momentum
group

INTEGRATED REPORT

20
24

We build and protect our clients' financial dreams

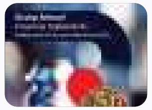
momentum METROPOLITAN GUARDRISK

OUR REPORTING SUITE

Our reporting suite provides a comprehensive overview of Momentum Group Limited's (the Momentum Group or the Group) accomplishments for the financial year ended 30 June 2024 (F2024). Alongside various online publications, stakeholder communications and additional information accessible on our ***website***, these reports serve as invaluable resources for shareholders and stakeholders. They offer essential insights for a thorough evaluation of our performance – covering financial and sustainability outcomes, governance practices and remuneration policies. The suite also serves as a platform to showcase key milestones achieved.

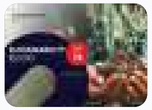
Integrated Report

Our primary report to our providers of financial capital encapsulates our operating context, strategy, risks and opportunities, and our commitment to delivering on our purpose, targets and goals.



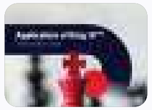
Annual Financial Statements

Our Annual Financial Statements outline the Group's financial position and performance, with additional details provided in our Financial Results Announcement.



Sustainability Report

Targets all stakeholders seeking insights into our Sustainability Framework and key areas such as financial inclusion, social and employee welfare, climate change and environmental stewardship.



King IV™ application summary

Our application summary provides a synopsis of our application of the King IV™ principles. Additionally, it provides links to further reading relating to our governance structures, processes and policies.

Stewardship Report

Our Stewardship Report demonstrates the extent to which we have integrated responsible investment practices aligned with the UN Principles for Responsible Investment (UNPRI).

Our reporting suite applies and complies with the following frameworks:

- International <IR> Framework
- JSE Limited (JSE) Listings Requirements
- King IV™ Report on Corporate Governance™ for South Africa 2016 (King IV™)*
- South African Companies Act, 71 of 2008, as amended (Companies Act)
- International Financial Reporting Standards (IFRS)

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DELIVERING ON OUR PURPOSE

At the Momentum Group we understand that financial dreams are emotional journeys, not just destinations. Behind every transaction and innovation lies a person with hopes, fears, dreams and aspirations. We are committed to seeing the whole human in every interaction and strive to understand each unique story.

We often deliver on our promises to clients when emotions run high, particularly during significant life events such as the loss of a loved one, illness, disability, accidents or retirement planning. As a leading financial institution, we understand the crucial role of empathy in these moments. We thus aim to humanise our relationships and interactions with clients, stakeholders and communities. We intend to set a new standard in the financial sector – one that prioritises human connection and empathy. This commitment entails infusing every action and word with genuine care. By doing so, we ensure that our stakeholders feel our sincere concern and experience the positive impacts of our empathy. This approach enables us to create sustainable value and ensure long-term relevance and significance.

We are committed to aligning our strategy and culture to support and bring our purpose to life.

Our overarching purpose is strengthened by a set of goals that guide the conduct of our employees and unites our federated business model under a common mission. These goals include how we:

Make people feel *healthy*

It is not just about providing medical cover; it's about promoting overall health.

Make people feel *prepared*

We don't just provide investment options and products; we aim to make people feel ready for their futures.

Make people feel *safe*

We do more than merely offering comprehensive insurance; our aim is to instil a sense of safety.

Make people feel *secure*

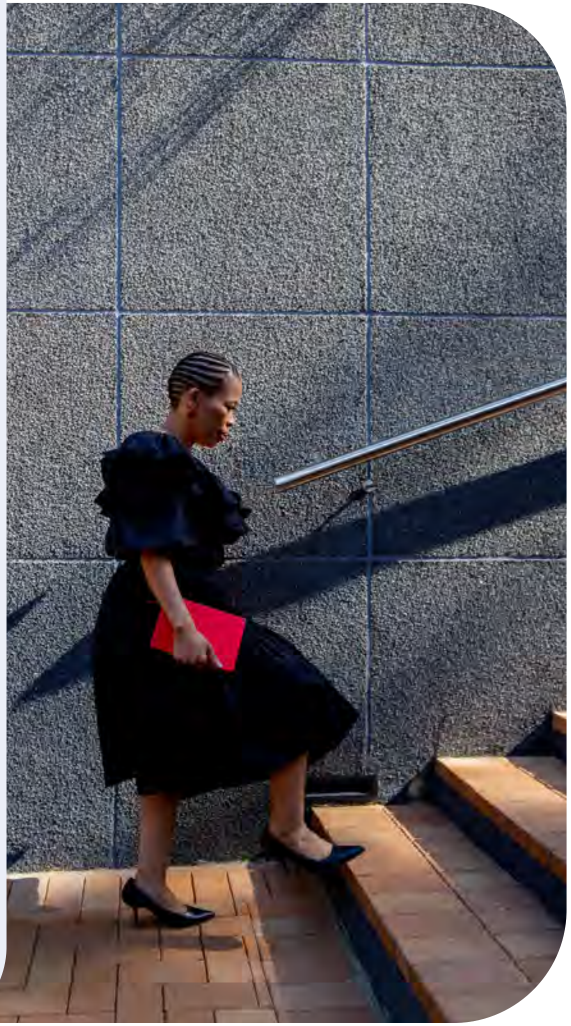
When it comes to life and disability insurance, our focus is on ensuring families feel protected.

"WE BUILD AND *Protect* OUR CLIENTS' FINANCIAL *dreams*."

NAVIGATING OUR REPORT

HOW WE REPORT

The primary focus of this report is to address the information needs of our stakeholders, providing relevant data that interests our investors, funders, clients, governments and regulators. Additionally, it serves as a vital resource for our strategic and social partners and employees. This report outlines our capacity to create, preserve and safeguard value over the short, medium and long term.



NAVIGATION ICONS

Interactive PDF

Home/Contents
Back
Forward

This icon refers to additional information available on our website **www.momentumgroupltd.co.za**

Click points of interest
Text highlighted in **blue** refers to more information in this report.

The six capitals

Financial capital
Productive capital
Intellectual capital
Social and relationship capital
Human capital
Natural capital

Material themes

Uncertain macroeconomic and socio-political environment
Business resilience
Attract and retain critical and scarce skills
Sustainable enterprise value
Leveraging digital innovation

Our Reinvent and Grow strategic objectives

Grow existing channels
Establish new channels
Product and service leadership
Transformation
Accelerate digital
Reinvent
Grow

Links to reporting best practice

Identifies the application of King IV™ principles
JSE principles

CREATING VALUE BY DELIVERING ON OUR PURPOSE

Our financial performance

Normalised headline earnings (NHE)
R4 438 million
(F2023: R3 491 million*)

Present value of new business premiums (PVNBP)
R82 141 million
(F2023: R68 873 million)

Value of new business (VNB)
R589 million
(F2023: R600 million)

VNB margin
0.7%
(F2023: 0.9%)

Value created for society

Level 1
B-BBEE status
maintained

32 632
beneficiaries reached through our online volunteer management platform
(F2023: 10 650 beneficiaries)

R10.4 million
invested in enterprise development initiatives
(F2023: R10 million)

Total community investment of
R35.5 million
(F2023: R43.5 million)

Value created for the environment

B score
for our voluntary participation in the CDP climate change disclosure project
(F2023: B score)

R1.2 billion
invested in renewable energy through empowerment financing
(F2023: R4.1 billion)

Formal supporter of the Task Force on Climate-related Financial Disclosures (TCFD)

11% reduction in overall GHG emissions against the 2019 baseline**
(F2023: 22%)

Value created for our providers of financial capital

Distributed
R2.8 billion
through dividends and buybacks
(F2023: R2.8 billion)

Return on equity (ROE)
15.5%
(F2023: 12.7%*)

Diluted embedded value per share
R36.94
(F2023: R33.75)

Return on embedded value (ROEV) per share
13.3%
(F2023: 17.0%)

R606 million
Interest paid to debt funders
(F2023: R602 million)

Value created for our employees and advisers

Paid in remuneration
R7.7 billion
(F2023: R7.1 billion)

R516.6 million
of training and skills development spend
(F2023: R402.5 million)

144 700 hours
in business development support through ASISA ESD Fund
(F2023: 101 000 hours)

14 389 beneficiaries
benefited from iSabelo dividend declaration
(F2023: 13 200)

Certified as a Top Employer for
fourth
consecutive year

Transformation

Employees	**81%** are black (F2023: 80%)	**65%** are women (F2023: 65%)
Board	**50%** are black (F2023: 36%)	**25%** are women (F2023: 21%)
Executive Committee	**45%** are black (F2023: 36%)	**27%** are women (F2023: 18%)
Senior managers	**44%** are black (F2023: 44%)	**35%** are women (F2023: 36%)

Value created for our clients

Claims paid on insurance products
R37.9 billion
(F2023: R38.3 billion)

Policies in force providing our clients with protection
4 million
(F2023: 4 million)

Assets under management and administration
R936 billion
(F2023: R893 billion)

Signatory of the UN-supported Principles for Responsible Investment (UNPRI) since 2006

Positive: net increase in capital | **Neutral:** no movement in capital | **Negative:** net decrease in capital

*The IFRS 17 – Insurance Contracts (IFRS 17) standard became effective for the Group from 1 July 2023. Accordingly, the prior year's accounting has been restated for the application of IFRS 17 as well as for other restatements. Refer to the summarised audited annual financial statements for more information.
**Please note that to comply with the requirements of the DFFE/SAGERS reporting, our emissions data is by calendar year.
The Group set a new target in F2024 against a 2019 baseline. The emissions performance is measured against this baseline.

ABOUT THIS REPORT

SCOPE AND BOUNDARY

This Integrated Report provides a balanced, transparent and comprehensive overview of our value creation, preservation and erosion from 1 July 2023 to 30 June 2024 (F2024). Material events occurring after this date and up to the Board approval date of 25 September 2024 are also incorporated in this report.

Our integrated reporting scope and boundary cover the risks, opportunities and outcomes arising from:

- Our material themes and matters *(Pages 12 to 18)*
- Our Group strategy *(Pages 20 to 24)*
- Our business model *(Pages 28 to 30)*
- Our stakeholder engagement *(Pages 31 to 35)*
- Our purpose-driven governance *(Pages 91 to 117)*

Our stakeholders:

- Clients
- Investor community
- Intermediaries
- Employees and contractors
- Suppliers
- Industry bodies
- Government and regulators
- Society

Momentum Group Limited financial reporting boundary

- Subsidiaries
- Associates
- Joint ventures

MATERIALITY

At the Momentum Group, determining materiality involves a rigorous process that considers both internal and external factors, aligning with integrated thinking principles. The Board carefully assesses how information provided impacts stakeholders' accuracy, validity and decision-making over the short, medium and long term.

The Group adopts a double materiality approach, prioritising matters that impact us financially (inward-focused financial materiality) and their impact on our stakeholders, particularly the communities we support, broader society and the natural environment (outward-focused impact materiality). These matters reflect the unified perspective of the Board and Executive Committee (Exco), addressing the risks and opportunities aligned with our purpose, strategy and sustainability objectives.

The Board emphasises this report's instrumental role in showcasing the Group's ability to create and protect enterprise value, ensuring balance and relevance by carefully considering the impact of information inclusion or exclusion on accuracy and stakeholder decisions. The Board is confident in the balanced presentation of the report, and believes it offers a comprehensive blend of information, empowering readers with the necessary tools to evaluate the Group's performance and future outlook.

COMBINED ASSURANCE [15]

To safeguard the integrity of information used for internal decision-making and to ensure the credibility and integrity of our reporting, we employ a ***combined assurance model***. This model encompasses a comprehensive approach that evaluates the information provided and the underlying processes supporting it.

We use a combined assurance model to ensure the information we provide is credible, and our underlying processes support the integrity of information used for internal decision-making as well as the credibility and integrity of our reporting. The Audit Committee is responsible to oversee the effectiveness of the Group's internal control environment. It monitors the maturity of our combined assurance model, and reports to the Board and shareholders in this regard.

INTEGRATED THINKING

By adopting a collaborative approach to our ***federated operating model***, we support integrated thinking. Our governance structures and processes support integrated thinking and decision-making, which enables us to navigate the necessary ***trade-offs*** between the capitals. In understanding these interactions better, we can deliver sustained value to our clients and stakeholders.

TIMEFRAME CLASSIFICATION

The classification of timeframes utilised in this report may vary based on the nature of our business. For short-term business operations within the Group, the management of risks typically operates on a shorter planning horizon. Conversely, products categorised under longer-term horizons, such as life products and annuities, require a longer planning horizon for effective management.

We use the following general classifications when making timeframe references in this report:

- **Short term**: The short-term horizon is 12 months or less.
- **Medium term**: The medium-term horizon is one to three years.
- **Long term**: The long-term horizon is three years and beyond.

BOARD APPROVAL

The Board acknowledges responsibility for the integrity of this report and have applied their minds to the report to consider whether this report effectively addresses matters crucial to stakeholders' decision-making, offering a balanced and transparent perspective on how the Group utilises its six capitals to create sustainable enterprise value. We acknowledge the constraints of our operating context and detail the outcomes, impacts and trade-offs in our business model, highlighting areas of value creation and erosion.

The Board confirms that the Group complies with the provisions of the Companies Act relating to its incorporation and operates in conformity with its Memorandum of Incorporation.

The Board officially approved this report on 25 September 2024.

Paul Baloyi
Chair

Jeanette Marais (Cilliers)
Group Chief Executive Officer (CEO)

Risto Ketola
Group Finance Director (FD)

Dumo Mbethe
Executive Director

Peter Cooper

Linda de Beer

Nigel Dunkley

Seelan Gobalsamy

Stephen Jurisich

Frannie Leautier

Phillip Matlakala

Hilgard (Hillie) Meyer

David Park

Sharoda Rapeti

Tyrone Soondarjee

FORWARD-LOOKING STATEMENTS

This report includes forward-looking information pertaining to the Momentum Group. While these statements reflect our judgements and future expectations during the report's preparation, the presence of various risks, uncertainties and significant factors could lead to actual results differing materially from our projections. Such factors encompass elements that may negatively impact our business and financial performance.

The use of terms such as "believe", "anticipate", "intend", "seek", "will", "plan", "could", "may", "endeavour", "project" or similar expressions aim to identify forward-looking statements, but these terms are not the exclusive means for identifying such statements. Due to their inherent nature, forward-looking statements and forecasts entail risk and uncertainty, contingent upon events and circumstances that will unfold in the future. Multiple factors may cause actual results or developments to deviate significantly from the expressed or implied aspects of these forward-looking statements. As a result, none of the forward-looking statements have been reviewed or reported on by the Group's external auditors.

FEEDBACK

Your feedback on the contents and presentation of this report is valuable and will contribute to improving the quality and relevance of our future reports. We invite all users of this report to explore our website for more information about the Momentum Group. Any feedback or additional requests for information can be directed to our ***website***.

GROUP OVERVIEW

WHO WE ARE

The Momentum Group is one of South Africa's largest diversified financial services companies, offering a diverse range of services including protection (life and non-life), investment, long-term savings and healthcare administration through specialised and empowered businesses under the brands Momentum, Metropolitan and Guardrisk. The Group is listed on the JSE with additional listings on A2X financial markets and the Namibian Stock Exchange.

WHERE WE OPERATE

Beyond South Africa, the Group extends its reach to five African countries through Momentum Africa. Momentum Investments has a presence in the United Kingdom and Guernsey in the Channel Islands. The Group also has a health insurance joint venture in India, while Guardrisk has established businesses in Gibraltar and Mauritius.

OUR CORE VALUES

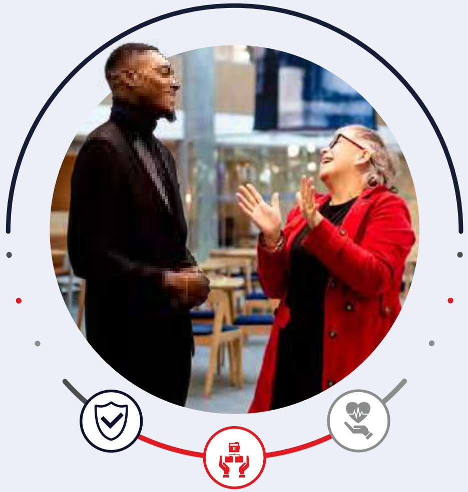
We maintain a clearly defined set of values that profoundly influence the culture of the Group and the conduct of our employees.

- *Accountability*
- *Integrity*
- *Innovation*
- *Diversity*
- *Excellence*
- *Teamwork*

*Read page 8 of our **Sustainability Report** for more information about our Group values.*

WHAT WE OFFER

We create value through our synergistic portfolio of strategically aligned and sustainably managed businesses.



Make people feel *safe* and *secure*

PROTECTION

- Life insurance and life cell captives
- Non-life insurance and non-life cell captives

Make people feel *prepared*

BUILDING LONG-TERM WEALTH

- Asset management and property management
- Investments and savings
- Employee benefits including administration and consulting

Make people feel *healthy*

HEALTHCARE SOLUTIONS

- Health administration
- Managed care and wellness services

Distribution of our branded solutions

- Momentum Advice (Momentum Financial Planning and Consult by Momentum)
- Momentum Distribution Services (MDS)
- Own agency force
- Direct sales

OUR FEDERATED OPERATING MODEL

Our federated operating model ensures a deep understanding of the needs of both clients and advisers, driving informed decision-making. Each business unit is empowered and accountable for its value chain, while meeting the Group's corporate portfolio requirements. Executive teams act as entrepreneurial leaders, overseeing their value chains. With our improved and more collaborative federated operating model, we are well-positioned to strengthen coordination and efficiency across all business units.

	momentum retail	momentum investments	METROPOLITAN Together we can	momentum corporate	Health	momentum Insure	GUARDRISK TAILORED RISK SOLUTIONS	Africa*	India
	Myriad Investo MMerge Momentum Trust Momentum Advice Momentum Distribution Services	Wealth Management Structured products and annuities Multi-management and investment solutions Asset management	Funeral solutions Life and disability cover Retirement savings solutions Discretionary saving solutions Annuities and capital protection solutions Healthcare cashback solutions	FundsAtWork Group Insurance Structured investments and annuities Discretionary savings Advice and administration Retail solutions sold to groups	Integrated health administration (open and restricted schemes) Incentivised wellness programme	Car, home, contents and portable possession cover for individuals Cover for high-net-worth individuals Customised cover for individuals older than 55 Comprehensive business insurance solutions for the SMME market	Cell captives General insurance Life and non-life microinsurance Microinsurance	Life insurance Non-life insurance Healthcare Asset management Pension administration	Incentivised wellness Chronic care management Disease risk management Health ecosystem-enabled senior citizen plan
Distribution	In-house agency force Digital platforms Independent financial advisers (IFAs)	In-house agency force IFAs Direct distribution Collaboration with Momentum Corporate	Tied agency force IFAs Outbound call centre Digital distribution channels	Large specialist actuarial consultants Employee benefits brokers Smaller intermediaries targeting the SME sector In-house business development team	Advisers Direct distribution Tenders	Tied agency force IFAs Direct-to-consumer marketing campaigns	Brokers Underwriting managers	Tied agency force Brokers IFAs Call centres Bancassurance partnerships	Tied agency force Bancassurance partnerships Digital distribution channels
Clients	Retail clients in the middle, upper and high-net-worth market	Individuals, businesses and retirement funds	Retail clients in emerging and middle-income markets	Employees and employers across various corporate and public sector entities	Individuals, corporates and the public sector	Middle, upper and high-net-worth market segments and small commercial entities	Corporate and commercial entities	Emerging and middle-income market retail clients Employees and employers in private and public sector entities	Emerging and middle-income market retail clients Employees and employers in private and public sector entities

*Namibia, Lesotho, Botswana, Ghana, Mozambique

OUR RIGHT TO WIN

Our right to win is supported by an improved federated operating model, diversified portfolio, strong distribution, focus on advice, digital integration, successful investments and a robust balance sheet.

The elements below collectively affirm our right to win in the market.

Empowered business units	While adhering to corporate requirements, business units pursue strategies aligned with their goals. This diversity enhances the Group's effectiveness and resilience.
Purpose-driven	We are driven by our purpose, which guides every aspect of our organisation.
Diversified corporate portfolio	Our diversified corporate portfolio mitigates risk while capturing a broad spectrum of growth opportunities.
Advice-led	Our client experience is led by advice, which ensures tailored and valuable interactions.
Digital solutions	We actively seek optimisation potential to improve performance by emphasising digital solutions to enhance operational efficiency and client interactions.
Capital deployment and balance sheet	Our strong cash generation supports reinvestment and stability, complemented by disciplined capital deployment and a robust balance sheet.
Delivering reliable outcomes	We consistently deliver reliable outcomes to our clients.
High-performance culture	A culture of high performance and excellence is the driving force behind our operating model and federated structure.
Superior returns for shareholders	We deliver consistent dividends and continue to unlock shareholder value through share buybacks.

