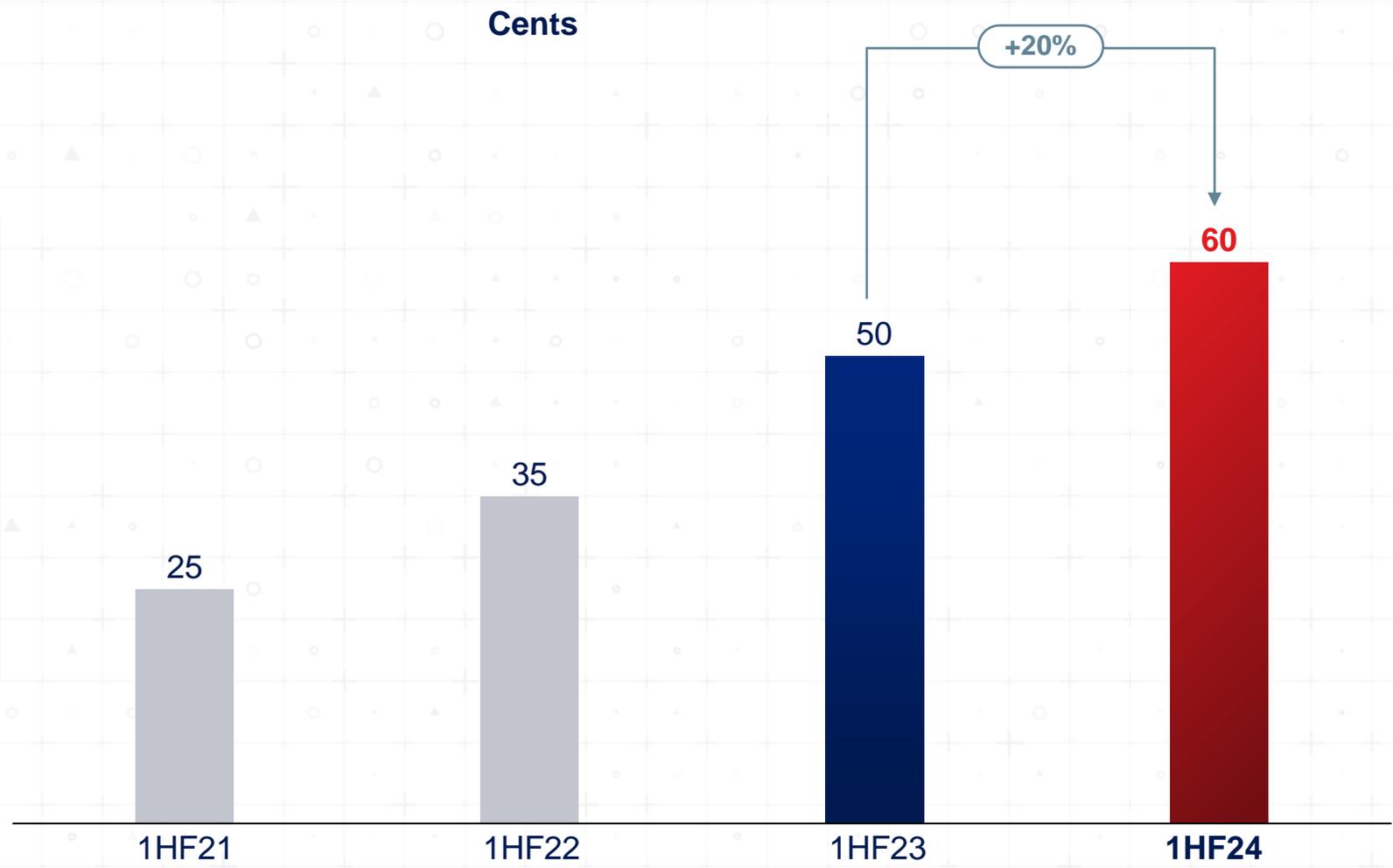
# Consistent dividend growth



Interim dividend is **36%** of **NHE**

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Dividend pay-out target range remains at **33% to 50%** of **NHE**