OUR BUSINESS IN CONTEXT

MESSAGE FROM OUR CHAIR

Dear Shareholder

The 2024 national election results were encouraging as the formation of a Government of National Unity (GNU) offered a new opportunity for a stable political environment in the medium to long term. South Africans have reason to feel some level of optimism, particularly with the announcement of the GNU prioritising rapid, inclusive and sustainable economic growth along with job creation. Anecdotal evidence also suggests that the prioritised focus areas have largely been well-received by the market and business confidence is trending in the right direction.

However, this optimism is tempered by the impact of several years of loadshedding, which has significantly hindered the South African economy. Household savings have been further strained by rising unemployment, leading to increased competition among local insurers. While the election results are a positive development, shareholder value creation may still be at risk due to sluggish economic growth and will require that members of the GNU unite around their agreed priorities.

PERFORMANCE

During the year under review, the Board selected Jeanette Marais as the new Group CEO. Having been a key contributor to the Group's evolution since F2018, her appointment resulted in a smooth leadership transition. We are pleased to note that Jeanette has demonstrated the key attributes that led the Board to place their trust in her. She has made a positive impression on the market and has been well-received by our key clients and partners.

In terms of performance, shareholders will be pleased with a robust ROE of 15.5% supported by a solid NHE of R4 438 million. The Momentum Group ended the year with strong solvency and liquidity. We are pleased to announce a healthy dividend of 125 cents per share and a further R1 billion share buyback.

DELIVERING ON OUR PROMISE

On 2 September 2024, a new era in retirement savings began with the two-pot retirement system. By 25 September 2024, the Group had received more than 150 000 withdrawal applications. Our investment in digital solutions helped our teams manage the significant volume of client interactions required. The Group's ability to process and pay withdrawals from the very first business day of two-pot, on 2 September, demonstrates our commitment to serving our clients, ensuring they receive their funds without unnecessary delays despite the challenges brought by the sheer scale of this transition and the high volumes of claims received.

Early trends suggest that while the two-pot system has provided some clients with much-needed financial relief in tough financial conditions, it has also prompted deeper conversations about retirement savings and financial security. As the two-pot system continues to gain traction, we encourage South Africans to engage with a trusted financial adviser and to consider alternative routes.

THE NEW IMPACT STRATEGY

The new ***Impact strategy*** is deliberately expansionary, and pursues a focused and selective growth strategy across our high-performing channels, as well as emerging and underserved segments where we have a competitive advantage; this approach is supported by our confidence in the solid foundation established under the previous strategy. We are particularly pleased that our targeted growth areas emphasise long-term assets that foster employment and income growth. This focus remains a central anchor, reflecting the Group's commitment to delivering value to clients and the environment in which we operate.

Our aspiration for F2027 is anchored by a Group-wide cost optimisation initiative designed to enhance margins. Combined with a focus on strategic capital allocation, this approach will support a structured growth trajectory and reflects management's awareness of the risks inherent in our highly competitive sector. In this regard, the Board is pleased with the strategic themes chosen and is confident that management is well-positioned for success.

The Group has an established talent base and strong capital position to support our growth objectives. We will continue to actively manage discretionary and surplus capital, distributing it through ordinary dividends, special dividends and share buybacks or reinvesting in other strategic opportunities.

CHANGES TO THE BOARD

We have maintained our commitment to enhancing the Board's competency, addressing identified skills gaps, particularly in technology, following the departure of a previously qualified member. We are pleased to announce that we have secured the services of Sharoda Rapeti, who will play a key role in ensuring the Board stays focused on the Group's strategic technological initiatives. Additionally, she will contribute to the Group's Risk, Capital and Compliance Committee, as well as the Social, Ethics and Transformation Committee.

We are thrilled to welcome Dumo Mbethe to the Momentum Group Board. Dumo's understanding of the Momentum Group environment has greatly enhanced the Board's oversight role. His expertise and leadership distinguish him as a key member of our team.

Hillie Meyer rejoins the Group in a new capacity as a non-executive director. We are especially pleased with this redeployment of talent as it demonstrates strong confidence in the Group's prospects and strategic direction.

Paballo Makosholo resigned from the Group Board at the end of June 2024. I thank him for his contribution to the Group during his four-year term of office.

APPRECIATION

The Board has become a highly effective governance team, and I deeply appreciate their dedication and oversight. Their commitment to rigorous governance and strategic guidance has been crucial to our success, enhancing decision-making and reinforcing our governance framework. Their efforts have helped us navigate challenges and seize opportunities with confidence.

I extend my heartfelt thanks to the Group Executive Committee for their exceptional leadership and commitment, which have been crucial to our growth and successful strategy execution. I also express deep gratitude to our employees for their dedication and hard work, which are vital to our success. Additionally, we are profoundly appreciative of our clients and business partners, whose support and collaboration are essential to our ongoing success and sustainability.

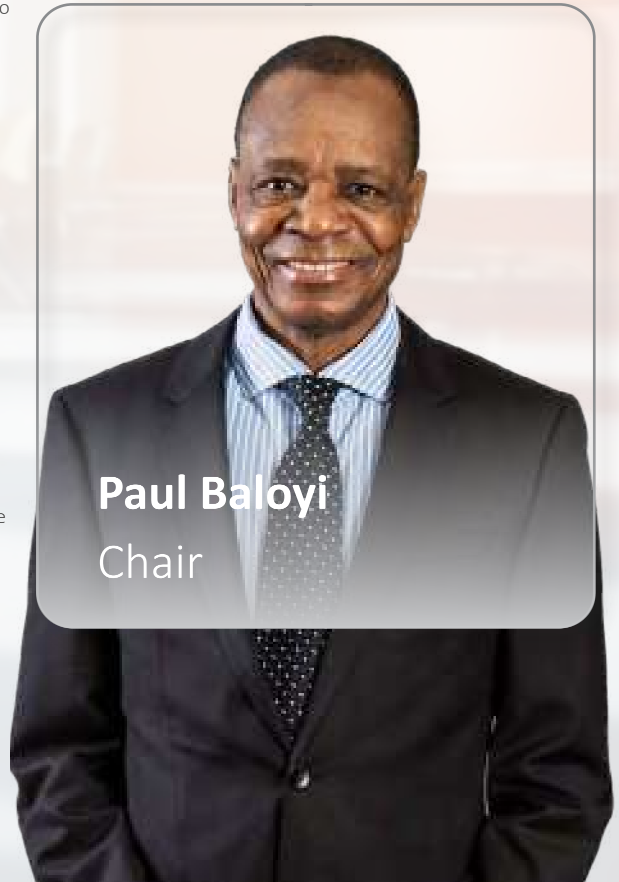
OUTLOOK

While South Africa's economic outlook remains precarious due to adverse global influences, we are beginning to see signs of encouraging improvement with recent political and economic shifts. The Group maintains a cautiously optimistic view of long-term growth prospects.

We are hopeful that, with the support of the newly established GNU, we can effectively tackle key challenges such as infrastructure development, reduce the high debt burden, and most importantly for our clients, address rampant corruption and improve societal well-being.

We remain dedicated to addressing our clients' financial needs and creating value for our shareholders. Furthermore, we are committed to being proactive corporate citizens by advocating for pro-growth reforms through industry bodies, aiming to unlock South Africa's full potential.

Paul Baloyi
Chair



GROUP CHIEF EXECUTIVE OFFICER'S REVIEW

Our federated operating model of empowered, accountable businesses continued to demonstrate its resilience and agility, enabling us to grow in the challenging operating environment of the past year. In addition, we have articulated our Group purpose – we build and protect our clients' financial dreams. This new way of being lies very close to my heart; I have a fundamental belief that if you truly care about how you make your clients feel with every interaction, profit will take care of itself. Making a real purposeful impact is the only way that companies will remain relevant and significant.

OPERATING ENVIRONMENT

The current socio-economic and political environment in South Africa has constrained clients' disposable income and slowed industry expansion, affecting new business volumes, margins and client retention. Additionally, elevated interest rates and inflation directly impacted expenses and procurement costs.

The 2024 national elections added complexity to the operating landscape with the new Government of National Unity (GNU) prioritising collaborative governance. Government's focus on rapid, inclusive and sustainable economic growth, along with reforms in electricity, telecommunications, water and transport, is encouraging. However, effective collaborative governance may take time to mature. I believe our country is at a critical tipping point and we as the private sector have a positive role to play.

The National Health Insurance (NHI) Act, signed in May 2024, aims to establish universal healthcare access by addressing disparities and enforcing new regulatory standards. While the Group supports the intent to enable access to more health for more South Africans, we believe the NHI Act in its current form is not sustainable or constitutional, and will not achieve its positive goal. The Momentum Group remains committed to collaborating with all stakeholders across the healthcare sector and continues to engage with government to establish an effective process that will look to introduce universal access to healthcare in a way that is fit and affordable for our country and better for our people.

Competition in our sector continues to intensify, with digital engagement becoming increasingly vital for enhancing efficiency as well as client and financial adviser experience – prompting us to intensify our focus on this area.

Although the past few years have been difficult for South Africans, these challenges demonstrate why the Momentum Group exists – *to build and protect our clients' financial dreams*. Our purpose is based on a deep understanding that we are a business with heart, whose employees understand that behind every transaction, every decision and every interaction, there is a human being with hopes, fears, dreams and aspirations. Having paid more than R37.9 billion (F2023: R38.3 billion) in claims to our clients, we continue to honour our promise to our clients.

PERFORMANCE

As our ***Reinvent and Grow strategy*** came to an end in June 2024, we met most of its objectives and achieved normalised headline earnings (NHE) of R4 438 million, a 27% increase from R3 491 million in F2023. Operating profit increased by 31% to R3 608 million (F2023: R2 755 million).

This included strong positive contributions from most business units comprising a recovery in Momentum Insure's earnings, strong profits from life annuities in Momentum Investments, significantly improved persistency experience in Metropolitan Life and strong underwriting experience in Momentum Corporate and Guardrisk. Earnings were further supported by favourable mortality experience and higher investment income from asset portfolios.

The Group's sales as measured by the present value of new business premiums increased by 19% to R82.1 billion. Our value of new business (VNB) declined by 2% from the prior year to R589 million, largely impacted by strengthening persistency and expense basis implemented on 30 June 2023 as part of IFRS 17. This resulted in VNB being calculated on a more conservative basis than in the prior year, most notably for Metropolitan Life. The overall Group new business margin declined to 0.7%.

The Group's return on equity (ROE) of 15.5% (F2023: 12.7%) is underpinned by the strong NHE result. Embedded value (EV) per share was R36.94 (F2023: R33.75), with a ROEV of 13.3% for the year (F2023: 17.0%).

A total dividend of 125 cents per share was declared (F2023: 120 cents per share). The Board also approved an additional R1 billion for the Group's share repurchase programme.

These achievements highlight the successful implementation and completion of our Reinvent and Grow strategy and demonstrate the effectiveness of our ***federated operating model***.

DELIVERING ON THE REINVENT AND GROW STRATEGY

Our Reinvent and Grow strategy has enabled the Group to navigate changing client behaviours. At the same time, it has set us up to tap into and optimise new revenue streams, while also growing current and alternative means of distribution. I am encouraged by the progress we have made with a wide range of strategic initiatives.

Having reached the end of the three-year strategic period, this is an opportune time to reflect on our performance relative to our Reinvent and Grow objectives:

Grow existing channels

Our recent distribution successes reflect our strong market position and adaptability to evolving client needs. We have solidified our dominance in independent financial adviser (IFA) distribution, a notable achievement given the wide array of choices available to IFAs.

In F2024, we made significant strides in our tied channel, Momentum Financial Planning (MFP), by exiting the franchise model, creating a more sustainable tied agency model, and implementing major changes to adviser remuneration contracts. Looking ahead, our Impact strategy includes aggressive plans to expand our adviser footprint within our tied agency and Consult by Momentum, further enhancing our distribution capabilities.

Establish new channels

In response to evolving client expectations, driven by younger clients seeking innovative and personalised products and services, we have successfully launched alternative channels that resonate with this demographic. Currently, 25% of Myriad policies are sold through digital platforms, with one in seven policies being underwritten and onboarded digitally. We will leverage the insights we obtained in these direct-to-consumer processes to further enhance our distribution through direct channels.

Jeanette Marais (Cilliers)
Group CEO

Accelerate digital

We have accelerated digital across various business areas. Momentum Corporate launched an innovative and fully digital self-service solution to drive increased client engagement, experience and take-up.

In Health, we now utilise mobile phone biomarkers to digitally capture 96% of claims with nearly one million claims processed daily, all without human intervention.

Guardrisk's LAUNCHPAD Insurtech initiative places the business firmly in the digital innovation space, enabling Insurtech entrepreneurs to scale their business within the Guardrisk ecosystem.

Product and service leadership

We take pride in the comprehensive range of competitive products our Group offers and remain committed to staying at the forefront of innovation. Our focus is on consistently exceeding client expectations through exceptional product design, service and cutting-edge digital solutions.

We improved our approach to wellness and rewards by unbundling the rewards offerings of Multiply Premier. Each Momentum product now offers its own benefits; Momentum Health members benefit from Multiply Inspire and Multiply Engage, Myriad offers rewards through LifeReturns, and Momentum Insure clients are rewarded through Safety Returns.

We believe these rewards are simpler, more attainable and relevant – rewarding members for the right behaviour per product, instead of for the number of Momentum products they have.

In addition, the acquisition of OUTsurance Group's shares in the RMI Investment Managers Group (IMG) gives our clients access to more fund options and a wider range of investment strategies.

Transformation

Our commitment to ***authentic transformation*** has enabled us to maintain our Level 1 B-BBEE rating for the sixth consecutive year, reflecting our ongoing contribution to the transformation of our country. Over 80% of our employees are black and 65% of employees are women. We continue to drive workforce transformation, particularly at the senior leadership level.

In addition to our focus on employees, we also have a significant positive impact on broader financial transformation through our engagements with society. South African businesses by channelling R10.4 million towards enterprise development initiatives, and contributing R14 million towards youth employment and entrepreneurship.

NHE of R4.4 to R4.8 billion

Normalised headline earnings of R4.4 billion achieved the bottom range of the IFRS 17 adjusted target of R4.4 billion to R4.8 billion. It is encouraging that the Group's F2024 performance was aided by a turnaround in the NHE of Momentum Insure and Metropolitan. In addition, Momentum Investments showed strong profits from life annuities and Momentum Corporate enhanced its profitability through a focus on growth, sustainable pricing and disciplined expense management, while Guardrisk has maintained its strong growth trajectory and market-leading position.

Cost efficiencies of R500 million

The progress made with the various digitisation initiatives and improvements to client and adviser service across the Group has resulted in direct expenses growth across the Group being slightly above inflation, resulting in the Group not attaining the R500 million in cost efficiencies target.

Non-life Insurance contribution to NHE of 20%

Momentum Insure delivered NHE of R192 million, while Guardrisk continued its growth trajectory, reporting earnings of R653 million in F2024. This resulted in an overall non-life insurance contribution to NHE growing from 15% in F2021 to 19% in F2024. Although this is marginally below the 20% target, it highlights the progress made in NHE diversification.

Market share increases of 1% to 6%

In a challenging stagnant environment, growth in a fiercely competitive market is difficult. An achievement I am very proud of is that we hold a dominant position in the IFA space. We hold the highest market share in the platform and annuities business in Investments, as well as in the protection market through Myriad. A challenge we plan to address aggressively is our own agency force, which is much smaller than that of our main competitors and cannot deliver the market share that our competitors have. Metropolitan did not achieve targeted market share growth as the business deliberately focused on quality of sales rather than quantity.

ROE of 14% to 16%

ROE of 15.5% is toward the upper end of the ROE target range.

Reinvent and Grow strategy in closing

We are entering the next three-year strategic cycle in a strong position. The Momentum Group has strengthened its foundation through strong earnings performance, maintaining competitiveness and ensuring robust solvency to consistently deliver value to clients, shareholders, employees, partners and communities. The Group continues to enhance the rigour applied to its capital allocation discipline.

Over the past three years, we paid dividends of R4.2 billion and returned significant value to our shareholders of R3.8 billion through share buybacks, resulting in an EV uplift of over R1.6 billion. Our balance sheet remains strong, and we continue to generate cash.

INTRODUCING OUR IMPACT STRATEGY

We call our strategy for the next three years our ***Impact strategy***. In creating this new strategy, we took inspiration from who we authentically are, and what we already do really well. For us, "impact" is about having a positive ripple effect on the lives of the people we work with – our employees and partners – and the people we work for: our clients, shareholders, communities, society and the environment.

Aligned with our purpose, our six Group-level strategic objectives provide us with clear direction. They are interlinked and work together as a cohesive, integrated strategy where each strategic objectives has a positive influence on the next. We will:

- Unlock the full potential of our businesses.
- Harness the synergies of collaboration in our federated model.
- Optimise our cost base to grow earnings.
- Invest aggressively in advice to drive growth.
- Selectively expand our addressable market where we have a right to win.
- Design simplified and impactful client experiences as a foundation for growth.

Our financial ambition is to generate normalised headline earnings of R7 billion by F2027, value of new business of R1.2 billion, and a return on equity of 20%.

SUSTAINABLE VALUE CREATION

Guided by our purpose, we prioritise earning stakeholder trust by delivering solid financial performance and social and environmental well-being while maintaining rigorous ethical and governance standards. We thereby ensure a sustainable future for the Group, our business units, clients, employees, partners and shareholders. Leveraging our ***Sustainability Framework***, we create shared value by advancing financial inclusion, enhancing social well-being and supporting the transition to a low-carbon economy. Our approach includes responsible investments that promote environmental sustainability, economic development and long-term financial prosperity, all while committing to a Just Transition.

Recognising the crucial role of our employees in building trust with clients and stakeholders, we understand that their satisfaction is key to our success. Their engagement and well-being impact our ability to meet client expectations, strengthen our reputation and maintain strong relationships with all stakeholders. Prioritising employee satisfaction is essential for our ongoing success and organisational effectiveness.

Our social impact initiatives blend grassroots and formal foundation efforts. We invested R35.5 million in CSI initiatives (F2023: R43.5 million) and R54.4 million in the Association for Savings and Investment South Africa (ASISA) Enterprise Supplier Development (ESD) fund and other enterprise supplier development initiatives (F2023: R55 million). These actions manifest our commitment to empowering businesses and individuals, and enhancing our communities.

For more details, please refer to our ***Sustainability Report****.*

WHAT THE FUTURE HOLDS

As an action-oriented business, we are committed to achieving our goals and creating a lasting impact. Despite the low-growth environment, the successful conclusion of our Reinvent and Grow objectives (or our performance against our Reinvent and Grow objectives) bolsters our confidence in the Group's ability to continue delivering significant value to clients and stakeholders. Our Impact strategy sets us up to achieve our long-term growth prospects.

NOTE OF APPRECIATION

I thank our Board and Chair for their valuable guidance and insight during the first year of my tenure as Group CEO. I deeply appreciate our dedicated employees and financial advisers for their commitment and hard work, and our clients for their continued business and allowing us the privilege to help build and protect their financial dreams. Special recognition goes to my executive team for their exemplary leadership during these challenging, but exciting times.

JMarais.

Jeanette Marais (Cilliers)
Group CEO

MATERIAL MATTERS

DOUBLE MATERIALITY

A matter is considered material if it has the potential to significantly influence our ability to create and preserve value, and prevent value erosion over the short, medium and long term.

We integrate the concept of double materiality, prioritising matters that affect our internal value creation (inward-focused financial materiality) and their impact on our stakeholders (outward-focused impact materiality), spanning our communities, society and the environment. These matters represent the unified perspective of the Momentum Group's leadership team (Board and Exco) by addressing the risks and opportunities aligned with our purpose, strategy and sustainability objectives.

OUR DETERMINATION PROCESS

Identification

We held a workshop in May 2024 that engaged Group executives and specialists from various departments across the business.

External review

We analysed macroeconomic and socio-political influences within our operating landscape, considering media and peer reports.

We extensively assessed stakeholder concerns, analysed sector trends, and considered which matters also impact our peers.

Internal review

Internally, we reviewed Board documents, our risk and opportunity register, performance targets and material matters reported in F2024. The process considered the impact of our matters on critical aspects of our business, including our purpose, strategic objectives, business model (including its outcomes and trade-offs) and resource allocation.

Prioritised

Identified material matters were prioritised according to their impact on the Group, their importance to stakeholders and their contribution to long-term value creation. We used a heat map to illustrate each matter's impact according to its inward-focused financial materiality and its outward-focused impact materiality.