# Continue to unlock shareholder value

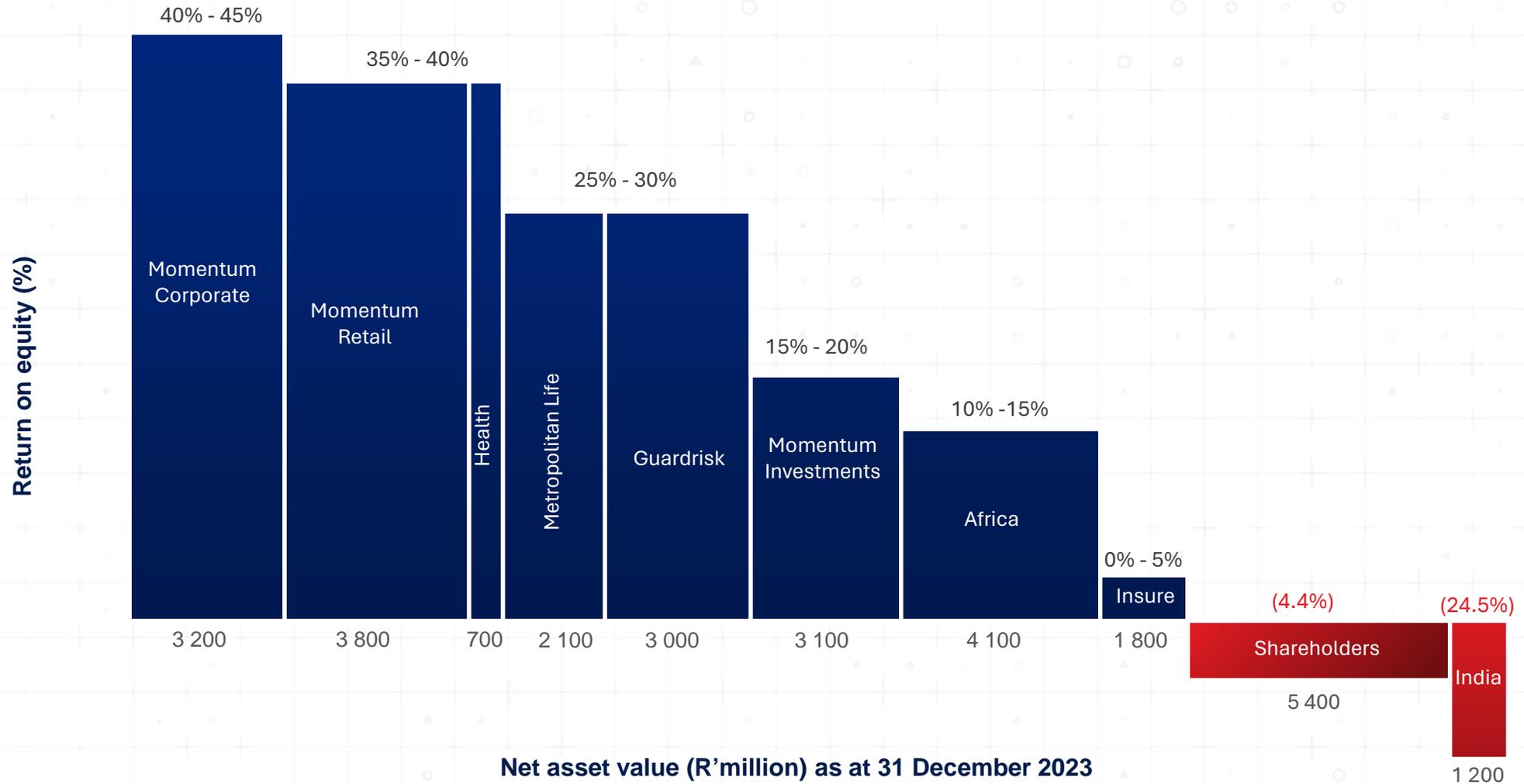
## EV uplift of R1 958 million since 2018