Integrated

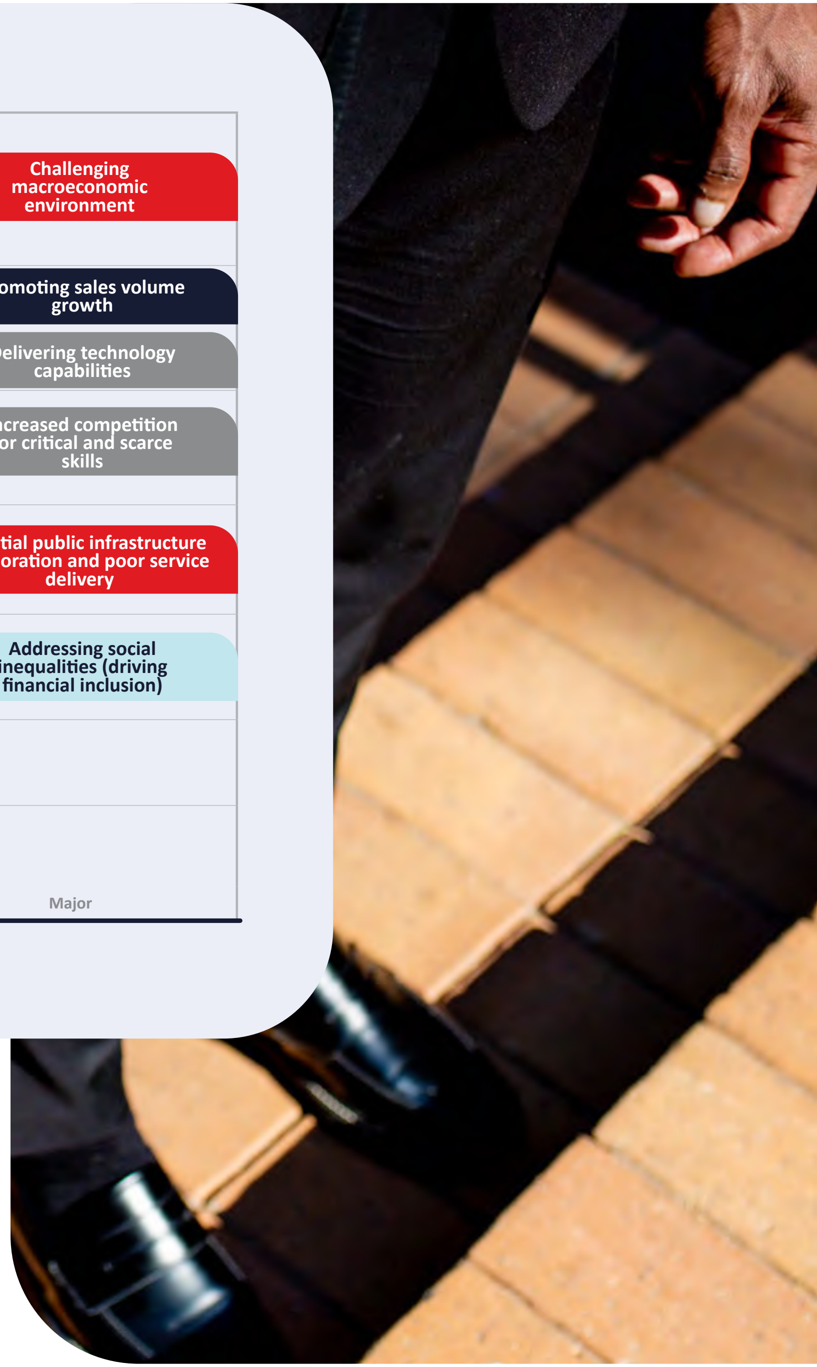
After prioritising our material matters, we categorised 19 matters into five material themes. These themes were then incorporated into our strategic planning and informed the disclosures for our reporting suite. On 11 June 2024, the Board, through the Audit Committee, formally approved the material matters for this reporting cycle.

IDENTIFIED MATERIAL THEMES AND MATTERS

Material themes	Material matters
Uncertain macroeconomic and socio-political environment	• Challenging macroeconomic environment • Rapidly evolving regulatory requirements • Government policy uncertainty • Socio-political uncertainty • Essential public infrastructure deterioration and poor service delivery
Business resilience	• Promoting sales volume growth • Achieving efficiency improvements • Optimising capital management • Protecting the business from external shocks • Embedding the new strategy
Leveraging digital innovation	• Delivering technology capabilities • Cybersecurity and data protection
Attract and retain critical and scarce skills	• Increased competition for critical and scarce skills • Authentic transformation through diversity and inclusion • Health and well-being of employees
Sustainable enterprise value	• Responsible investing and corporate citizenship • Advocacy through industry bodies • Addressing social inequalities (driving financial inclusion) • Climate change and resilience

MATERIAL MATTERS MATRIX

Financial materiality focused on enterprise value creation *(financial and operational performance)* / Impact materiality considering key stakeholder interests *(society and environment)*	Negligible	Moderate	Substantial	Significant	Major
Major			Health, wellness and well-being of employees	Embedding the new strategy	Challenging macroeconomic environment
Significant		Protecting the business from external shocks	Rapidly evolving regulatory requirements Socio-political uncertainty Responsible investing and corporate citizenship	Achieving efficiency improvements Optimising capital management Government policy uncertainty	Promoting sales volume growth Delivering technology capabilities Increased competition for critical and scarce skills
Substantial			Cybersecurity and data protection Advocacy through industry bodies	Authentic transformation through diversity and inclusion Climate change and resilience	Essential public infrastructure deterioration and poor service delivery Addressing social inequalities (driving financial inclusion)
Moderate					
Negligible					



UNCERTAIN MACROECONOMIC AND SOCIO-POLITICAL ENVIRONMENT

Economic

Increased | No change | Decreased

Economic | Environmental | Social | Governance

Y-O-Y change

Material matters

1 Challenging macroeconomic environment

- The Group's prosperity hinges on economic stability and gross domestic product (GDP) growth.
- High inflation, elevated interest rates, fluctuating exchange rates and currency instability exert significant pressure on business profitability and consumer affordability.
- Economic challenges constrain growth potential by limiting the number of potential clients who can afford insurance premiums and savings.
- The Group is dedicated to making long-term investments that stimulate employment and income growth while minimising environmental impact.

2 Rapidly evolving regulatory requirements

- Emerging regulations, including anti-money laundering and terrorism financing measures, retirement fund reforms like the two-pot retirement system, the recently signed NHI Act and Employment Equity Act amendments potentially impact the cost of doing business and our non-compliance risk.
- The ongoing influx of new legislative and regulatory requirements demand continuous development and operational changes, resulting in strained internal resources and management bandwidth.
- The adoption of new reporting standards, such as IFRS 17 for insurance contracts and impending sustainability disclosure standards from the International Sustainability Standards Board (ISSB), heightens the significance of programmes and initiatives aimed at ensuring compliance across the Group.

3 Government policy uncertainty

- Policy changes following the South African election outcome could negatively impact the fiscus. Moreover, coalitions in local and national government continue to fuel unpredictability in the South African political and policy landscape.
- The NHI Act was signed into law on 15 May 2024. While we agree with the intent to enable access to more health for more South Africans, we believe the implementation of the NHI in its current format is not sustainable. We expect the already documented challenges made by numerous stakeholders to become more vocal, particularly around constitutionality.
- The future of retirement planning in South Africa will change with the implementation of the new two-pot retirement system.
- The Momentum Group proactively engages with government, regulators and industry associations to advocate for pragmatic and sustainable outcomes.

4 Socio-political uncertainty

- The outcomes and consequences of the 2024 election results have introduced additional complexity to the nation's political dynamics.
- The government's socialist redistribution policies versus capitalist growth policies impact economic growth and prosperity.
- The uncertain socio-political environment may lead to adverse consequences, including heightened community unrest and increased criminal activity, which negatively affect claims ratios.
- South Africa contends with high youth unemployment at 45.5% (F2023: 46.3%), which is compounded by unstable power supply, deteriorating infrastructure, high crime rates and political corruption. All these factors exert substantial pressure on the country's GDP.

5 Essential public infrastructure deterioration and poor service delivery

- South Africa continues to experience poor public service delivery constraints and a considerable decline in the maintenance of critical public infrastructure, including the poor management of water reserves, housing and sewerage infrastructure, and an unreliable energy supply.
- We have invested in our internal infrastructure to ensure business continuity and self-sufficiency as far as practically possible.
- The logistics sector struggles with significant losses, port congestion and backlogs. Supply chain disruptions, including rising shipping costs and delays, place significant pressure on parts availability and inflation.

Timeframes

Short to medium term

Stakeholders impacted

- **Our employees and contractors**
- **Communities in which we operate**
- **Suppliers**
- **Government and regulators**
- **Investor community**
- **Clients**
- **Intermediaries**

Risks and opportunities

- **Macroeconomic and socio-political uncertainty**
- **Regulatory complexity and increased compliance**
- **Ageing country infrastructure**

Capitals impacted

Strategic objectives

- **Grow existing channels**
- **Establish new channels**
- **Cost savings in excess of R500 million**

BUSINESS RESILIENCE

Economic

Y-O-Y change

Material matters

6 Promoting sales volume growth

- Promoting and growing sales volumes in a saturated market.
- The stagnant economic environment and competitive market dynamics strain consumer demand and our ability to grow premiums as we compete for a limited number of new business opportunities.
- In response, we remain focused on growing new business sales volumes through product and service leadership.
- We continue to manage lapses through retention efforts and making improvements to policies.

7 Achieving efficiency improvements

- As industry new business volumes are under pressure, we direct our efforts at enhancing cost efficiencies and prudently managing expenses.
- To maintain competitiveness, we adapt to the current operating landscape while proactively anticipating future trends.
- Our digitisation initiatives remain the main driver to improve efficiency and secure cost savings.

8 Optimising capital management

- Effective capital management ensures compliance with regulatory requirements, safeguarding the Group's financial stability and ability to meet our obligations to our clients. It is essential to ensuring our ability to capture growth opportunities.
- We continued to focus on prudent capital management and optimisation by actively managing discretionary and surplus capital to bolster financial performance.
- Capital allocation decisions are aligned with supporting value creation and meeting return on capital targets linked to strategic objectives.

9 Protecting the business from external shocks

- We are seeing more extreme weather events impacting our non-life insurance businesses. Factors such as social inequality, unemployment, pressure on utility providers and deteriorating infrastructure increase our vulnerability to the impact of climate-related disasters.
- Business continuity management and operational resilience continue to be key focus areas of the business. This includes a focus on minimising the impact of disruptions and maintaining operations in the case of sudden, unexpected disruptions to our operations resulting from external fraud catastrophes, cyber incidents or extended loadshedding.
- Various external shock events have presented the Group with the opportunity to incorporate learnings when reviewing our pricing, underwriting and reinsurance strategies, and our risk appetite and strategies more broadly.

10 Embedding the new strategy

- To effectively embed the new Group strategy involves leadership alignment, developing comprehensive communication plans, implementing training programmes, updating key performance indicator (KPI) metrics and integrating the new strategy into existing Group processes.
- To test the strategy, we intend to conduct periodic reviews, collect stakeholder feedback, monitor progress using dashboards, allocate the required resources and make the necessary adjustments to enable value creation and preservation.

Timeframes

Short to medium term

Stakeholders impacted

- Our employees and contractors
- Investor community
- Intermediaries
- Clients

Risks and opportunities

- Business continuity
- Market competitiveness and changing consumer behaviour
- Strategy execution risk
- Financial market volatility and liquidity risk

Capitals impacted

Strategic objectives

- Grow existing channels
- Establish new channels
- Product and service leadership

LEVERAGING DIGITAL INNOVATION

Economic

Y-O-Y change

Material matters

11 **Delivering technology capabilities at pace**

- Digitalisation, personalisation and convenience have disrupted the financial services landscape, heightening industry competition from financial services providers, telecommunications companies and retailers entering the digital insurance sector. To sustain competitiveness, offering personalised services at scale remains crucial.
- Embracing technological advancements and digitalisation is essential to remaining relevant in today's dynamic digital age. Digitalisation continues to drive business enhancements, including streamlined processes, enhanced efficiency and valuable insights.
- Partnering with Insurtech and fintech start-ups presents a valuable opportunity for us to leverage their innovative capabilities and disruptive potential. This collaboration enables us to develop exciting new value propositions and distribution channels for our clients.
- To expand our existing channels, we prioritise efficiency enhancements, the digital empowerment of advisers and increasing our footprint growth.
- System migrations and digital transformation initiatives boost operating efficiencies and enable competitive pricing through reduced infrastructure costs.
- The execution of multiple major projects faces challenges with delivery timelines due to evolving compliance and security requirements.

12 **Cybersecurity and data protection**

- The increasing prevalence of cybercrime is fuelled by increasing digitisation, reliance on cloud services, transition to remote work and the challenge of a shortage of cybersecurity expertise.
- Our cybersecurity team remains vigilant, actively monitoring and fortifying our cybersecurity infrastructure against cyber risks and fend off malicious attacks aimed at defrauding and harming our business and clients.
- Education and knowledge dissemination are integral to combating cybercrime, empowering individuals with the awareness and skills needed to recognise and mitigate potential threats.
- Enhanced controls have been implemented and expanded to mitigate the additional risks associated with the widespread adoption of remote working practices initiated since the onset of lockdown measures.

Timeframes

Short to medium term

Stakeholders impacted

- Our employees and contractors
- Suppliers
- Clients
- Intermediaries

Risks and opportunities

- Market competitiveness and changing consumer behaviour
- Information and cyber risk
- Strategy execution risk

Capitals impacted

Strategic objectives

- Establish new channels
- Accelerate digital
- Product and service leadership

ATTRACT AND RETAIN CRITICAL AND SCARCE SKILLS

Social

Y-O-Y change

Material matters

13 Increased competition for critical and scarce skills

- Increased competition for critical and scarce skills has created significant challenges for our talent acquisition and retention efforts.
- The Group confronts talent scarcity, particularly in attracting and retaining professionals such as actuaries, IT specialists and technical talent, a challenge exacerbated by the dynamic shifts in the working landscape.
- Our primary focus revolves around acquiring, nurturing and retaining essential skills.
- We leverage our recruitment platform to scout top-tier talent while fostering internal career mobility. Through meticulous succession and leadership planning, we strategically position ourselves to fulfil our envisioned growth trajectory.
- Tailored learning interventions empower our diverse leadership cohort, fostering impactful leadership capabilities.

14 Authentic transformation through diversity and inclusion

- South Africa grapples with a severe shortage of critical skills, particularly within African, Coloured and Indian (ACI) communities. This is attributed to heightened local and international competition and emigration trends.
- Embracing authentic and comprehensive transformation throughout our value chain is paramount to our approach (doing it the right way).
- We are committed to fostering a workplace that is diverse, inclusive, transformed and equitable.
- Through the integration of diversity and inclusion in our human capital strategies, we cultivate a sense of belonging among our employees.

15 Health and well-being of employees

- The socio-economic challenges prevalent in our environment significantly impact the well-being of our employees.
- We've observed a rise in claims related to mental health amid the post-Covid and economically stressed environment, underscoring the heightened importance of prioritising wellness and well-being initiatives.
- We maintain a deliberate focus on managing employee well-being by fostering a culture that cultivates a positive, safe and supportive environment. This approach enables employees to feel connected and nurtured, facilitating their success in the workplace.
- Our provision of a best-of-breed employee assistance programme equips employees with proactive tools to manage their well-being effectively and prevent burnout.

Timeframes	Stakeholders impacted	Risks and opportunities	Capitals impacted	Strategic objectives
Short to medium term	• Our employees and contractors • Clients • Intermediaries	• People-related risks and transformation • Strategy execution risk		• Transformation

SUSTAINABLE ENTERPRISE VALUE

Environmental | Social | Governance

Y-O-Y change

Material matters

16 Responsible investing and corporate citizenship

- As active owners, the Group can influence corporate behaviour, encourage the adoption of sustainable business practices and advocate for improved environmental, social and governance (ESG) performance and transparency.
- Through our investment practices, underwriting decisions and property management practices, we have an opportunity to positively impact climate change.
- We actively engage in market-related industry events and collaborate with local and international bodies to advance ESG principles and practices.

17 Advocacy through industry bodies

- We recognise the significance of lobbying as a component of the industry collective to secure optimal policy outcomes.
- As an active participant, we engage with prominent industry bodies such as ASISA, the South African Insurance Association (SAIA) and the Board for Healthcare Funders (BHF), leveraging our involvement to shape regulatory policies and legislative amendments through constructive debate and influence.
- Additionally, our engagement extends to various National Economic Development and Labour Council (Nedlac) debates where we represent businesses on pertinent matters including health, social security and retirement reform issues.

18 Addressing social inequalities (driving financial inclusion)

- We strive to collaborate with strategic partners to tackle systemic issues such as the growing inequality and the risks associated with climate-related impacts.
- The Momentum Foundation focuses on addressing escalating social and gender inequality as well as the concerning levels of youth unemployment.
- We invest in initiatives aimed at fostering financial inclusion to promote a healthier and more resilient society. This includes leveraging partnerships with local providers in our respective jurisdictions through the utilisation of alternative distribution channels.

19 Climate change and resilience

- Climate change poses an ever-increasing risk, including extended wetter weather in the short term and the resultant impact on claims and reinsurance costs, as well as the transition risk impact on market, credit and regulatory risks.
- The increased intensity and/or frequency of extreme weather events can be attributed to climate change significantly impacting the environment and society.
- Our strategic approach to climate change and low-carbon transition prioritises mitigating environmental impacts while enhancing resilience for both our business operations and the communities we serve.

Timeframes	Stakeholders impacted	Risks and opportunities	Capitals impacted	Strategic objectives
Short to medium term	• **Our employees and contractors** • **Communities in which we operate** • **Suppliers** • **Clients** • **Intermediaries**	• **Climate-related risk**		• **Product and service leadership**

HOW WE CREATE VALUE

THE STRATEGY DRIVING OUR BUSINESS

THE STRATEGY DRIVING OUR BUSINESS F2022 TO F2024

Our value proposition is intricately linked to our core purpose and commitment to delivering forward-thinking solutions to our clients.

Anchored by our Reinvent and Grow strategy, we are poised to shape a brighter future while leaving a lasting positive impact on all stakeholders involved. Central to this approach is the cultivation of a synergistic and resilient portfolio of high-performing businesses. We will achieve this through a corporate portfolio strategy that places equal emphasis on product and service excellence as well as through strategic distribution partnerships that recognise the transformative value of advice and digital innovation.

Operating within a federated model, each business unit retains autonomy and accountability across its value chain, yet aligns seamlessly with the Group's overarching portfolio objectives.

REINVENT AND GROW

As we conclude our Reinvent and Grow strategic business journey, we reviewed our performance over the past three years. This comprehensive review included assessing our operations, market dynamics and resource allocation. The insights gained from this process have been instrumental in shaping the Group's ***Impact strategy***, ensuring a robust, value-driven course for the upcoming strategic cycle.

IFRS 17 restatement

The IFRS 17 – Insurance Contracts (IFRS 17) standard became effective for the Group from 1 July 2023. As such the prior year's accounting has been restated for the application of IFRS 17 as well as for other restatements. As such the NHE targets and ROE targets set in F2022 have been restated accordingly.

Refer to the ***Audited Annual Financial Statements*** for more information.

F2024 REINVENT AND GROW STRATEGIC OBJECTIVES

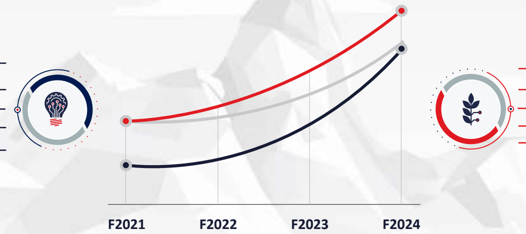
Grow existing channels
Continue growing the footprint of the existing channels while digitally enabling our existing channels.

Establish new channels
To engage with a new generation of clients more directly and use digital solutions.

Accelerate digital
Digital transformation targeted at key parts of business units' value chains to significantly improve our competitiveness.

Product and service leadership
Improve product and service design to better meet clients' needs and actively using new technologies to build capabilities, create competitive advantages and increase our market prominence.

Transformation
In line with the reinvention of our Group, become an inclusive organisation that is authentically transformed.



NHE of R4.4 to R4.8 billion
Derived from a bottom-up basis, locking in the earnings contributions that business units believe their respective Reinvent and Grow strategies will make.

Cost savings in excess of R500 million
The various digitisation initiatives will secure efficiency improvements and introduce cost savings.

Non-life insurance contributes 20% of NHE
The shift towards a higher contribution from the non-life insurance businesses will continue to be driven.

Market share growth
Our businesses have set targets to increase market share between 1% to 6%, depending on the market dynamics of the different product lines and market segments.

ROE of 14% to 16%
To be achieved through a combination of growing earnings and optimising the Group's capital base.

Three strategic pillars guiding business units on their expected contributions to the Group strategy and corporate portfolio.

Strategic relevance	Value creation	Sustainability
Businesses should contribute to the Group's competitiveness by being or aspiring to be one of the top three in their chosen segment. This means they should demonstrate product leadership and be obsessed with client experience and the ease of doing business.	Businesses must show real earnings growth and contribute positively to achieving the Group's ROE targets. Superior risk selection, pricing accuracy and setting clear performance targets and milestones are critical. The Group in turn has a responsibility to optimally allocate and manage capital.	We prioritise long-term sustainability for our business, clients and society. Group business units drive authentic transformation, foster a culture of ownership and accountability and strengthen the employee brand. They must also enhance portfolio sustainability by addressing E-ESG challenges and implementing our strategic framework.

PERFORMANCE AGAINST STRATEGY

In navigating a slow-growth environment marked by intense competition, we had to make astute strategic decisions to successfully execute the Reinvent and Grow strategy. As we conclude the three-year period, it is an opportune moment to reflect on our performance relative to our objectives:

Grow existing channels

Our distribution channels remain fundamental Group assets. To expand these channels further, our focus is on achieving efficiency gains, digitally empowering advisers and increasing our footprint.

Performance

- Exited the franchise model, created a more sustainable tied agency model and made significant changes to the tied adviser remuneration contracts.
- ***MDS*** celebrated several record-sales months, benefiting from specialisation.
- Performance in our tied agency channel, ***MFP***, suffered following significant operating model changes.
- ***Consult*** demonstrated a strong footprint and revenue growth.
- In an effort to improve channel workforce management, Metropolitan Life made a decision to limit the number of tied agents to just over 3 200.
- In MFP, we are addressing the ageing adviser workforce by enhancing succession planning and upskilling and mentoring new-to-industry advisers.
- ***VIA adviser platform functionality***, the single interface and workspace through which advisers access all Momentum-branded retail products and clients, was expanded to improve the ease of doing business and drive efficiency gains.

Establish new channels

Across the Group, we've initiated programmes to supplement our primary face-to-face distribution channels. These efforts offer alternative distribution avenues that cater more effectively to digitally native market segments.

Performance

- ***Momentum Grow*** utilises FundsAtWork's digital toolkit to provide a multichannel service model.
- Momentum Corporate launched an innovative and fully digital self-service solution, ***Dragonfly***, to drive increased client engagement, experience and take-up.
- 25% of ***Myriad*** policies are sold through digital channels, and one in seven policies is underwritten and onboarded digitally.
- We discontinued the Metropolitan GetUp offering (our direct-to-consumer digital business aimed as a standalone initiative) and will use our learnings and experience to further enable our Metropolitan Digital direct channel.
- Metropolitan launched the Affinity and Associations channel, offering grouped funeral products.

Achieved | Underway | Not achieved

Accelerate digital

All our business units have intensified their efforts towards digital transformation. Digital solutions are being utilised to enhance efficiency and elevate client and adviser experiences. A pivotal aspect of this strategy involves leveraging internal and external ecosystems for digital capabilities, including forming partnerships with Insurtech companies.

Performance

- Guardrisk's ***LAUNCHPAD*** Insurtech initiative places the business firmly in the digital innovation space, enabling Insurtech entrepreneurs to scale their business within the Guardrisk ecosystem.
- In Momentum Retail, we completed the migration of legacy data warehouses to the channel data delivery platform.
- Metropolitan Life continued with the migration from a legacy platform to a modern, digitally enabled platform.
- We are working to launch a new version of the ***FastTrack*** capability, which will enable up to 40% of Myriad applicants to be accurately underwritten using machine learning algorithms.
- Momentum Wealth experienced some challenges in ***re-platforming*** onto new-generation technology.
- In Health, we use mobile phone biomarkers and 96% of claims are captured digitally.

Product and service leadership

Reinventing products and services is pivotal to realising our leadership goals. Embracing technology advancements and new digital capabilities early on is imperative for successful implementation.

Performance

- We successfully delivered on the long-awaited Myriad digital risk selection and processing model and improved onboarding experience through mobile-driven underwriting solutions and a paperless capturing capability.
- Momentum Corporate introduced ***Dragonfly***, a fully digital self-service solution designed to boost client engagement, enhance user experience and increase adoption rates.
- Repositioned the Multiply Premier wellness offering with the launch of ***Myriad's LifeReturns*** rewards programme, refining Health's incentivised wellness programme and introducing ***Momentum Insure Safety Returns*** activity-based points system.
- The acquisition of OUTsurance Group's shares in the RMI Investment Managers Group (***IMG***) gives our clients access to more fund options and a wider range of investment strategies.
- In Momentum Corporate, online and self-service capabilities were achieved, relieving pressure on service and operations, and enhancing the overall experience.

Transformation

Our Reinvent and Grow strategy has pinpointed authentic transformation as our guiding principle. Across the Group, we are actively pursuing numerous initiatives to ensure that we evolve into an inclusive organisation that undergoes genuine transformation.

Performance

- Celebrated our sixth consecutive year as a Level 1 B-BBEE contributor.
- In its fourth year, the ***iSabelo*** share ownership scheme has 14 389 beneficiaries who benefited from dividends.
- Invested R365 million in the ***training and skills development of black employees*** (F2023: R298 million).
- Invested over R17.5 billion in building transport systems, energy supply, healthcare, education and connectivity (F2023: R15.5 billion).
- Invested R54.4 million in ***enterprise supplier development (ESD) programmes***, a key enabler in maintaining our preferential procurement score and making a meaningful contribution to an inclusive South African economy.

GROW OBJECTIVES

NHE of R4.4 to R4.8 billion*

Progress over the three-year period

NHE of R4.4 billion was achieved in F2024. This represents a 27% increase from R3.4 billion in the prior year and within the IFRS 17 adjusted NHE target range of R4.4 billion to R4.8 billion.

The Group's F2024 performance was aided by a turnaround in Momentum Insure's and Metropolitan Life's NHE, and a continuation of solid results in Momentum Investments, Momentum Corporate and Guardrisk. NHE was further boosted by higher investment income following the favourable interest rate environment. However, it was adversely affected by fair value losses on venture capital investments.

Cost efficiencies in excess of R500 million

Progress over the three-year period

While the progress made with the various digitisation initiatives and improvements to client and adviser service across the Group is encouraging, it resulted in direct expenses growth across the Group being slightly above inflation and the efficiency target not being met.

In response to the tough economic environment and highly competitive market, the Group made a deliberate decision to increase its investment in various critical projects such as digital transformation to enhance our client value proposition, IFRS 17 implementation, and other sales-related activities. Due to a delay in the Metropolitan Life and Africa migration as well as in Momentum Wealth's re-platforming, the Group did not achieve all the migration benefits initially envisaged.

Market share increase of 1% to 6%

Progress over the three-year period

Market shares increased across the Group as we built on the foundation set in F2023.

The latest available data reflects a market share of 17.2% for Momentum Wealth, 11% for the Myriad risk business, 16% for our umbrella funds business FundsAtWork, 2.4% for Momentum Insure, 26% for Health and 18% for the emerging market Metropolitan Life business. However, market share growth in Metropolitan Life was not at targeted levels as the business deliberately changed its focus to improving the quality of new business.

We are optimistic that the material efforts over the last few years to improve external focus and the revitalisation of existing distribution channels will continue.

Non-life Insurance contributes 20% of NHE

Progress over the three-year period

Momentum Insure delivered NHE of R192 million, while Guardrisk continued its growth trajectory, reporting earnings of R653 million in F2024. This resulted in an overall non-life insurance contribution to NHE growing from 15% in F2021 to 19% in F2024.

Although this is marginally below the 20% target, it highlights the progress made in NHE diversification. Going forward, we are confident that these businesses will continue to provide significant growth opportunities and diversification benefits to the Group.

ROE of 14% to 16%*

Progress over the three-year period

ROE of 15.5% is toward the upper end of the IFRS 17 adjusted ROE target range, reflective of the strong NHE performance.

*IFRS 17 adjusted target

OUR NEW IMPACT STRATEGY

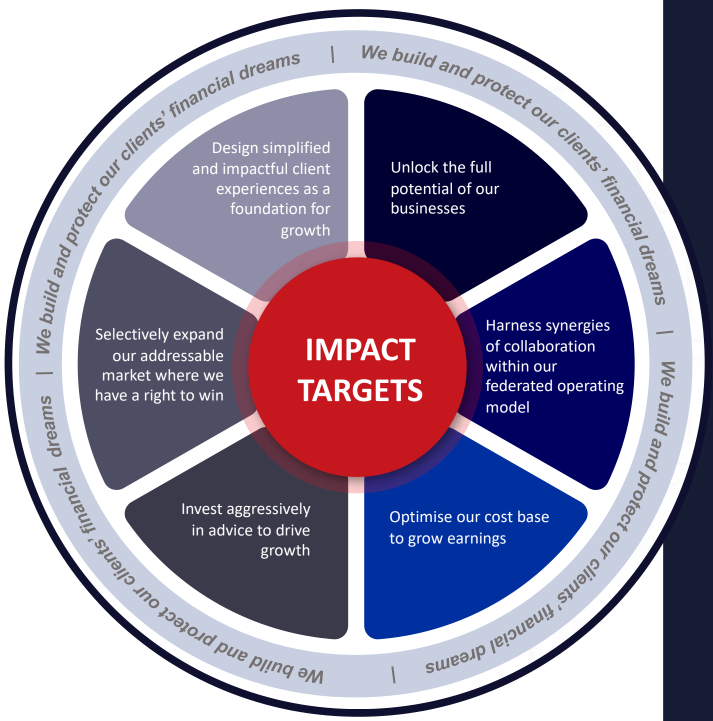
OUR NEW IMPACT STRATEGY WILL DRIVE OUR BUSINESS FROM F2025 TO F2027

Strategy is defined by action. As an action-oriented business, the Momentum Group is committed to driving lasting impact through our actions.

Our Impact strategy for F2025 to F2027 is an evolution of our previous approaches, focusing on leveraging our diversified, federated operating portfolio. This strategy aims to positively impact all stakeholders – employees, intermediaries, clients, shareholders, communities and the environment.

This strategy aligns with our purpose of building and protecting clients' financial dreams through a high-performance culture, trusted client relationships and excellence in service.

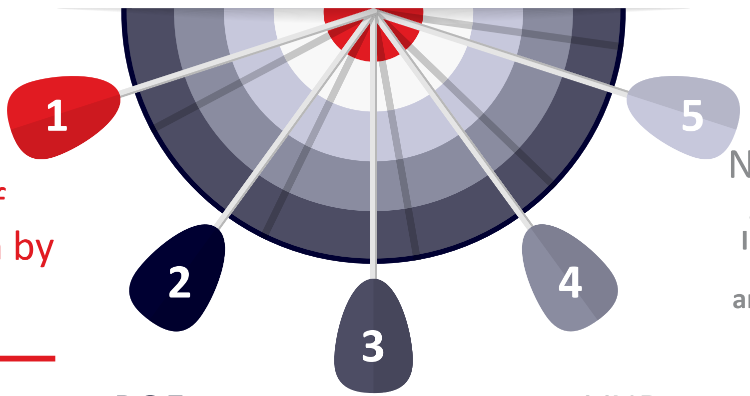
Six strategic objectives have been identified to guide our business units in achieving impactful results and meeting Group expectations.



Strategic objectives	Rationale	Impact
Unlock the full potential of our businesses	Not all business units enjoy the same level of success. To address this, we will increase investment in our thriving ventures while implementing turnaround strategies for those that are underperforming. Our capital deployment decisions will reflect these adjustments, ensuring that resources are allocated effectively to drive growth and enhance performance across our portfolio.	• Drive growth and improvement. • Innovate to achieve competitive product, service, process and efficiency advantages.
Harness the synergies of collaboration within our federated operating model	Our aim is to achieve synergies through close alignment between our strong, value-adding centre and our empowered business units. We will leverage the diversity and specialisation across our Group, strengthening our business units by eliminating redundancies, enhancing collaboration and pursuing vertical integration, all the while preserving our unique value proposition. By fostering a collaborative and accountable culture, we aim to create a collective powerhouse where the whole is greater than the sum of its parts.	• Achieve synergies to capture more margin by eliminating duplication, driving collaboration and leveraging vertical integration.
Optimise our cost base to grow earnings	In a challenging economic environment characterised by market fluctuations, regulatory pressures and competitive forces, resetting our cost base will not only address our VNB challenge but also strengthen our Group, enhance competitiveness and ensure sustainable success. We have benchmarked our performance against peers and identified opportunities to reduce costs, streamline processes, innovate and improve operations.	• Unlocking operational efficiencies through sustainable cost savings.
Invest aggressively in advice to drive growth	We are committed to the value of advice, and our advice-led approach has consistently set us apart. Face-to-face interactions present significant growth opportunities, and we aim to establish advice as our distinguishing brand to surpass our competitors. To achieve this, we will expand our smaller agency force and leverage technology to empower advisers and enhance the client experience. By integrating digital advancements alongside our advisers' expertise, we will provide a more consistent and improved service experience to a broader client base.	• Expand face-to-face adviser support and enhance digital channels to improve client and adviser experience. • Grow our smaller agency force to gain market share.

Strategic objectives	Rationale	Impact
Selectively expand our addressable market where we have a right to win	We will pursue a focused and selective expansion strategy across our high-performing segments, emerging and underserved segments where we have a competitive advantage, products and geographies with a high growth potential. Strategic partnerships will play a crucial role in our expansion plans. Leveraging our history of successful collaborations, we will partner with key players in complementary industries to enhance our market presence, diversify risk and capture new revenue streams while addressing competition from banks.	• Enhanced market presence, diversified market risk and new revenue stream opportunities.
Design simplified and impactful client experiences as a foundation for growth	We believe in the power of simplicity to create impactful client experiences. By simplifying our offerings, we enhance client relationships, drive efficiencies and foster innovation. This approach reduces complexity, builds trust and provides a competitive edge through easier engagement with our products and services.	• Improve client experience and drive efficiencies through optimised processes, reduced costs and quicker time to market and scale.

IMPACT AMBITION



NHE of **R7 billion** by F2027

ROE
20%

VNB
R1.0 – 1.2 billion

VNB margin
1% – 2%

Net promoter score (NPS)
Improvements by all client service areas from existing baselines

STRATEGIC ENABLERS

People
We will not be able to build radically rehumanised client and adviser experiences without our people – they are critical to our success.

Transformation
We continue to drive the transformation of our workforce, particularly at middle management level, and will continue to make a positive impact on broader financial transformation in our dealings with suppliers and society.

Digital
Moving from capability to impact, we leverage technology and data analytics to provide solutions that drive real value.

Sustainability
Making an impact is about having a wider positive effect on society and the environment by being a responsible corporate citizen.

Capital deployment
Capital is a scarce resource that will be allocated on a best risk/return basis to businesses. We will employ disciplined capital allocation and return on capital will be measured diligently.

OUR DIGITAL JOURNEY

We are committed to innovating and refining technology to connect more people to affordable financial services through our innovative platforms and engaging digital solutions and experiences. Digitally transforming our processes and how we engage with advisers and clients will enable us to enhance efficiency and elevate user experiences, which is crucial for long-term sustainable growth.

Matters material to our digital journey

- Innovation and digital transformation
- Cybersecurity and data protection

DIGITAL TRANSFORMATION

We are dedicated to ongoing innovation and technological advancement. While each business unit is responsible for executing on their commercial strategies, the Group takes an integrated and collaborative approach, leveraging shared capabilities across units, including systems and innovation resources. By optimising and co-ordinating initiatives, we accelerated our digital Reinvent goals, ensuring alignment and maximising the impact of digital efforts across the Group.

Establishing new channels

We use technology and innovation to establish new channels to enhance client engagement, capitalising on emerging technological opportunities to optimise client acquisition and sales processes. Leveraging these digital capabilities is essential to designing client journeys that compete with the best digital experiences available.

The launch of the LifeReturns offering has resulted in 25% of Myriad policies being sold through digital channels and one in seven policies underwritten and digitally onboarded, reducing efforts on the part of advisers and clients. In Momentum Corporate, we have made meaningful progress in implementing our innovative, fully digital self-service solution.

Digital channel enablement

Despite the increased focus on younger and digitally native consumers, our research shows that the demand for personalised and accessible advice persists. As such, our digital innovation efforts prioritise the enablement of face-to-face engagements. We leverage technology to meet the needs of our clients and empower our advisers. By integrating digital touchpoints with human expertise, we achieve scale, lower costs and an improved client and adviser experience. For example in Health, we use mobile phone biomarkers and 96% of claims are captured digitally. This results in significant efficiencies and a better experience for clients.

Adviser-led distribution

We embrace advice-led distribution by digitally empowering all channels to create a superior adviser journey, significantly improving the adviser experience and making it easier to manage the activities around our products, thus leaving more room for focus on the client relationships. This approach involves integrating our technology with existing adviser systems for some, while introducing new digital methods to engage with the Group for others.

Our digital platforms, such as Momentum Digital Connect and Client Digital, seamlessly connect the Group's product and advice solutions with advisers, adviser practices, clients and our employees. We expanded the functionality on the VIA adviser platform, the single interface and workspace through which advisers access all Momentum-branded retail products and clients, which improves the "ease of doing business" and contributes to efficiency gains.

Data migration from legacy systems

System migrations and digital transformation deliver enhanced value for shareholders and clients through greater operating efficiencies and competitive pricing from lower infrastructure costs. In Momentum Retail, we completed the migration of legacy data warehouses to the channel data delivery platform, enabling our distribution and advice financial service provider (FSP) businesses with proper data, analytics and insights. Metropolitan Life's systems continued the migration from a legacy platform to a modern, digitally enabled platform. In our Africa business, we are prioritising timely corporate and retail platform migrations to enhance client and broker engagement.

DISRUPTIVE INNOVATION

To ensure that we are able to take advantage of potentially disruptive innovations, we focus on two key areas: investing in start-ups through our venture capital funds and developing innovative solutions for our clients in conjunction with start-ups. We emphasise collecting big data, transforming it through machine learning and AI techniques to support faster and better decisions for our core business lines and therefore to create new client engagement models. These projects target innovation in client acquisition, onboarding, underwriting, fraud prevention and discount protection.

Continue to increase the strategic value derived from our strengthened innovation ecosystem by investing in revenue-generating venture capital funds	**Our partnerships are guided by a mandate to offer capabilities valuable to the Group. Additionally, our collaboration with start-ups has provided strategic insights, enhancing our ability to adapt to market dynamics and deliver cutting-edge solutions to our clients. This symbiotic relationship drives financial gains while fostering strategic growth and innovation within the Group.**
Disrupt and strengthen our core businesses of today through start-up capability integration	**The primary objective of this central capability is to identify and align internal assets and collaborate with Insurtech and fintech start-ups possessing capabilities crucial to the Group's objectives. This drives the creation of new initiatives powered by advanced digital technology.**
Industrialise our capability to build new businesses through ventures – Venture Building	**The objective of our venture building approach is to propel digital business model transformation and foster growth through the facilitation of defining and rapidly testing experiments for new business propositions. It leverages new technology stacks, international start-up networks and robust processes, capabilities and tools.** **Currently, the Group is utilising these processes to explore and assess the feasibility of integrating new features into existing offerings and/or distribution channels.**

Integrating start-up capabilities into our business

One of our key strategic objectives is to collaborate with start-ups, harnessing their innovative and disruptive capabilities to craft compelling new value propositions and distribution channels for our clients. This goal is part of our multifaceted innovation strategy, which emphasises our dedication to pioneering innovation and nurturing entrepreneurship. As evidence of this commitment, here are some examples of our venture capital investments in tech start-ups:

Kimi

Our primary focus has remained on the physiological Internet of Things (IoT) and artificial intelligence (AI). These data streams have empowered us to develop models for health risk stratification, facilitating client education on key vitals and predicting early health interventions.

Our Kimi screening capability which integrates start-up capabilities focused on the new and innovative mobile phone vital sign readings has been embedded in both Myriad LifeReturns and Multiply products. This has enabled us to collect larger data sets to enable innovative ways for underwriting clients and reducing time for visiting nurses and client onboarding.