Average  
share price of  
**R18.53**

<b>R'million</b>	<b># of shares acquired</b>	<b>Tranche value</b>	<b>EV bought back</b>	<b>Value created</b>
2HF18	106	2 000	2 685	685
1HF23	45	750	1 334	584
2HF23	28	500	876	376
1HF24	24	500	813	313
<b>Total</b>	<b>203</b>	<b>3 750</b>	<b>5 708</b>	<b>1 958</b>

**Further R500 million share buyback approved**

# Capital management



# Financial results

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Financial overview



Cash generation



Other topical matters



Conclusion

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# Continued strong cash generation

## Net capital flow

R'million	1HF24	2HF23	1HF23
SA Life businesses	1 463	2 138	1 407
Guardrisk	172	139	158
Momentum Investments	117	164	93
Health	87	131	76
Africa	65	495	85
Other	8	(41)	69
VC fund investment	(179)	(13)	(30)
Momentum Insure	-	(380)	(200)
Momentum Money	(137)	(160)	-
Momentum Multiply	(112)	(31)	-
MM Finance Company	10	-	(153)
Preference shares	(58)	(470)	(53)
<b>Cash generated to MMH</b>	<b>1 436</b>	<b>1 972</b>	<b>1 452</b>
Ordinary dividend	(824)	(1 067)	(749)
<b>Net of dividend payment</b>	<b>612</b>	<b>905</b>	<b>703</b>
Approved buyback	(500)	(500)	(500)
<b>Net of buyback &amp; dividend</b>	<b>112</b>	<b>405</b>	<b>203</b>

# Financial results

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Financial overview



Cash generation



Other topical matters



Conclusion

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# Other topical matters

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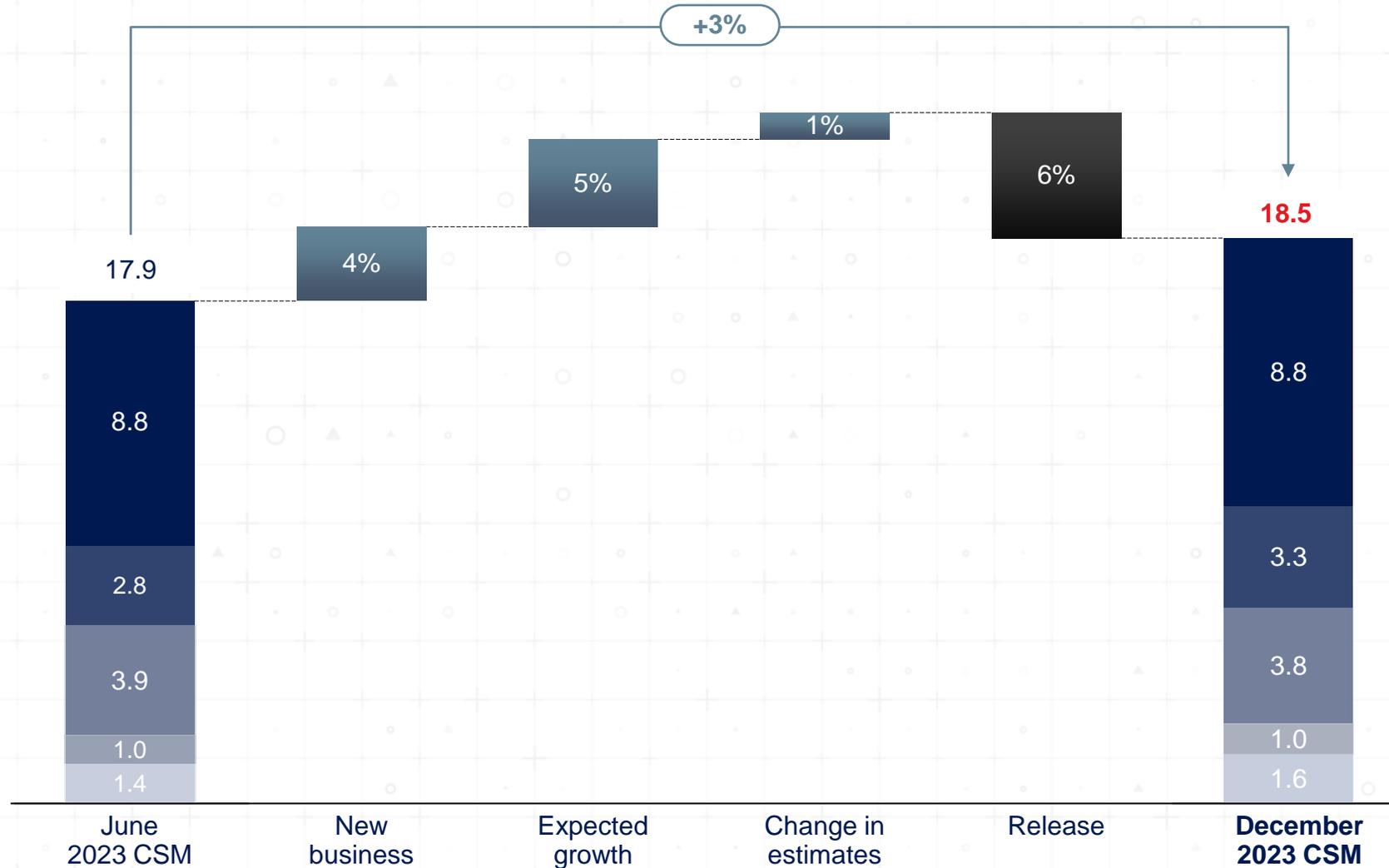
1 IFRS 17