Advancing on the initial set of capabilities, Kimi Active Fitness which measures VO_2 max, allowing clients to conduct cardiorespiratory fitness tests within their homes. This solution is a world first and has been integrated into the Myriad LifeReturns annual reassessment process. This process therefore allows clients to have a quick health check, obtain fitness results and confirm their Myriad discount values within 10 minutes.

root

The Group co-funded Root Insurance, a bespoke administration services for insurance operations for fintechs born out of Exponential Ventures and the 4Di Capital start-up system. Leveraging Root's innovative and disruptive capabilities, we have introduced their technology into our business. Root's technology has enabled the provision of microinsurance products in Guardrisk, offering digitally available life insurance products that promote financial inclusion.

TaxTim

TaxTim assists individuals with completing their tax returns, building an improved customer experience and enhancing financial wellness. The ongoing integration efforts with TaxTim are yielding significant benefits by enhancing our understanding of client needs and facilitating connections with advisers. The Tax Health Score, developed by TaxTim, serves as a distinctive connection point for a new wave of interaction between clients and advisers, fostering an interactive and user-friendly ecosystem.

exponential

Trusty is a streamlined and digital client identification and onboarding process. Exponential Integration has enabled new client-to-adviser connection points and seamless digital onboarding through big data and biometric technology, enhancing client-to-adviser interactions and creating onboarding efficiency. Our co-planning capability is strategically focused on further enhancing our client-to-adviser processes.

momentum Grow

Momentum Grow utilises FundsAtWork's digital toolkit to provide a multichannel service model. This approach supports our advisers, clients and their employees with seamless transitions from a digital platform to human support as needed.

Dragonfly

We are focused on offering new digital engagement capabilities for the employees of our Corporate clients as well as identifying new propositions which have the potential to better meet the ongoing, broader needs of these users and which thus have the potential to enhance our value provision and drive new revenue.

Our digital teams have observed rapid advancements in AI and the potential these capabilities have to streamline key operational processes. Several projects are currently underway, with plans for implementation and scaling across the Group if successful.

Venture capital start-up investments

As part of our commitment to future-proof our business, gain strategic insights and identify valuable capabilities for the Group, we strategically invest in fintech, Insurtech and healthtech companies.

Our venture capital funding is executed through investments in venture capital funds and direct investments in start-ups. As of the end of F2024, our investments have exceeded R2.2 billion across five funds (F2023: R2.4 billion across three funds).

CYBERSECURITY AND DATA PRIVACY K[11]

Our hybrid approach to working has allowed us to implement digital enhancements and adapt our environment for safer and more secure operations. Our governance of IT includes a robust cybersecurity strategy and a Technology and Information Governance Framework. Annual audits by internal and external auditors evaluate policies, processes, systems and practices related to data privacy, IT and cybersecurity. Compulsory annual training on cyber and privacy matters is provided to all employees and long-term contractors, with specialised programmes for advisers.

Across the Group, we are steadily advancing in maturing our cybersecurity posture. The introduction of business cybersecurity representatives has yielded positive results. We have reinforced our posture by incorporating machine learning, updating access and identity management tools and enhancing security information and event management capabilities.

Recognising the role of education in managing cyber risk, our analysis of recent industry cyber incidents has highlighted common issues such as phishing attacks and weak passwords among victims. Hacker groups often target individuals rather than technology to infiltrate organisations. Therefore, we have implemented additional measures to educate, guide and raise awareness among our employees, utilising cybersecurity representatives as ambassadors for cybersecurity.

During the year, we trained 15 899* employees across the Group in data and cybersecurity and 3 793 employees received privacy-related risk-based training (F2023: 4 449 employees). Our training remains up to date with the latest fraud tactics. Additional training and webinars are hosted to targeted groups and are not included in the numbers above.

*Overall total completions calculated per employee are not unique totals as one employee could have completed more than one course.

Protecting our client's right to privacy

Compliance with data protection legislation, particularly the Protection of Personal Information Act, 4 of 2013 (POPIA), is regularly reported to the Board, guiding the preparation and implementation of plans and policies in alignment with business objectives. Consistent monitoring ensures adherence to policies and performance against plans.

To protect client data and ensure compliance with POPIA, we have established a Data Protection Steering Committee. This committee includes an executive member from each business unit and is responsible for implementing the Act across the Group. Respecting individuals' rights, we facilitate data deletion requests in accordance with applicable laws, underscoring our commitment to mitigating digital risks and safeguarding the security and privacy of our clients and their data.

OUTLOOK AND OUR IMPACT STRATEGY

The Group's Impact strategy emphasises a focused and accelerated push toward digital enablement to support our strategic goals. A key focus area will be defining and investing in capabilities that allow us to deliver advice through an optimal mix of human and digital channels. We aim to enhance human interactions with advanced digital tools. These efforts will ensure our competitiveness in markets where we have a strong position and guarantee that all client engagements reflect our Group's purpose.

In addition to the digital capabilities that will be seen in the end-user environments, significant focus will be going into simplifying our technology environments in order to remove inappropriate duplication and to enable us to operate at a faster cadence and more efficiently. Achieving these will allow for a more seamless ability for Business Units to collaborate, appropriately share data and thus unlock the full potential of these businesses being together in our portfolio. The resultant optimisation of our cost base will additionally better enable us to achieve our commercial targets.

*Overall total completions calculated per employee are not unique totals as one employee could have completed more than one course.

OUR BUSINESS MODEL

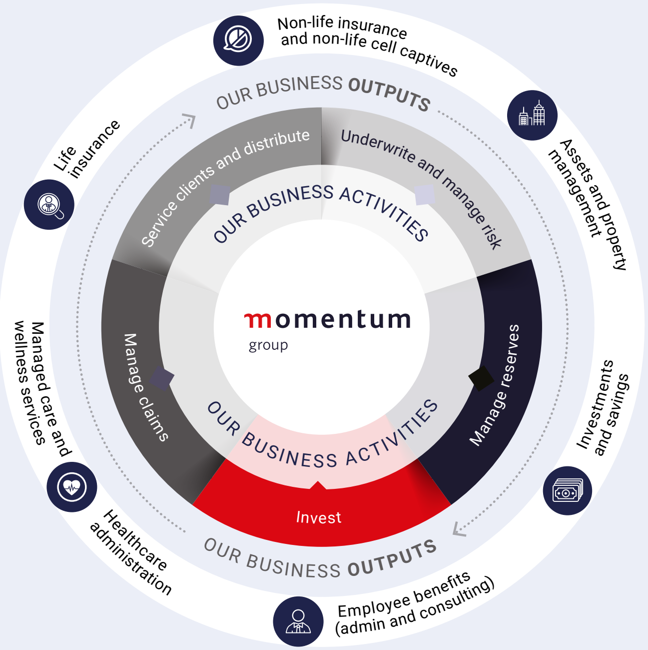
OUR SIX CAPITALS

We proactively manage the relationship between our capital inputs, trade-offs and the inherent value created, preserved or eroded by our strategic decisions. By gaining a deeper understanding of these dynamics, we can consistently deliver enduring value while maintaining transparency and accountability in our actions.

Capital	Inputs	Constraints
Financial capital Our capital base serves as a cornerstone for our business operations and facilitates growth. This financial capital encompasses shareholder equity, debt funding, policyholder funds and capital held to meet regulatory requirements.	• Equity/capital of R30.1 billion (F2023: R28.9 billion) • Financial liabilities of R57.2 billion (F2023: R49.0 billion) • R936 billion in assets under management and administration (F2023: R893 billion) • Implementation of robust liquidity and capital management policies and procedures	• Macroeconomic and socio-political uncertainty • Financial market volatility and liquidity risk • Market competitiveness and changing consumer behaviour • Strategy execution risk
Intellectual capital Our robust governance structures, policies and processes are designed to facilitate value-creating governance and safeguard our systems and client information against cyber attacks. In addition to our tangible assets, our intangible assets encompass our brands, critical skills and the ability to innovate and foster new thinking.	• Entrepreneurial culture • Governance framework • Strong brands and reputation • Investment in fintech and Insurtech start-ups through our venture capital funds	• Information and cyber risk • Regulatory complexity and increased compliance
Productive capital Our business structure comprises our fixed assets, which encompass our operations, distribution channels, processes and fixed and digital assets, including IT systems. These elements provide the framework for how we conduct business and create value.	• Digital and AI capabilities • 299 branches (F2023: 303 branches) • Operations in nine countries • Our market-leading protection, investment, healthcare and long-term savings products and services	• Business continuity • Information and cyber risk • Claims experience and persistency • Climate-related risk
Human capital Our culture, shaped by our people's collective knowledge, skills and experience is guided by ethical and effective leadership which empowers us to fulfil our purpose and create stakeholder value.	• 15 821 employees (F2023: 15 991 employees) • R517 million invested in training and upskilling employees (F2023: R403 million) • Strong focus on employee safety and well-being • Inclusion of South African employees as shareholders through the Momentum iSabelo Trust	• People-related risks and transformation • Regulatory complexity and increased compliance
Social and relationship capital Stakeholder relationships, including those with the communities where we operate, are fundamental aspects of our operating environment. We recognise our role in facilitating businesses and individuals from diverse backgrounds to pursue their financial dreams and life aspirations.	• Level 1 B-BBEE contributor (F2023: Level 1 B-BBEE contributor) • Active engagement with regulators, ensuring compliance and contributing to society • Good relationships with our stakeholders • Commitment to global standards of corporate governance and investor stewardship	• Macroeconomic and socio-political uncertainty • Climate-related risk • Market competitiveness and changing consumer behaviour • Claims experience and persistency • Regulatory complexity and increased compliance
Natural capital This encompasses the significant impact of our operations on natural resources such as energy, water and climate, as well as our capacity to shape outcomes through our responsible approach to investing.	• 52 443 MWh energy consumption (2023: 40 167 MWh) • 115 212kl total water withdrawal from municipal water supplies (2023: 98 408kl) • Solar photovoltaic units generating 9 264kWh of renewable energy at Eris Property Group shopping malls (F2023: 7 694 MWh)	• Climate-related risk • Claims experience and persistency

OUR BUSINESS ACTIVITIES AND OUTPUTS

The Group is dedicated to delivering outstanding shareholder returns through the provision of leading products, cultivation of valuable distribution partnerships and delivery of exceptional client experiences. These core capabilities empower individuals and businesses from diverse backgrounds to achieve their most significant financial dreams and life aspirations.



Outputs from our business activities

We build and protect clients' financial dreams through our client-facing retail and specialist brands, offering a diverse range of services including protection (life and non-life), investment, long-term savings, employee benefits, healthcare administration and property.

Our waste and emissions*

- 63 780tCO_2e total GHG emissions (2022: 55 518tCO_2e).
- 565 tonnes of total waste generated (2022: 551 tonnes)

Our business activities

Serve clients and distribute	Serving clients and distribution through multiple channels is a cornerstone of our operations
Underwrite and manage risk	Understanding, measuring and modelling risk is at the heart of our business
Policyholder liabilities	Prudent and well-defined reserve management is crucial for ensuring financial stability and security
Invest	Income from invested premiums, policy fees and deposits enables us to settle claims while also delivering returns
Manage claims	Systematic claims management ensures we fulfil our purpose, fostering client trust and loyalty

OUR OUTCOMES

Net increase in capital | No movement in capital | Net decrease in capital

Financial capital

- R4.4 billion in NHE (F2023: R3.5 billion)
- Group solvency capital requirement (SCR) cover of 1.64 times (F2023: 1.63 times)
- 15.5% ROE (F2023: 12.7%)
- Full-year dividend of 125 cents per share (F2023: 120 cents per share)
- R606 million to debt funders in interest (F2023: R602 million)
- Share buybacks of R1 billion completed during the year

Intellectual capital

- Underwriting and operational efficiencies achieved through our investment in venture capital funds
- Early disease identification and intervention technology developed through Kimi, a venture capital investment
- 12 637 employees received data, privacy and cybersecurity awareness training (F2023: 12 632 employees)
- Cybersecurity strengthened through further enhancement of controls

Productive capital

- No capital deployed for owner-occupied properties (F2023: No capital)
- Sales volume increase with PVNBP up 19% to R82.1 billion
- Four million policies in force (F2023: four million)
- Good progress with digitalisation and refreshing our distribution channels
- High quality advice led business
- Policy and product developments tailor-made for our clients

Human capital

- R7.7 billion paid in total remuneration (F2023: R7.1 billion)
- All employees received training, equipping our people with skills to perform in an ever-evolving world
- 44% black and 35% female representation in senior management in South Africa (F2023: 39% and 36%)
- Flexible and inclusive environment created through a hybrid working model

Social and relationship capital

- R35.5 million investment in socio-economic development (F2023: R43.5 million)
- Over R37.9 billion in claims paid on insurance products (F2023: R38.3 billion)
- R17.6 billion invested in in building transport systems, energy and connectivity (F2023: R13.9 billion)
- Maintained our Level 1 B-BBEE status
- R9.3 billion paid in direct and indirect taxes (F2023: R6.7 billion)

Natural capital

- B score for our voluntary CDP climate change disclosure (2022: B)*
- 8% decrease in electricity use (2022: 1.1% increase)*
- R1.2 billion investments in renewable energy projects (F2023: R4.1 billion)
- 2.49 tCO_2e emissions per employee (2022: 2.66 tCO_2e)*
- 17% increase in water use (2022: 8% decrease)*

* To meet the CDP requirements for calendar year data, our emissions data pertains to the 2023 calendar year.

MATERIAL TRADE-OFFS

Rebranding the Group

We transitioned from MMI Holdings to Momentum Metropolitan Holdings to highlight our two retail brands, but stakeholders quickly shortened it to MMH. Research showed that Momentum has significantly higher brand equity in South Africa, leading us to simplify our Group name to Momentum Group. Our client-facing brands remain unchanged. We also revitalised our brands, with Momentum emerging as the industry leader in reputational net sentiment, according to a 2023 PwC study and deepening brand loyalty across broader demographics.

While the rebrand has come at a cost in terms of time and resources involved to execute the rebrand, impacting our human and financial capital, it will result in higher brand equity and thus contribute positively to our intellectual capital.

- Financial capital (negative)
- Human capital (negative)
- Intellectual capital (positive)

Share buyback programme

The Group has completed R1.75 billion in share buyback programmes through four tranches over the past 18 months, with the first R750 million tranche completed on 26 October 2022, the second R500 million tranche on 31 May 2023, the third R500 million tranche on 26 November 2023, and the fourth R500 million tranche was completed on 12 June 2024.

At the time when the Board approved the share buyback programme, the Group's share price was trading at a discount to the embedded value, which represented an attractive opportunity to create shareholder value. Share buybacks are conducted using surplus capital, enabling management to strategically reinvest in the company, potentially generating a significant return on equity. We utilised financial capital to enhance shareholder value, which also had positive effects on our social and relationship capital. However, this approach limited our ability to invest in productive capital, leading to a negative impact on it.

- Financial capital (positive)
- Social and relationship capital (positive)
- Productive capital (negative)

Momentum Multiply transfer into the Health segment

Significant capital was deployed to facilitate the transfer of Momentum Multiply into the Momentum Health business enabling the creation of an incentivised Wellness offering. This offering enhances our value proposition and entrenches Momentum Health as a key partner in improving members' health, thereby benefiting our social and relationship capital. However, this required a substantial financial investment, which negatively impacted our financial capital.

- Financial capital (negative)
- Social and relationship capital (positive)

Addressing underperforming businesses

We closed Momentum Money in F2024. To enhance performance, we initiated turnaround strategies for Momentum Insure (where we've seen significant progress) and for Metropolitan Life, where additional efforts are still required.

These decisive actions have resulted in a turnaround in the normalised headline earnings of Momentum Insure and Metropolitan Life, aiding our financial capital. It, however, required the implementation of a repricing exercise and restructuring various benefits – impacting our clients, and consequently our social and relationship capital.

The closure of Momentum Money resulted in short-term financial savings, which positively impacted our financial capital. However, this decision negatively impacted our human capital and intellectual capital.

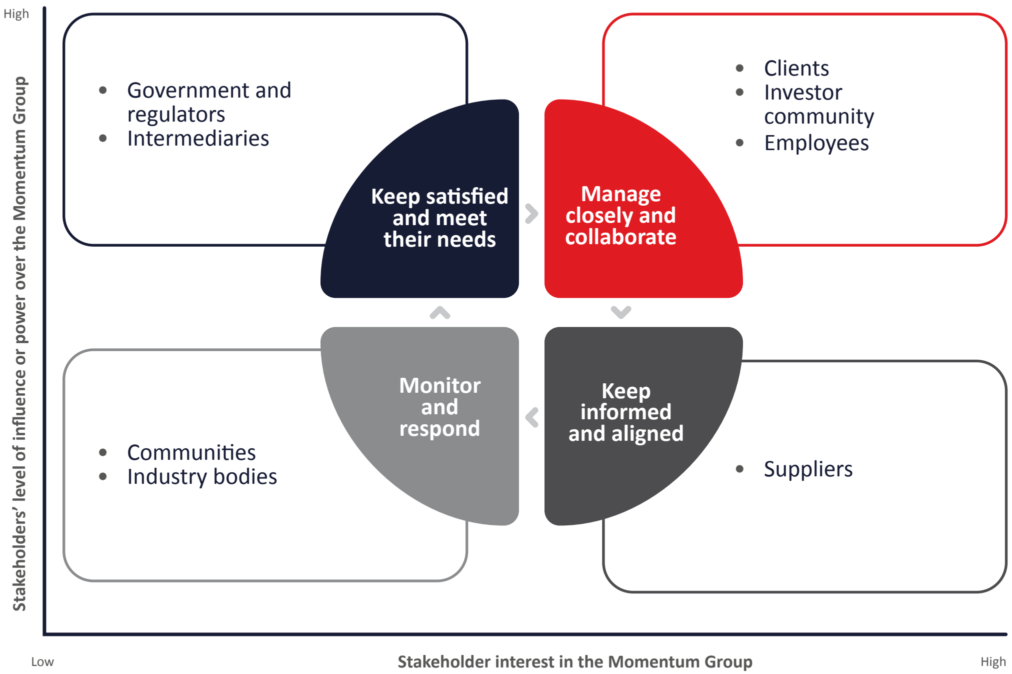
- Financial capital (positive)
- Social and relationship capital (negative)
- Human capital (negative)
- Intellectual capital (negative)

STAKEHOLDER ENGAGEMENT

Our commitment to fostering meaningful connections with stakeholders is unwavering. Driven by our core values of accountability, diversity, excellence, innovation, integrity and teamwork, we ensure that our efforts are undertaken with responsibility and transparency.

We understand the importance of transparency and ethical behaviour in fulfilling our purpose and meeting the needs of those we serve. We acknowledge that acting with integrity is indispensable for earning and maintaining the trust and support of our stakeholders. Our stakeholder relationships inspire us to uphold our sustainability commitments and strive for positive value creation.

We categorise our key stakeholders based on their level of influence and the social impact we have on them. By thoroughly understanding and addressing their legitimate needs, we strive to create meaningful value and build stakeholder confidence in the short, medium and long term.



CLIENTS

Stakeholder influence

Clients engage with us to safeguard and cultivate their financial aspirations.

Why we engage

- To provide quality advice and offer fairly priced products to our clients
- To keep our clients informed about relevant updates, changes and offerings
- To gather feedback and insights on how our products are received in the market, ensuring that we design and deliver products that effectively meet the needs of our clients

How we engage

- Providing direct communication channels for assistance and inquiries through call centres, branches and offices
- Utilising media, social media and advertising campaigns to disseminate information and updates
- Engaging digitally through apps and emails, offering convenient and accessible platforms for communication
- Conducting voice-of-the-client surveys to gather feedback and insights on client experiences and satisfaction
- Continuously monitoring complaints, lapse rates and persistency to ensure quality service and address any issues promptly

Key matters in F2024

- Ensuring fair and equitable claims and complaints processes
- Providing an efficient quality service
- Investing in digital innovation to enhance the client experience, leveraging technology to improve accessibility and convenience
- Prioritising the security and privacy of client data, implementing robust measures to safeguard sensitive information

Our response

- Conducting regular voice-of-the client research which allows us to gather valuable insights and improve our service levels
- Increasing our investment in digitalisation to enhance the ease of doing business and providing a wider choice of engagement channels for our clients
- Prioritising our clients' needs and concerns
- Continuously upgrading and testing the security levels of our systems to ensure the confidentiality and integrity of client data

Value created

Clients connect with us to safeguard their financial goals, protect their health, ensure their safety and provide for their dependants.

Strong relationship that benefits both parties | **Good-quality** relationship | Relationship with room for **improvement**

INVESTOR COMMUNITY

Stakeholder influence
Investors play a crucial role by providing the financial capital needed for our operations.

Why we engage

- To understand and respond to investor requirements and expectations regarding value creation
- To foster open and transparent communication, thereby enhancing their understanding of our Group and building trust
- To enable effective capital allocation and management

How we engage

- SENS announcements
- Annual and interim results presentations
- Engagement with key members of our executive team to discuss specific concerns, questions or areas of interest
- Investor roadshows and conferences
- Leveraging various media channels
- Corporate website

Key matters in F2024

- Assessing short-term performance against strategic objectives
- Driving new business volumes and enhancing operational efficiency to achieve a positive VNB margin
- Group's discount to EV
- Impact of IFRS 17 on the Group's earnings and EV disclosures
- Executive remuneration

Our response

- Engaging with shareholders to discuss and address any concerns or questions regarding our ***remuneration policy***, ensuring alignment with shareholder interests and corporate goals
- Continuing transparent engagement on our strategic direction and performance
- Providing regular, transparent and comprehensive financial and ESG reporting to stakeholders

Value created
We generate earnings, fortify the balance sheet and effectively deploy capital to drive future growth.

EMPLOYEES

Stakeholder influence
Employees play a vital role in achieving our strategic objectives and their motivation and engagement are crucial for success.

Why we engage

- To ensure that employees feel valued and heard
- Regular communication
- Conducting surveys to understand employee sentiments and concerns and identify areas for improvements

How we engage

- Leveraging technology platforms
- Regular employee engagement surveys
- Town hall meetings with leaders provide opportunities for open dialogue, transparency and goal alignment
- Regular feedback sessions
- Internal communication channels such as newsletters, intranet portals and email updates

Key matters in F2024

- Fostering diversity, equity and inclusion in our organisation
- Addressing talent shortages and the flight of talent by attracting, retaining and developing top talent with critical skills
- Prioritising the health, safety and well-being of our employees
- Investing in robust learning and development initiatives

Our response

- Focusing on ***authentic transformation*** through diversity and inclusion initiatives
- Reviewing our talent retention strategies, ensuring we secure critical skills
- Implementing regular wellness initiatives aimed at promoting the physical, mental and emotional well-being of our workforce

Value created
We prioritise creating a safe and inspirational environment to support employees and contractors in realising their full potential.

INTERMEDIARIES

Stakeholder influence
Intermediaries serve as the vital connection between us and our clients, playing a crucial role in facilitating digital transformation and supporting business growth.

Why we engage

- We provide support and training to ensure intermediaries have the necessary skills and knowledge of our products and services
- To assess whether our offerings meet intermediaries' expectations and identify areas for improvement
- Informing intermediaries about our digital transformation initiatives and ongoing product development efforts

How we engage

- Online and face-to-face updates, training and support
- Hosting product launches and events to introduce new offerings and provide networking opportunities
- Digital platforms and solutions for easy access to information and resources
- Distributing product and service brochures detailing features, benefits and sales support materials
- Offering professional development opportunities to enhance intermediary skills and knowledge

Key matters in F2024

- Providing ongoing sales and training support to intermediaries to enhance their skills and knowledge
- Enhancing digital capabilities to enable seamless sales and servicing processes for intermediaries and clients alike
- Expanding the footprint of our retail distribution channels to reach new markets and clients
- Offering market-related incentives to motivate and reward intermediaries for their sales performance and loyalty

Our response

- Strengthening our digital engagement capabilities to provide seamless support
- Emphasising an advice-led distribution approach that prioritises personalised guidance and support for clients
- Conducting a review of incentives to ensure alignment with business objectives and adviser needs

Value created
We provide intermediaries with access to training and support as they navigate digital transformation, empowering them to drive their own business growth.

COMMUNITIES IN WHICH WE OPERATE

Stakeholder influence
The communities in which we operate generate demand for our solutions and provide valuable employment opportunities.

Why we engage

- Understanding and, where possible, addressing community needs
- Enhancing financial inclusion and contributing to youth employment
- Ensuring that our initiatives align with societal priorities
- Establishing partnerships to address common social and environmental challenges, leveraging collective resources and expertise for greater impact

How we engage

- Media channels and social media platforms to disseminate information and foster dialogue
- Our Sustainability Report, which highlights our initiatives and outcomes related to community engagement
- Direct communication with our programme managers, allowing for personalised and targeted interactions
- Our website serves as a central hub for community-related updates, resources and opportunities for engagement

Key matters in F2024

- Addressing youth unemployment through job creation initiatives and skills development programmes
- Developing climate-positive products and innovations to mitigate environmental impacts
- Accessible and affordable financial products and services
- Enhancing our ESG reporting to provide transparent and comprehensive insights into our environmental, social and governance practices

Our response

- Providing training and development opportunities to enhance the employability of young people aged 18 to 35
- Facilitating job placements for young people to support their entry into the workforce
- Empowering people through financial education
- Increasing transparency by sharing information on our ESG approach in our Sustainability Report

Value created
We remain committed to supporting financial inclusion, empowering communities and providing employment opportunities as part of our corporate social responsibility initiatives.

SUPPLIERS

Stakeholder influence
Suppliers play a crucial role in our business activities by providing products and services that are essential for our operations.

Why we engage

- Communicating our contractual terms and adherence to ethical standards to ensure clarity and transparency in our business dealings
- Enabling and supporting our business operations by collaborating with partners to advance our B-BBEE objectives, fostering transformation in our operations

How we engage

- Through our procurement department, which serves as the primary point of contact for supplier engagement
- Conducting supplier audits and assessments to evaluate performance and adherence to contractual terms
- Engaging with suppliers on an individual basis to address specific concerns or requirements

Key matters in F2024

- Identifying and pursuing procurement opportunities that align with our strategic objectives
- Prioritising preferential procurement practices to support local and diverse suppliers
- Promoting ESD initiatives to empower small and emerging businesses
- Upholding compliance with the Group's governance and ethical standards throughout the procurement process

Our response

- Upholding fair procurement practices to ensure transparency and equity
- Meeting and surpassing our targets for preferential procurement, particularly in support of black-owned SMMEs
- Supporting the sustainability of black-owned SMMEs through preferential procurement and our ESD initiatives
- Implementing robust supply chain processes to ensure timely payments to our suppliers, fostering trust and stability in our relationships

Value created
We prioritise fair and transparent interactions with suppliers, ensuring alignment with our ***values***.

GOVERNMENT AND REGULATORS

Stakeholder influence
Government and regulators are pivotal in shaping regulatory policies that ensure financial stability and sustainability in the financial services sector.

Why we engage

- Providing input into policymaking and regulatory development processes through consultations, submissions and participation in industry forums
- Ensuring compliance with regulatory requirements and obtaining necessary approvals through transparent communication and cooperation with regulators
- Enhancing an understanding of the practical implications of courses of action
- Seeking clarity on policies and legislation through direct engagement with regulatory authorities and participation in regulatory briefings and workshops
- Where appropriate, actively engaging business partners representing labour and society to better inform our responses

How we engage

- Engaging in direct communication channels such as submitting required applications, reports, attending meetings and exchanging emails with regulatory authorities
- Participating in industry forums and engaging through industry bodies to contribute to regulatory discussions and decision-making processes
- Fulfilling statutory reporting obligations by submitting required documentation and reports to regulatory agencies within specified timelines
- Providing extensive commentary on regulatory proposals to offer insights, perspectives and recommendations for improvements

Key matters in F2024

- Evaluating the effectiveness of our control environment to ensure robust risk management and internal controls
- Ensuring compliance with regulatory and legal requirements across all aspects of our operations
- Adhering to prescribed capital requirements to maintain financial stability and resilience
- Contributing to financial sector transformation initiatives aimed at promoting inclusivity and sustainability
- Upholding principles of fair treatment of clients to ensure positive outcomes and maintain trust
- Proposing enhancements to health reforms that will practically and sustainably advance universal healthcare in South Africa

Our response

- Continuous engagement on industry-related matters to stay abreast of regulatory changes and industry trends
- Meeting the Prudential Authority's prescribed capital requirements, ensuring our Group solvency ratio remains above regulatory thresholds
- Operating with financial prudence and integrity, adhering to ethical standards and consistently treating our clients with fairness and respect

Value created
We operate in a financially prudent and ethical manner and treat our clients fairly. Through a collaborative approach with government, we assist in solving a number of societal challenges.

INDUSTRY BODIES

Stakeholder influence
Industry bodies are crucial for advocacy efforts and influencing regulatory policies. They play a vital role in representing the interests of the industry and advocating for favourable regulatory frameworks.

Why we engage

- Remaining updated on shifts in global ESG standards and approaches to investor stewardship to align our practices accordingly
- Engaging with industry bodies to influence regulatory policy and advocate for legislative amendments that align with our principles
- Contributing insights to the development of accounting and actuarial practices to ensure alignment with industry standards and best practices

How we engage

- Participating in face-to-face and online meetings
- Attending and presenting at conferences to share insights, exchange ideas and contribute to discussions on pertinent topics

Key matters in F2024

- Upholding our commitment to global ESG standards and responsible investment practices
- Ensuring fair and ethical treatment of our clients, prioritising their best interests in all interactions
- Actively engaging to influence policy and regulation to create a conducive environment for sustainable growth while fostering financial inclusion
- Navigating the evolving landscape of medical schemes under the NHI framework and its implications for our operations and clients
- Leading engagements and thought leadership on the two-pot retirement system and understanding its implications on our operations and the improvement of retirement outcomes

Our response

- We actively engaged in discussions on significant industry issues such as the NHI, the two-pot retirement system and potential implications
- Collaborated with industry peers to address major challenges collectively, demonstrating our commitment to finding sustainable solutions
- Provided data to model and inform legislative and regulatory proposals to facilitate informed decision-making
- Took proactive steps to facilitate a Just Transition to a low-carbon economy
- Upheld principles of fairness and ethics in our client interactions, ensuring that their best interests are prioritised

Value created
Industry bodies contribute significantly to protecting industry value and shaping regulatory environments to the benefit of their clients.

*For the direct economic value generated and distributed to stakeholders, please refer to the value-added statement on page 18 of the **Sustainability Report**.*

MANAGING OUR RISKS AND OPPORTUNITIES

The diverse range of financial solutions and services offered by the Momentum Group exposes the company to various financial, underwriting and business risks. Consequently, we believe that sound risk and capital management are essential for generating sustainable shareholder value while safeguarding client interests.

Risk and capital management are integral to our decision-making process, enabling the Group to generate value by delivering a long-term sustainable return on the capital backing the risks assumed. The purpose of our risk and capital management process is to foster sustainable value creation through the effective management of our risks and opportunities. It aims to:

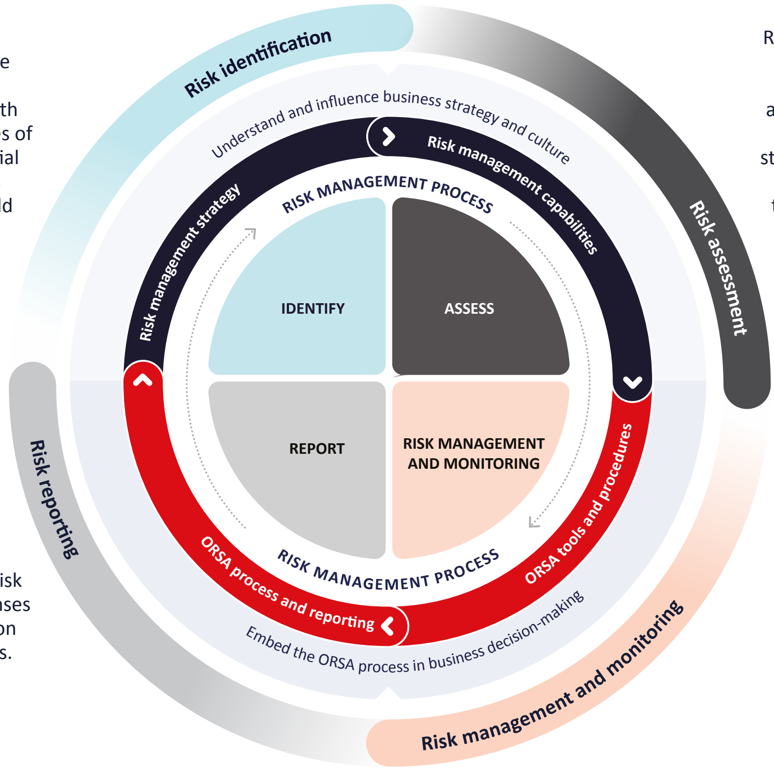
- Understand the nature of the risks to which the Group is exposed
- Assess the range of potential outcomes under different scenarios and determine the capital required to assume these risks
- Guarantee the fair treatment of clients and safeguard their interests by maintaining adequate solvency and liquidity levels
- Direct our capital and resources towards activities that yield the greatest value on a risk-adjusted basis
- Establish a long-term competitive advantage by sustainably managing our business
- Ensure ongoing compliance with relevant legislative and regulatory requirements

OUR RISK MANAGEMENT PROCESS K[4]

Our Own Risk and Solvency Assessment (ORSA) process integrates the Group's risk management system, risk appetite and capital management. The process is used to balance risk and return and inform our strategy and business plans. The ORSA process includes a quarterly assessment of our current and forward-looking risk profile and solvency position and assesses the Group's overall solvency needs and resilience under a range of adverse scenarios, considering the external business environment we operate in.

The risk identification process relies on appropriate mechanisms organised at a risk-type level to identify both internal and external sources of risk, along with their potential consequences. This involves considering events that could either enhance, degrade, accelerate or delay the achievement of objectives.

Risk assessment entails evaluating the likelihood and consequences of a risk event, and the nature and extent of exposure in relation to the Group's risk appetite and strategy. Additionally, controls and management actions, along with their effectiveness and efficiency, are considered to determine the residual risk exposure.



Regular risk reporting is provided to relevant stakeholders, detailing the risk exposures, proposed responses to the risks and an outlook on the development of the risks.

Risk is continuously managed and monitored as an integral part of our ongoing operations. Management actively considers and implements appropriate risk responses in alignment with the agreed risk appetite.

Risk governance and combined assurance

Risk governance and combined assurance are crucial components of the Group's risk oversight framework. The Board plays a pivotal role in providing leadership and direction for the strategy, design, development and the operation of assurance structures, processes and activities.

To foster integrated thinking and reporting, the Group has implemented a combined assurance approach, consolidating all assurance activities across the business. This integrated approach enhances risk coverage and promotes collaboration among assurance providers, aligning with the Group's risk appetite and ensuring a targeted focus on relevant risks.

Quarterly reporting sessions are conducted with Combined Assurance Forums (CAFs), the ORSA Forum and the Risk, Capital and Compliance Committee (RCCC) to review the risk profile of each business unit and the Group, with a focus on emerging or persistent material risks. While there is consistency in measuring and reporting different risk types across business units, ongoing development efforts are focused on enhancing governance effectiveness and efficiency within the Group.

KEY RISKS AND OPPORTUNITIES

Our key risks are identified and rated based on the likelihood of them impacting our ability to create value and achieve our strategic objectives.

1. Macroeconomic and socio-political uncertainty (No change)
2. Strategy execution risk (Increase in risk rating)
3. Regulatory complexity and increased compliance (No change)
4. Market competitiveness and changing consumer behaviour (Increase in risk rating)
5. People-related risks and transformation (No change)
6. Information and cyber risk (No change)
7. Claims experience and persistency (No change)
8. Business continuity (No change)
9. Financial market volatility and liquidity risk (Decrease in risk rating)
10. Climate-related risk (Decrease in risk rating)

Increase in risk rating

No change

Decrease in risk rating

In the following tables, we have summarised our key risks and opportunities, outlining the material matters contributing to these factors and detailing our responses to them.

F2023 vs F2024 — No change

1. MACROECONOMIC AND SOCIO-POLITICAL UNCERTAINTY

Strategic impact

- NHE of R4.4 to R4.8 billion
- Market share growth
- ROE of 14% to 16%

Risk context

South Africa's GDP growth forecast remains under pressure, indirectly affecting disposable income, new business volumes, margins and client retention, while geopolitical tensions remain heightened. Elevated interest rates and inflation directly impact expenses and procurement costs. The country also faces high unemployment, income inequality, poor service delivery and an unstable energy supply, which amplify socio-economic discontent and political instability. Furthermore, escalating logistical challenges are affecting rail and port efficiency, dampening growth prospects in South Africa.

Opportunity it creates

- Challenging socio-political conditions often drive innovation, prompting rapid adaptation and opportunities to introduce new solutions and services.
- Tough environments create opportunities for inorganic growth.
- Leveraging direct and alternative distribution channels can drive growth beyond existing methods.
- Identifying renewable energy and infrastructure development investment opportunities.
- Identifying promising opportunities that offer attractive returns while contributing to sustainable growth and development.

Our response to the risk

- Closely monitor and manage the expense base to achieve cost efficiencies.
- Enhance the client and adviser experience and enable product and propositional enhancements to differentiate us in the market and drive new business growth.
- Our investments in sustainable initiatives play a pivotal role in reducing our carbon footprint and dependence on Eskom.
- Our proactive involvement with local municipalities promotes the upkeep of vital infrastructure, reinforcing our dedication to sustainability and resilience within the communities we operate.

Link to material matters

- Challenging macroeconomic environment
- Government policy uncertainty
- Socio-political instability
- Essential public infrastructure deterioration and poor service delivery
- Addressing social inequalities (driving financial inclusion)

Key capitals at risk

F2023 vs F2024

2. STRATEGY EXECUTION RISK

Strategic impact

- NHE of R4.4 to R4.8 billion
- ROE of 14% to 16%
- Accelerate digital
- Establish new channels
- Grow existing channels
- Product and service leadership

Risk context

The Group is confronted with challenges arising from the implementation of its strategy and numerous major projects as well as the integration of new business operations, which intensifies business complexity. Competing priorities among regulatory projects, digitisation efforts, strategic initiatives and day-to-day business activities amplify this risk.

The interconnected nature of these projects, particularly migrations, adds pressure on business deliverables, necessitating careful prioritisation and resource allocation. The risks associated with transitions strain key employees and resources, leading to capacity constraints and increased demands on specialist resources.

Balancing integration efforts with ongoing operations while meeting strategic objectives is critical. Effective management and strategic planning are essential to navigate these challenges and ensure successful outcomes amid the Group's evolving landscape.

Opportunity it creates

- Multiple projects and new business initiatives offer opportunities for improving efficiencies, increasing market share and growing revenue when successfully integrated.

Our response to the risk

- To mitigate risks associated with new business initiatives, the Group maintains a continued focus on investment strategy and the management of significant assets across our portfolio. This ensures prudent allocation of resources and careful consideration of potential risks and returns.
- Additionally, dedicated project and steering committees have been established to drive integration efforts effectively. These committees provide oversight, coordination and strategic direction to ensure that new business initiatives are implemented smoothly and aligned with the Group's strategic objectives.

Link to material matters

- Achieving efficiency improvements
- Embedding the new strategy
- Leveraging digital innovation

Key capitals at risk

F2023 vs F2024

3. REGULATORY COMPLEXITY AND INCREASED COMPLIANCE

Strategic impact

- Cost savings in excess of R500 million
- ROE of 14% to 16%

Risk context

The Momentum Group operates within a dynamic regulatory landscape characterised by diverse and highly complex regulatory, legal and tax requirements. Continuous high-volume updates to regulatory requirements necessitate ongoing system development and operational adjustments, often straining internal resources and management bandwidth, leading to increased compliance costs.

Several regulatory developments, including anti-money laundering and terrorism financing measures, retirement fund reforms like the two-pot retirement system, the NHI Act, the Employment Equity Act and Prudential Authority Climate Risk Guidance Notes, pose compliance risks to the Group. Failure to comply in this evolving landscape could result in fines, penalties, reputational risk or jeopardise the Group's licence to operate.

The adoption of new reporting standards, such as IFRS 17 for insurance contracts, and impending sustainability disclosure standards from the ISSB add complexity to the operationalisation and integration of these standards into the business.

Opportunity it creates

- Proactively engage with regulators and effectively manage significant developments by leveraging a combination of internal expertise and external resources.
- Regularly reassess business models and distribution strategies to ensure compliance and identify competitive advantages.

Our response to the risk

- To navigate the dynamic regulatory landscape, the Group adopts a proactive approach, including vigilant monitoring and analysis of regulatory proposals, direct engagement with regulators and participation in sector associations.
- The Group compliance function oversees compliance by analysing regulatory mandates and supervising their implementation across business units, managing and reporting identified compliance risks.
- The implementation of IFRS 17 is a significant project led by Group Finance, focusing on finalising actuarial models, results repositories and finance systems updates for successful adoption.