2 VNB



# CSM driven by higher annuity sales and underlying accretion

Contractual service margin (CSM)  
R'-billion



- Momentum Retail
- Momentum Investments
- Metropolitan Life
- Momentum Corporate
- Africa

Other topical matters



# Covered business earnings (excl. Africa)

R'million	1HF24	1HF23	Δ%
New business	(421)	(320)	(32)%
Existing business	1 767	1 661	6%
Expected profit	1 611	1 569	3%
Experience variances	177	144	23%
Assumption changes	-	(18)	100%
Development expenses	(21)	(34)	38%
Investment market related variances	176	(308)	>100%
Investment income	431	409	5%
<b>Total earnings</b>	<b>1 952</b>	<b>1 442</b>	<b>35%</b>
Present value of future cash flows	2 406	2 015	19%
Risk adjustment	(100)	(75)	(33)%
Contractual service margin	(354)	(498)	29%

# Other topical matters

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1 IFRS 17

2 VNB



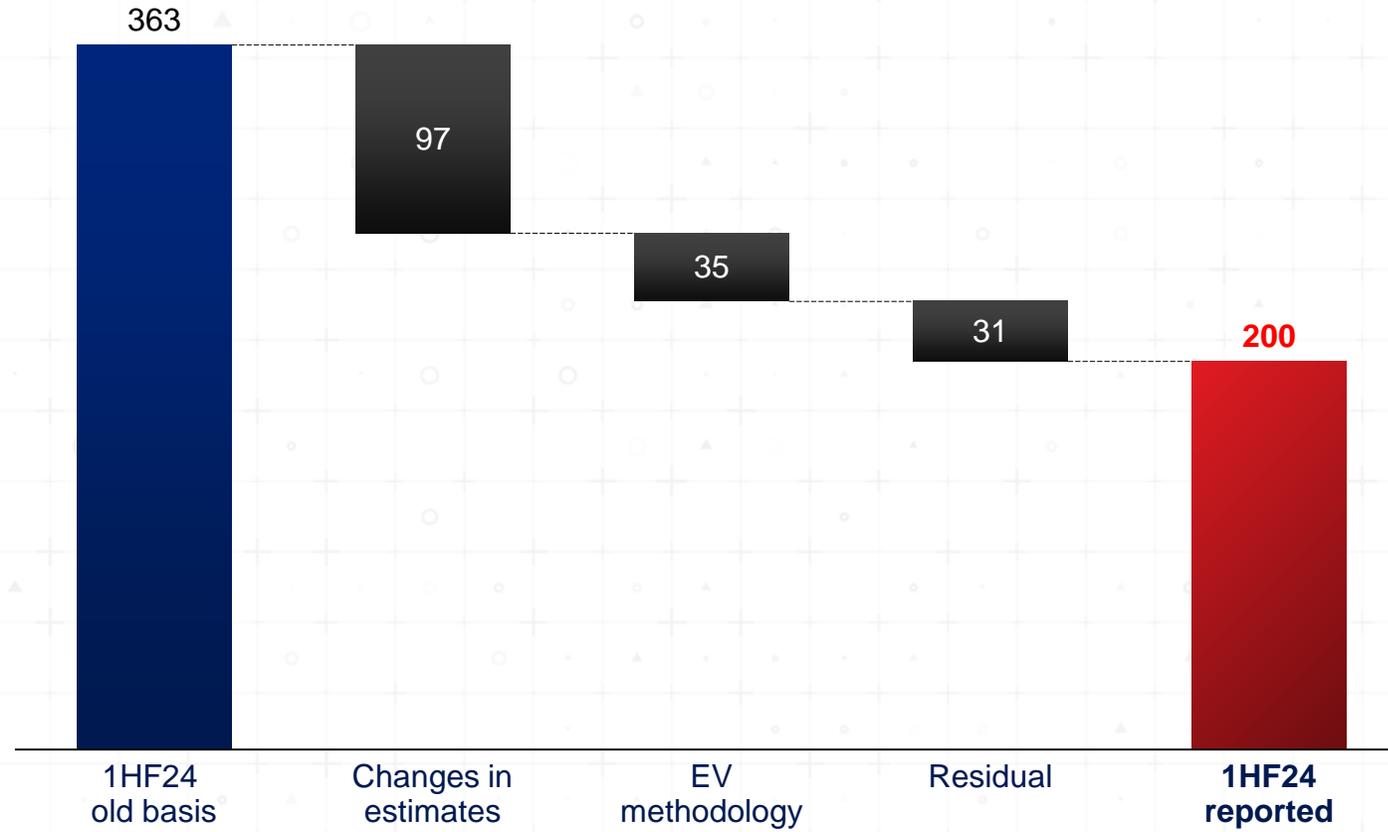
# Impact of IFRS 17 and EV methodology change on VNB

<b>R'million</b>	<b>Jun' 23 Reported</b>	<b>Risk-neutral discounting*</b>	<b>Revised risk adjustment</b>	<b>Rebased for IFRS 17 and EV methodology change</b>
Momentum Retail	(69)	(10)	(58)	(138)
Momentum Investments	466	79	(26)	519
Metropolitan Life	154	59	(144)	50
Momentum Corporate	67	22	(9)	80
Momentum Metropolitan Africa	(18)	18	-	-
<b>Total</b>	<b>600</b>	<b>148</b>	<b>(237)</b>	<b>511</b>

\*All allowance for risk has been removed, including equity risk premium, credit risk premium and cash flows were discounted at risk-free rates