Link to material matters

- Rapidly evolving regulatory compliance
- Advocacy through industry bodies
- Addressing social inequalities (driving financial inclusion)

Key capitals at risk

F2023 vs F2024

4. MARKET COMPETITIVENESS AND CHANGING CONSUMER BEHAVIOUR

Strategic impact

- NHE of R4.4 to R4.8 billion
- ROE of 14% to 16%
- Accelerate digital
- Establish new channels
- Grow existing channels
- Product and service leadership

Risk context

Consumer behaviour is influenced by various external factors, including the constrained macroeconomic and employment landscape, shifts in spending priorities, growing comfort with digital interactions and a preference for sustainable businesses. These evolving needs and expectations can quickly change product demand and the failure to adapt can result in a loss of market share, decreased profitability and reputational harm.

The threat of disruptive innovation (in digitally transforming the financial services industry) poses a significant risk to the Group. Digital transformation is critical for achieving our strategic objectives.

The risk of losing clients and advisers to competitors offering more appealing products, pricing or service quality highlights the importance of continuously monitoring market trends, competitor activities and consumer preferences to stay ahead of digitalisation trends.

Opportunity it creates

- Collaborating with Insurtech and fintech start-ups positions the Group at the forefront of innovation and leverages disruptive capabilities for growth.
- Embracing technological advancements enables the Group to streamline operations, deliver innovative solutions to clients and enhance efficiencies and economies of scale.
- Utilising analytics and digital tools provides valuable insights into client behaviour and market trends. These initiatives enable the Group to stay agile and responsive to evolving customer needs, driving sustainable growth and a competitive advantage in the digital era.

Our response to the risk

- The Group has initiated a series of initiatives to enhance client retention and improve service capabilities, complemented by innovative projects that enhance our product offering and enable us to meet and exceed client expectations.
- Regular engagement initiatives, including relationship-building efforts, are in place to address client needs promptly.
- Scenario planning serves as a valuable tool to identify improvement opportunities and maintain consistent client experiences despite fluctuations in the operating environment.
- Leveraging insights from scenario planning bolsters competitiveness and ensures resilience against uncertainties. Ongoing investment in technology remains essential to meeting customer needs and streamlining operations, especially in response to economic shifts impacting consumer behaviour.
- Our Impact strategy is anchored on leveraging technology to meet the needs of our clients and empowering our advisers. We look to integrate digital touchpoints with human expertise, which will enable scale, reduce costs and give a broader client base a more consistent and improved service experience.

Link to material matters

- Leveraging digital innovation
- Promoting sales volume growth
- Optimising capital management
- Embedding the new strategy

Key capitals at risk

F2023 vs F2024

5. PEOPLE-RELATED RISKS AND TRANSFORMATION

Strategic impact

- Accelerate digital
- Transformation
- Product and service leadership

Risk context

The ongoing war for talent and scarce critical skills persists, posing significant challenges for talent retention, particularly in specialised areas like actuarial, IT and technical expertise. Concerns about burnout and fatigue are also prominent in such environments. This heightened competition for talent exacerbates the difficulty in attracting skilled individuals, which may impact diversity and inclusion efforts. Additionally, the implementation of hybrid working models further complicates workforce management, necessitating careful adaptation and management strategies.

The successful implementation of our transformation strategy remains important amid challenges and uncertainty in the regulatory space, including challenging Employment Equity (EE) targets.

Opportunity it creates

- The Group remains dedicated to building the talent pool of critical skills through dedicated graduate programmes, particularly in the actuarial and IT sectors.
- By adopting a data-driven approach to talent management, we ensure strategic workforce planning, people development and optimised organisational design remain aligned across the Group.

Our response to the risk

- The Group focuses on maintaining an effective recruitment process, managing succession planning and investing in leadership development.
- The Group's Employee Value Proposition (EVP) offers a comprehensive range of physical, financial and emotional support benefits accessible to all employees.
- Our competitive value proposition not only attracts new employees but also ensures talent retention throughout their career journeys.
- Our strategic commitment to transformation and inclusion involves embedding initiatives for diversity, equity and inclusion throughout the organisation.
- Inclusivity also extends to our suppliers and brokers. This includes integrating transformation initiatives and positioning ourselves as an authentically transformed organisation.
- Formal capability initiatives are included in the new People strategy to ensure the Group is equipped with the right capabilities such as product, sales and service leadership.

Link to material matters

- The war for talent
- Authentic transformation through diversity and inclusion
- Health, wellness and well-being of employees

Key capitals at risk

F2023 vs F2024

6. INFORMATION AND CYBER RISK

Strategic impact

- Accelerate digital

Risk context

Cyber risk remains a significant concern, particularly regarding information and client data, which pose potential operational and reputational threats from operational systems, network infrastructure and cybercrime. These risks are constantly evolving, necessitating continuous employee education and training to mitigate vulnerabilities targeted in cyber attacks.

Emerging risks involve new regulations by the Prudential Authority, such as joint standards on governance and risk management, cybersecurity and cyber resilience, adding regulatory burdens to the Group. It is essential for the Group to stay vigilant, adapt to evolving cyber threats and ensure compliance with regulatory requirements to safeguard operations and protect against reputational damage and financial repurcussions.

Opportunity it creates

- We remain committed to enhancing operational efficiency and information security while minimising system downtime.

Our response to the risk

- The Group maintains an integrated information and technology framework in line with international IT security and information governance standards.
- Our ongoing IT security strategy prioritises data loss prevention, network security, user authentication and reducing technical debt to address evolving cyber risks.
- Controls have been bolstered and extended to address increased risks associated with hybrid working practices. These measures include enhancements to firewall protection, implementation of stricter authentication controls, minimising the Group's internet footprint and fortifying data leak prevention mechanisms.
- Enhancing security awareness through employee education and training among users and addressing vulnerabilities in critical data and systems are crucial measures.

Link to material matters

- Leveraging digital innovation
- Cybersecurity and data protection
- Achieving efficiency improvements
- Protecting the business from external shocks
- Embedding the new strategy

Key capitals at risk

F2023 vs F2024 — 7. CLAIMS EXPERIENCE AND PERSISTENCY

Strategic impact

- NHE of R4.4 to R4.8 billion
- ROE of 14% to 16%

Risk context

Despite an overall improvement in non-life underwriting experience, adverse weather-related events continue to put pressure on the claims experience. South Africa's critical infrastructure faces a growing risk of failure. The collapsing water supply, power shortage and other failing infrastructure could exacerbate the impact of weather-related events on insured properties and assets. Additionally, supply chain disruptions, including rising shipping costs and delays place pressure on parts availability and inflation.

Although mortality experience appears to have largely normalised, the weakened economy and difficult external environment continue to place pressure on policyholder persistency.

Concerns around failing water infrastructure, affecting the availability and quality of water, are rising, increasing population health risk factors due to water-related diseases.

Opportunity it creates

- The Covid-19 pandemic crisis, the post-pandemic normalisation of mortality claims experiences, the adverse weather-related events and significant claims inflation observed have provided learnings and insights. These are being incorporated into pricing and underwriting, and the review of reinsurance arrangements, as well as our risk appetite and strategies more broadly.

Our response to the risk

- The Group has continued to review product pricing, underwriting and reinsurance arrangements to reflect our evolving outlook. The Group also continues to roll out initiatives for retention efforts and servicing improvements to manage lapses.
- Our Non-life business continues to implement management actions (such as the review of new business and renewal rates and approaches) to manage the claim ratio and closely monitors the outcomes of such actions, specifically the impact of renewal increases on persistency.
- We are monitoring water risks through various industry bodies.

Link to material matters

- Challenging macroeconomic environment
- Protecting the business from external shocks
- Essential public infrastructure deterioration and poor service delivery
- Climate change and resilience

Key capitals at risk

F2023 vs F2024 — 8. BUSINESS CONTINUITY

Strategic impact

- Accelerate digital

Risk context

Business continuity management and operational resilience efforts are focused on minimising disruptions and ensuring operational continuity in the face of unforeseen events such as external fraud, catastrophes, cyber incidents, or unforeseen prolonged power outages.

In addition, technical resilience is a key component of both business continuity and operational resilience for Momentum Group. It involves ensuring that the organisation's IT infrastructure and systems are robust, secure, and capable of withstanding and recovering from technical disruptions such as cyber-attacks, system failures, and other technical challenges. This includes regular testing, updating, and improving IT systems to maintain their integrity and functionality.

Opportunity it creates

- Scenario planning is utilised to identify areas where we need to reinforce resilience, ensuring seamless operations and consistent client experiences despite operational challenges.
- The Group has leveraged insights from the pandemic and loadshedding crises to strengthen crisis response and management strategies.

Our response to the risk

- The Group actively monitors and assesses the risk of external events, including loadshedding effects as part of its business continuity frameworks, enabling proactive mitigation of potential impacts on operations and ensuring continued effective client service.
- The Group has developed business continuity scenarios along with high-level guidelines for initial response protocols, which have been utilised for training and awareness initiatives across the organisation.
- To bolster resilience, there is an enhanced emphasis on innovation and digital transformation through training and awareness programmes, ensuring employees stay informed about business continuity practices.
- As part of the response to the energy supply crisis in F2023, the Group established committees to oversee and enable the Group's operational responses to mitigate for severe power outages and potential grid failures in line with Eskom's communication and planning. Our solar project at our Centurion and Parc du Cap properties will be completed during F2025.

Link to material matters

- Protecting the business from external shocks
- Addressing social inequalities (driving financial inclusion)

Key capitals at risk

F2023 vs F2024 — 9. FINANCIAL MARKET VOLATILITY AND LIQUIDITY RISK

Strategic impact

- NHE of R4.4 to R4.8 billion
- ROE of 14% to 16%

Risk context

Our earnings and net asset value (NAV) are susceptible to fluctuations in financial markets, particularly in interest rates and equity markets, which are integral aspects of our business. We acknowledge the ongoing risk of heightened volatility due to uncertain macroeconomic factors, both domestically and internationally. However, we maintain that market, credit and liquidity risks are within our risk appetite and are effectively managed. We have strategically positioned our market risk and liquidity risk strategies defensively, prioritising the maintenance of economic matches for our long-term guaranteed liabilities.

Opportunity it creates

- Hedging long-term debt liabilities can safeguard financial stability and ensure obligations to financiers are met. This approach helps mitigate market fluctuations and liquidity challenges, providing stability and confidence to stakeholders.
- Hedging also offers opportunities to optimise the investment portfolio and enhance risk-adjusted returns, ultimately strengthening financial resilience and competitiveness in the long run.

Our response to the risk

- The Group maintained robust market and liquidity risk management amid market volatility. This included implementing hedging and asset-liability matching strategies in line with approved policies, alongside ongoing monitoring to ensure shareholder exposures remained within the risk appetite, with specific intervention triggers in place.
- Enhanced focus and modelling were applied to liquidity risk management, both at the portfolio and Group levels, leveraging key insights derived from the volatility experienced during the pandemic.

Link to material matters

- Optimising capital management
- Protecting the business from external shocks
- Challenging macroeconomic environment

Key capitals at risk

F2023 vs F2024 — 10. CLIMATE-RELATED RISKS

Strategic impact

- Product and service leadership
- NHE of R4.4 to R4.8 billion
- ROE of 14% to 16%

Risk context

In South Africa, factors such as social inequality, unemployment, strain on utility providers and deteriorating infrastructure exacerbate the vulnerability of the Group, and the impact of climate-related disasters.

We acknowledge climate change as a growing concern, foreseeing impacts such as extended wetter weather that could affect claims and reinsurance costs. Transition risks, encompassing shifts in market dynamics, credit and regulatory landscapes, also present significant challenges.

The hardening of the reinsurance market is expected to be an ongoing concern, impacted by higher claims from wetter weather as a result of climate change.

Opportunity it creates

- As climate risk escalates over the medium to long term, proactive measures including adjusting product offerings and investment strategies in preparation for decarbonisation efforts present a unique opportunity.
- Expanding our responsible investment into clean energy projects, along with initiatives aimed at reducing carbon emissions, presents an opportunity to build a resilient economy. These efforts not only align with Sustainable Developments Goals 7, 9, 11 and 13, but also position the Group to mitigate climate-related risks and capitalise on emerging opportunities in the transition to a low-carbon future.

Our response to the risk

- To address these challenges comprehensively, the Group has implemented a Climate Change Risk Framework across all risk categories.
- Recognising the importance of a Just Transition, we are committed to collaborating with government and businesses to tackle issues in energy, transport and other sectors and participate in industry-collated commentary on these issues.
- The Group is actively committed to addressing climate-related issues through various initiatives and disclosure projects. Since F2013, we have voluntarily participated in the former Carbon Disclosure Project (CDP) and are a formal, listed supporter of the international Task Force on Climate-related Financial Disclosures (TCFD).
- We acknowledge transitional risk and the impact it will have on our investment outcomes and are working to understand this better in the context of our investment portfolios.
- We acknowledge the impact of our investment practices, underwriting decisions and property management practices on climate risk management and are considering this in our climate risk maturity plans.

Link to material matters

- Climate change and resilience
- Responsible investing and corporate citizenship

Key capitals at risk

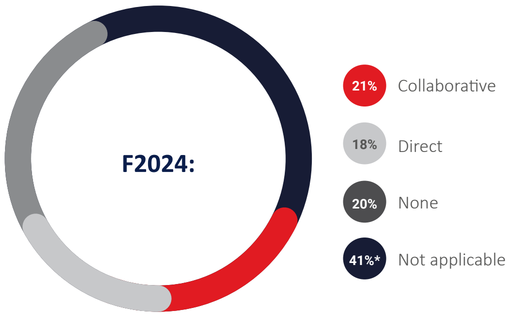
COMBINED ASSURANCE

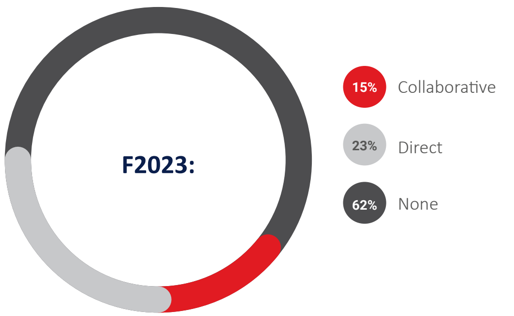
COLLABORATION BETWEEN RISK MANAGEMENT, INTERNAL AUDIT AND EXTERNAL AUDIT

Risk Management, Internal Audit and External Audit are increasingly collaborating and relying on each other's work to streamline the assurance process and avoid duplication of efforts.

Efforts are being made to embed the Assurance Provider Reliance Model within the Group, particularly by enhancing External Audit's reliance on the work of Internal Audit and Risk Management. Business unit Chief Risk Officers facilitate regular engagement workshops with all assurance providers to ensure effective collaboration.

The direct reliance and collaboration between Internal Audit and External Audit increased marginally from 38% in F2023 to 39% in F2024. However, we saw a slight decline in direct reliance by External Audit on Internal Audit.





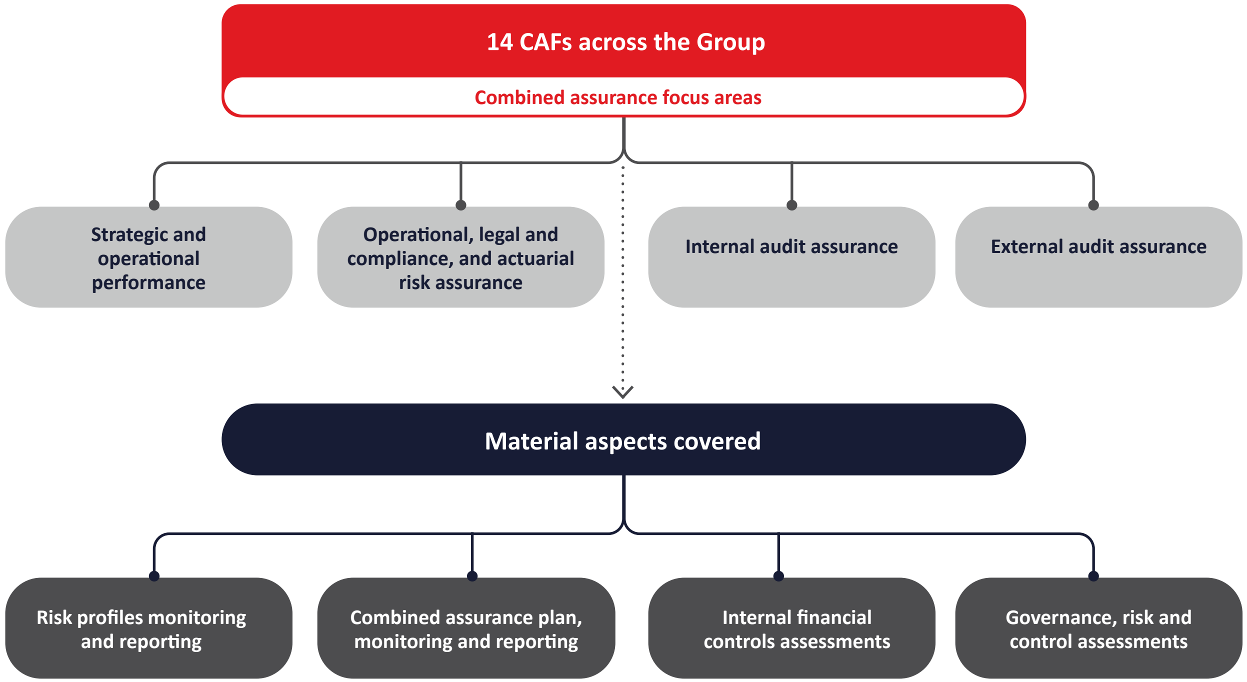
*Our reporting has been refined to illustrate reviews which are not considered for reliance due to the nature of the review and/or where the review would not have an impact on External Audit's objectives (i.e. no material impact on the financial statement assertions). These reviews are indicated as 'not applicable' in the F2024 graph above.

K[15] ***The Board leads and oversees the strategy, design, development and operation of assurance structures, processes and activities.***

Leveraging our established combined assurance model, we integrate planning, execution and reporting of all assurance activities throughout the organisation. The Audit Committee ensures the effectiveness of assurance arrangements, fostering an internal control environment that upholds the integrity of information for both internal decision-making and external reporting. This holistic approach optimises assurance activities, broadening risk coverage, aligning with the Group's risk appetite and prioritising the assurance of key business risks while enhancing collaboration among assurance providers.

Guided by the combined assurance model, we streamline processes to achieve our objectives, with combined assurance forums (CAFs) supporting governance and management of these processes for the Board, Audit Committee and Risk and Capital Compliance Committee.

Combined assurance model



Our CAFs are responsible for overseeing the effectiveness of combined assurance arrangements within the Group.

		Control	Assurance	Oversight
Group management *Management within the Group including the CEO and executive management*	**First line of assurance**	Maintain effective control over internal risk and compliance structures	Establishment of an organisational structure and operating model that enables an effective control environment Periodic self-assessments of internal controls	Senior management and exco participation in the CAF process. Senior management review and monitoring of the effectiveness of operational processes and the systems of control Reporting to the Board, Audit Committee and CAFs
Risk management and compliance functions *Assurance activities performed by combined assurance forums, Group Compliance, Group Risk Management, Group Legal, Actuarial and Forensics*	**Second line of assurance**	Risk mitigation consultation and collaboration with combined assurance forums and management	Periodic reviews and assessments provide assurance to senior management, the Risk, Capital and Compliance Committee and other relevant Board committees	Objective assessment of business risks and opportunities Reporting to the Risk, Capital and Compliance Committee and other relevant Board committees
Group Internal Audit *Independent internal assurance provider*	**Third line of assurance**	Risk-based assessment and evaluation of the adequacy and effectiveness of controls	Regular reviews and assessments provide assurance to senior management, the Audit Committee and other relevant Board committees	Independent and objective assurance of the control environment Reporting to Senior management and the Audit Committe
External Audit *Independent external assurance*	**Fourth line of assurance**	Statutory audit of the Annual Financial Statements and other regulatory monitoring and reporting	Independent evaluation of the fair presentation of Annual Financial Statements	Independent assurance to stakeholders (including shareholders, regulators, and the public) regarding the fair presentation of financial statements and assurance of regulatory returns

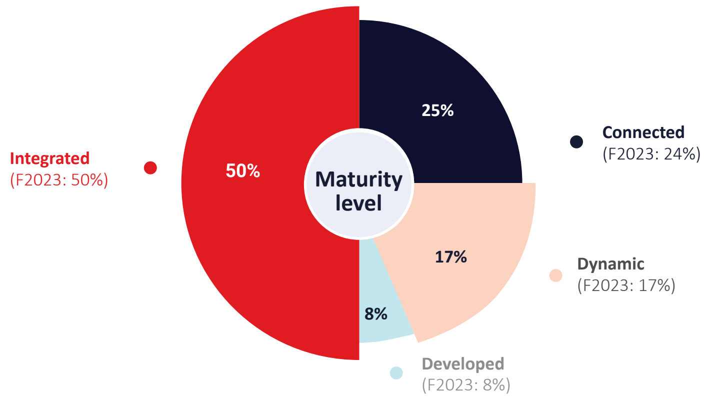
COMBINED ASSURANCE MATURITY

The Group focuses on improving and maturing its combined assurance process. As part of this process, we determine the current maturity levels. This involves assessing the current maturity levels and helping each business unit establish its desired level of maturity. This model serves as a crucial component in the Group's efforts to advance combined assurance maturity across its operations.