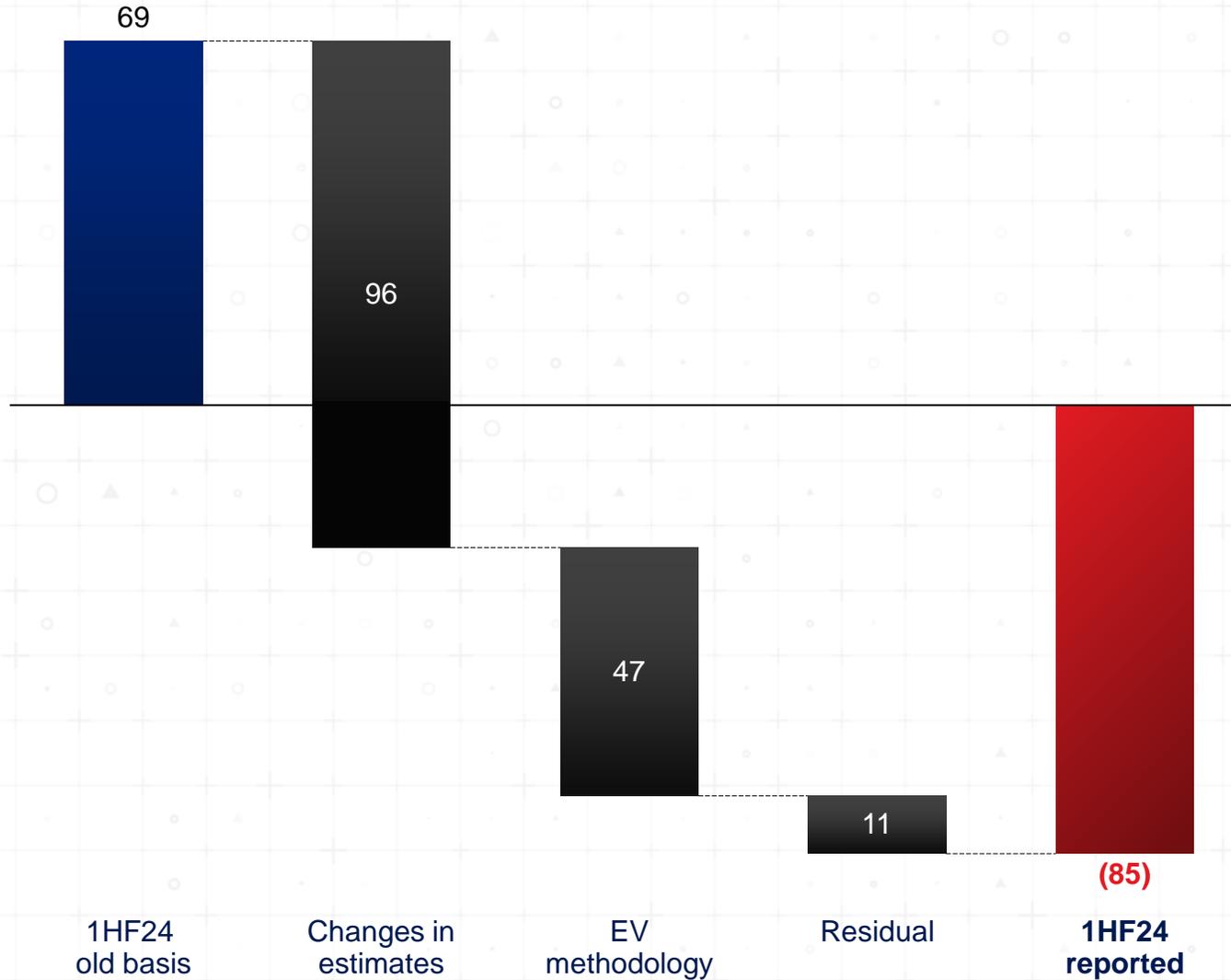
# Group VNB analysis

R'million



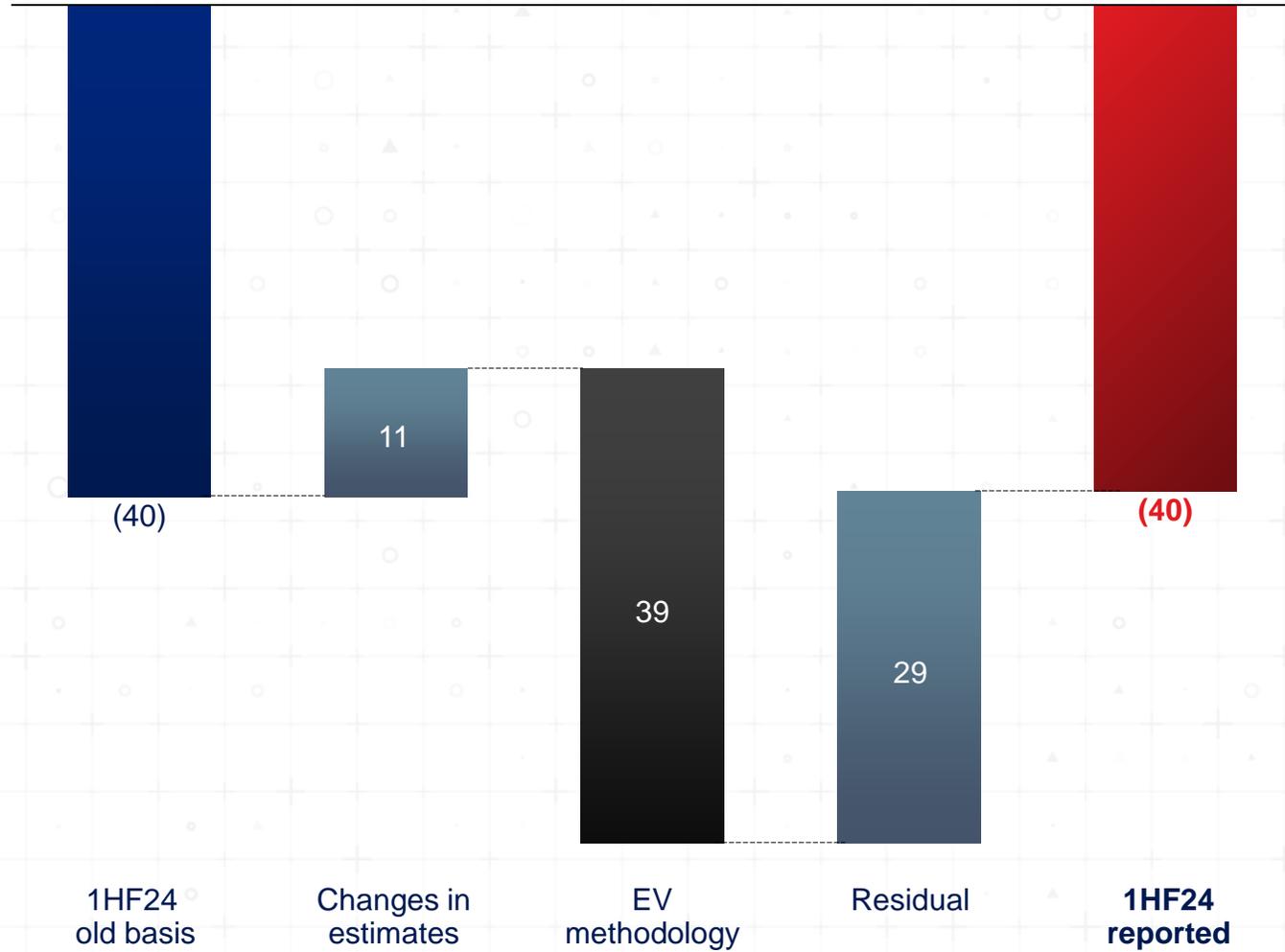
# Metropolitan Life VNB

R'million



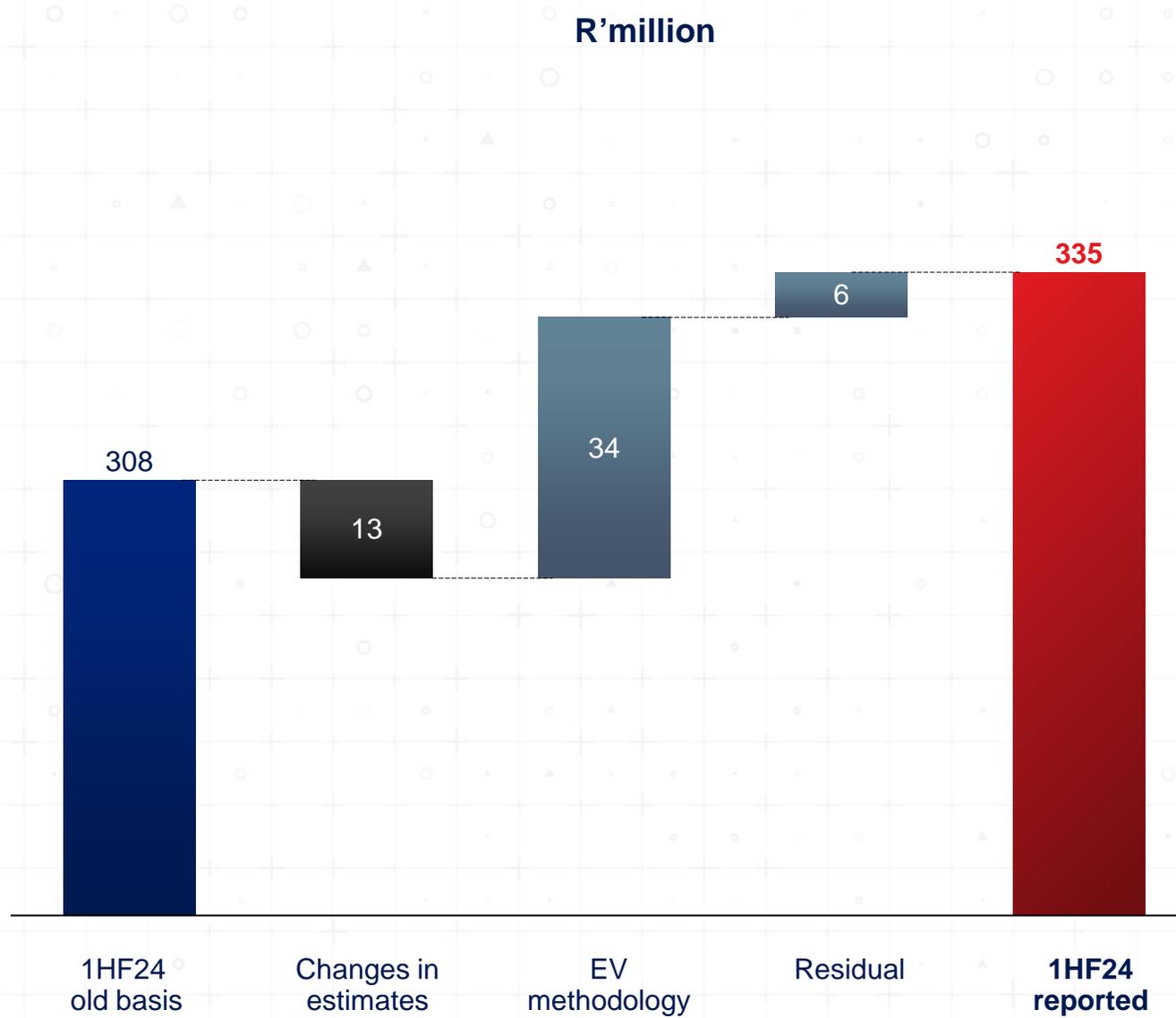
# Momentum Retail VNB

R'million



# Momentum Investments VNB

R'million



# Financial results

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Financial overview



Cash generation



Other topical matters



**Conclusion**

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# In conclusion

**1** High level of current earnings from diversified portfolio of assets

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# In conclusion

**1** High level of current earnings from diversified portfolio of assets

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**2** Strong balance sheet and excellent cash generation

# In conclusion

- 1 High level of current earnings from diversified portfolio of assets
- 2 Strong balance sheet and excellent cash generation
- 3** Leading market position in IFA channels, Corporate business and Guardrisk

# In conclusion

- 1 High level of current earnings from diversified portfolio of assets
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- 4 VNB remains our Achilles heel and is the number one priority to fix**

# In conclusion

- 1 High level of current earnings from diversified portfolio of assets
- 2 Strong balance sheet and excellent cash generation
- 3 Leading market position in IFA channels, Corporate business and Guardrisk
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- 5 ***Congratulations*** to our staff and ***thank you*** to our clients and advisers

# In conclusion

- 1 High level of current earnings from diversified portfolio of assets
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