It's important to acknowledge that the integration of combined assurance processes varies among the Group's business units, with management, led by the Chief Risk Officers (CROs), actively working to enhance these processes over time. Key factors contributing to higher maturity levels in certain business units include:

- Consistent engagement and collaboration among assurance providers to maintain an updated combined assurance plan.
- Utilisation of complete and regularly updated risk registers to enhance the overall combined assurance programme with some units incorporating control self-assessment for a comprehensive view of risks and controls.
- Continuous refinement of combined assurance processes at the business unit level to ensure alignment with operational needs and effectiveness.

The pie chart below reflects our business unit maturity categories for F2024.



OUR PERFORMANCE

GROUP FINANCE DIRECTOR'S REVIEW

OVERVIEW OF FINANCIAL RESULTS

We are pleased to report that, despite the ongoing challenges posed by the difficult economic environment, our businesses have demonstrated remarkable resilience and achieved strong operating results for the financial year ended 30 June 2024.

NHE increased by 27% year-on-year to R4 438 million. NHE per share increased by 32% from 235.2 cents in F2023 to 309.7 cents, reflecting the positive impact of our share buyback programme over the past year. Headline earnings per share increased by 39% from 215.5 cents to 298.6 cents and earnings per share improved by 29% to 282.9 cents (F2023: 220.0 cents).

Key metrics	F2024	Restated[1] F2023	Δ%
Earnings per share (cents)	282.9	220.0	29%
Headline earnings per share (cents)	298.6	215.5	39%
NHE per share (cents)[2]	309.7	235.2	32%
NHE (R million)	4 438	3 491	27%
Operating profit (R million)	3 608	2 755	31%
Investment return (R million)	830	736	13%
Closing contractual service margin (CSM, R million)	19 398	17 644	10%
New business CSM (R million)	1 606	1 209	34%
New business (PVNBP, R million)[4]	82 141	68 873	19%
VNB R million)[4]	589	600	(2)%
New business margin[4]	0.7%	0.9%	
Diluted EV per share (Rand)	36.94	33.75	10%
Return on EV per share[4]	13.3%	17.0%	
Return on equity	15.5%	12.7%	
Dividend per share (cents)	125	120	4%

[1] The IFRS 17 – Insurance Contracts (IFRS 17) standard became effective for the Group from 1 July 2023. Accordingly, the prior year's accounting has been restated for the application of IFRS 17 as well as for other restatements. Prior year NHE were restated from R5 079 million to R3 491 million. Refer to the summarised audited annual financial statements for more information.
[2] NHE adjusts the JSE definition of headline earnings for the impact of finance costs related to preference shares that can be converted into ordinary shares of the Group when it is anti-dilutive, the impact of treasury shares held by the iSabelo Trust, the amortisation of intangible assets arising from business combinations, B-BBEE costs, and the impairment of loans to subsidiaries that were subsequently disinvested. Additionally, the iSabelo special purpose vehicle, which houses preference shares issued as part of the employee share ownership scheme's funding arrangement, is deemed to be external from the Group, and the discount at which the iSabelo Trust acquired the Momentum Group Limited's treasury shares is amortised over a period of 10 years and recognised as a reduction to NHE.
[3] Operating profit represents the profit (net of tax) that is generated from Momentum Group's operational activities and reflects NHE excluding the investment return on shareholder funds.
[4] Prior-period EV reporting has not been restated for the changes introduced by IFRS 17.
[5] Return on equity expresses NHE as a percentage of start-of-year NAV. In this calculation, NAV is adjusted for the items outlined in footnote 2, consistent with NHE.

Operating profit

Operati ng profit increased by 31% from R2 755 million to R3 608 million as many of the business units benefited from higher investment income from the assets in the portfolios backing policyholder liabilities and the elevated interest rate environment.

Momentum Retail's operating profit declined, mainly due to lower investment variances than experienced in the prior year and increased expenses. These included costs incurred to exit of the franchise model in MFP creating a more sustainable tied agency model. In Momentum Investments, the operating profit increase was due to higher mortality profits from the annuities business and continued solid growth in life annuity products.

Metropolitan Life's operating profit was supported by an improved persistency experience (albeit not yet at targeted levels) on the protection business. In Momentum Corporate, operating profit decreased following lower market variances compared to the prior period. The Health business' operating profit improvement was largely due to increased fee income following growth in Health4Me and public sector membership. Strong fee income and underwriting profit growth boosted operating profit in Guardrisk. The turnaround in Momentum Insure's operating profit was due to an improved claims ratio, increased investment income, and the recognition of a deferred tax asset that was derecognised in the prior year. Africa's operating loss narrowed, primarily due to improved profi tability in health insurance operations across the portfolio. The operating loss in India widened, largely due to our response to increased claims and expenses being restricted by current regulations limiting pricing

Investment return

Investment return from the Group's shareholder assets improved by 13% to R830 million, largely supported by increased returns on shareholder portfolios achieved due to a favourable interest rate environment. This was partially offset by fair value losses on our venture capital (VC) funds and the non-repeat of a significant increase in the valuation of an option to purchase a share of a UK technology business in F2023.

Return on equity and return on embedded value

The Group achieved an ROE of 15.5% for the year, higher than the 12.7% recorded in F2023. This solid ROE reflects the Group's earnings growth, which was offset by an increase in opening equity compared to the prior year. As of 30 June 2024, the Group's embedded value per share stood at R36.94 (F2023: R33.75). All per-share metrics were positively impacted by share repurchases carried out over the past 12 months.

GROUP FINANCIAL PERFORMANCE

The following table outlines the contribution from operating profit and investment return to NHE per business unit:

	F2024			Restated F2023			Δ%		
R million	**Operating profit/(loss)**	**Investment**	**NHE**	**Operating profit**	**Investment return**	**NHE**[6]	**Operating profit**	**Investment return**	**NHE**
Momentum Retail	907	202	1 109	1 009	135	1 144	(10)%	50%	(3)%
Momentum Investments	450	83	533	344	125	469	31%	(34)%	14%
Metropolitan Life	476	119	595	236	77	313	>100%	55%	90%
Momentum Corporate	996	186	1 182	1 028	109	1 137	(3)%	71%	4%
Health	255	–	255	236	9	245	8%	(100)%	4%
Guardrisk	668	(15)	653	488	3	491	37%	<(100)%	33%
Momentum Insure	59	133	192	(345)	36	(309)	>100%	>100%	>100%
Africa	(27)	403	376	(150)	404	254	82%	(1)%	48%
India	(275)	1	(274)	(223)	1	(222)	(23)%	–	(23)%
NHE from operating business units	**3 509**	**1 112**	**4 621**	**2 623**	**899**	**3 522**	**34%**	**24%**	**31%**
Shareholders segment	99	(282)	(183)	132	(163)	(31)	(25)%	(73)%	<(100)%
NHE	**3 608**	**830**	**4 438**	**2 755**	**736**	**3 491**	**31%**	**13%**	**27%**

[6] The prior year numbers are restated to provide meaningful comparisons for the new reporting segments and for IFRS 17 and other restatements.

Contractual service margin

Under IFRS 17, the contractual service margin (CSM) is a component of the insurance liability that represents the present value of future earnings. This becomes an important metric to assess the earnings prospects of an insurance entity. The CSM increased from R17.6 billion to R19.4 billion, with new business contributing R1.6 billion, expected growth adding R1.8 billion, and changes in estimates adding R1.0 billion to the opening balance. This was offset by R2.6 billion released from the CSM into earnings.

R million	Opening CSM	New business	Expected growth	Change in estimates	CSM release	Closing CSM
Momentum Retail	8 734	243	855	598	(1 236)	9 194
Momentum Investments	2 757	945	291	162	(438)	3 717
Metropolitan Life	3 782	192	421	30	(582)	3 843
Momentum Corporate	960	3	83	134	(140)	1 040
Momentum Metropolitan Africa	1 411	223	140	31	(201)	1 604
Total	**17 644**	**1 606**	**1 790**	**955**	**(2 597)**	**19 398**

Onerous contracts

The table below reflects the losses recognised at acquisition as onerous contracts (where the insurance contract fulfilment cash flows exceed contractual inflows at initial recognition date) gross of reinsurance and tax per business unit:

R million	F2024	F2023	Δ%
Momentum Retail	106	195	(84)%
Momentum Investments	187	129	45%
Metropolitan Life	278	191	87%
Momentum Corporate	79	45	47%
Africa	193	168	15%
Total onerous contracts	**843**	**729**	**16%**

Market variance

The table below outlines the market variance by business unit and reflects the various offsetting impacts of investment variances and economic assumption changes experienced in F2024 (collectively referred to as market variances). These impacts are considered together as the impact of the underlying hedging instruments are all captured as market variances. Market variances are included in our operating profit and are shown below net tax.

R million	F2024	Restated F2023	Δ%
Momentum Retail	75	154	(51)%
Momentum Investments	53	100	(47)%
Metropolitan Life	43	(43)	>100%
Momentum Corporate	42	161	(74)%
Momentum Metropolitan Africa	(3)	–	< (100) %
Total market variance	**210**	**372**	**(44)%**

While F2023's liability exposures were restated for the adoption of IFRS 17, the asset liability matching strategies were still based on the insurance liabilities measured under IFRS 4. In the current year, the Group rebalanced our asset position to align with the change in the reporting standard. The impact of this change is evident, with lower reported market variances. As such, the movement in the nominal yield curve did not have a significant impact on market variances. Instead, the positive investment variance arose from positive credit spreads and the positive impact of a refinement implemented in the extrapolation of the yield curve, which is a one-off basis change rather than a mismatch profit or loss.

NEW BUSINESS PERFORMANCE

The Group's sales as measured by the PVNBP increased by 19% to R82.1 billion. This growth was enhanced by a reduction in the discount rate used to calculate the present value of premiums to align with the risk-free valuation methodology used for IFRS 17. Momentum Retail's long-term savings and protection new business volumes improved. Momentum Investments continued to deliver solid growth in new business volumes on life annuities and on Momentum Wealth's investment platform. Metropolitan Life saw a decline in protection and long-term savings new business volumes, partially offset by good growth in life annuities. Momentum Corporate saw strong growth in structured investment flows (albeit at low margins), partially offset by a decline in recurring premiums from protection new business. Africa's PVNBP declined marginally following lower corporate protection new business volumes in Botswana and Lesotho, partly offset by higher retail new business volumes in Namibia.

Value of new business

The Group's VNB declined by 2% to R589 million, largely impacted by the strengthening of persistency and expense basis implemented on 30 June 2023, which resulted in VNB being calculated on a more conservative basis than in F2023, most notably for Metropolitan Life. The overall Group new business margin declined to 0.7%.

PVNBP
R82 141 million
(F2023: R68 873 million)
19% increase

VNB
R589 million
(F2023: R600 million)
2%

Single premiums
R62 865 million
(F2023: R49 617 million)
27% increase

New business margin
0.7%
(F2023: 0.9%)

EMBEDDED VALUE

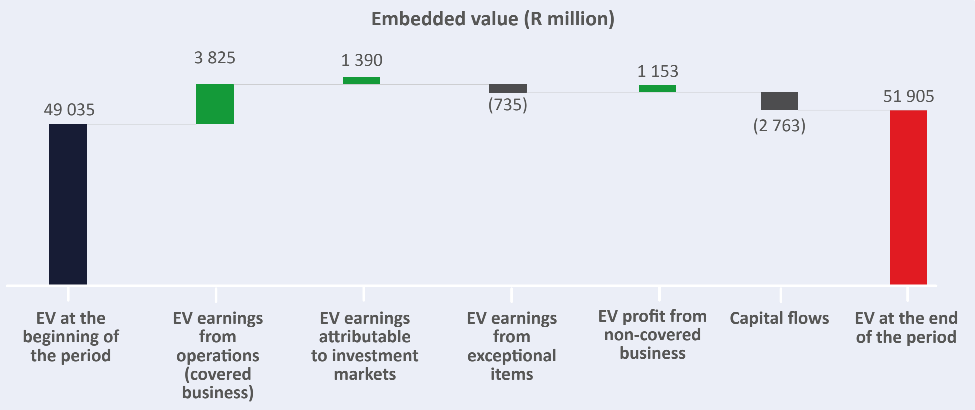
As of 30 June 2024, the Group's embedded value per share was R36.94 (F2023: R33.75), reflecting an annualised return on embedded value (ROEV) of 11.5% for the year (F2023: 14.1%). The ROEV was enhanced to 13.3% (F2023: 17%) due to our share repurchase programme.

The transition to IFRS 17 and subsequent revision of the EV methodology for covered business reduced the embedded value by R735 million. The reduction is mainly due to the adoption of a market-risk neutral approach for the EV, which in aggregate reduces the value placed on future earnings.

Covered business returns from operations were positive for the year with operating experience variances and market impacts contributing positively to EV earnings. New business earnings were slightly lower than the prior year but an improvement on the results reported at half-year. In Metropolitan Life, the decline was predominantly due to the first-time inclusion of the underwriting basis changes made in June 2023. The reduction in new business for Momentum Corporate was primarily due to lower margin investment business. Momentum Investments' new business showed continued strong growth in life annuity sales. Mortality and morbidity claims experience was positive while the negative persistency and expense variances continued from the mid-year result.

Methodology and operating assumption changes reduced earnings largely driven by the strengthening of the expense basis in all segments except for Metropolitan Life, but the impact was partially offset by positive earnings flowing from mortality basis changes in Momentum Corporate and methodology changes in Momentum Retail and Africa.

Investment markets contributions were dampened by lower returns from equity markets, prior-year positive economic basis changes in Namibia that were not repeated in the reporting period, and the reduced investment variance for Myriad. The transition to IFRS 17 enables more effective asset liability matching of interest rate risk in the Group, which is expected to result in lower market variances going forward. Non-covered businesses contributions were boosted by strong performance from Guardrisk, partially offset by negative market performance and net fund outflow in Momentum Global Investment Managers.



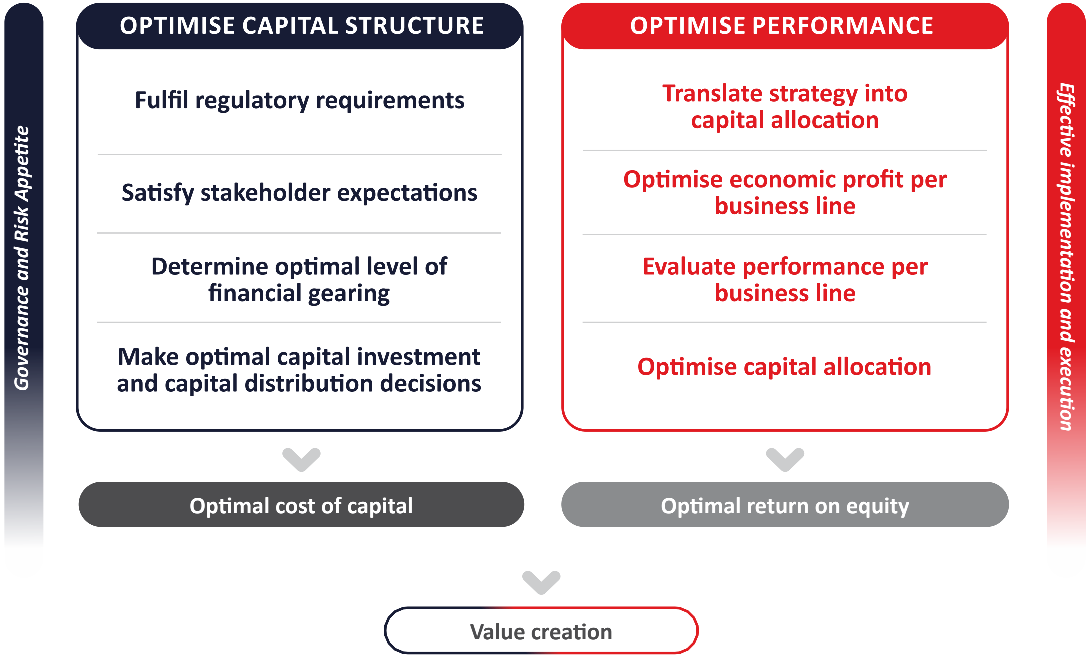
Embedded value
R51 905 million
(F2023: R49 035 million)
5.9%

Diluted EV per share
R36.94
(F2023: R33.75)
9.6%

CAPITAL MANAGEMENT

The Group's Capital Management Framework ensures effective use of capital to enhance financial performance. It involves optimising capital structure to meet regulatory requirements, balancing debt and equity and aligning capital allocation with strategic goals. We focus on maximising economic profit, minimising capital costs, creating value and achieving a high return on equity to drive sustainable growth and profitability.

The key principles underpinning the Momentum Group's capital management philosophy are outlined below.



Capital deployment

The following capital injections and strategic investments (and disposals) were made during the year:

Areas of capital deployment	R million
Momentum Metropolitan Africa	321
Momentum Investments	309
Shareholders	308
Guardrisk	223
India	168
Momentum Metropolitan Health	112
Momentum Retail	2
Total capital deployment	**1 443**

Capital of R321 million was deployed to our Africa business to meet the central costs of operating the business. In Momentum Investments, R309 million was deployed for the acquisition of the OUTsurance Group Limited's stake in RMI Investment Managers Group, the capitalisation and seeding of Curate Investments, and capital support to Momentum Money. In F2024, we communicated our decision to discontinue the Momentum Money business.

In the shareholders segment, R192 million was invested in two offshore VC funds and R116 million was utilised for a solar installation project at our key business locations. A total of R223 million was deployed to Guardrisk for the acquisition of former third-party cell captive client Zestlife, R168 million was deployed to India and R112 million was deployed to Health for capital support to Momentum Multiply. In Momentum Retail, capital was deployed to acquire two small distribution businesses.

The Group continues to prioritise the strategic management of discretionary and surplus capital. Following our capital management framework, surplus capital will be allocated through regular dividends, special dividends or share repurchases.

Share buyback programme

The R500 million share buyback programme communicated to investors at the F2024 interim results announcement was completed on 12 June 2024. The Group bought back 23.6 million shares at an average price of R21.11 per share. This represents a 43% discount to the EV of R36.94 per share on 30 June 2024.

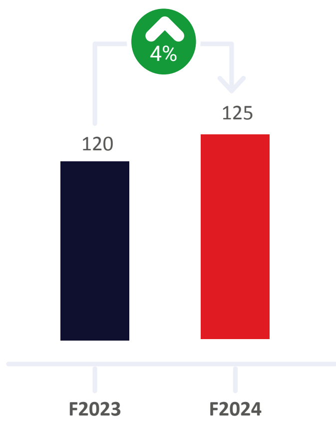
In line with our capital management framework and considering the strong capital and liquidity position, the Board has approved a further R1.0 billion for the buyback programme of the Group's ordinary shares.

Dividends

The Momentum Group declared a final dividend of 65 cents per ordinary share (F2023: 70 cents), bringing the total dividend for the year to 125 cents per ordinary share (F2023: 120 cents). This total dividend corresponds to a payout ratio of 40% of NHE (F2023: 35%).

Consistent with the Group's capital distribution strategy, the share repurchase programme will not replace the dividend. Our dividend policy, which maintains a payout range of 33% to 50% of NHE, remains unchanged.

Dividend per share (cents)



SOLVENCY

The solo SCR for the Group's regulated insurance entities were as follows:

Regulatory solvency position as at 30 June 2024

R million	Momentum Metropolitan Life	Guardrisk Insurance	Guardrisk Life	Momentum Insure
Eligible own funds (pre-dividend)	33 893	3 681	4 518	1 369
SCR	16 124	3 070	3 930	808
SCR cover (times)	**2.10**	**1.20**	**1.15**	**1.69**

Regulatory solvency position as at 30 June 2023

R million	Momentum Metropolitan Life	Guardrisk Insurance	Guardrisk Life	Momentum Insure
Eligible own funds (pre-dividend)	31 526	3 551	4 183	1 284
SCR	15 210	2 934	3 620	821
SCR cover (times)	**2.07**	**1.21**	**1.16**	**1.56**

Momentum Metropolitan Life has adopted a target range for regulatory solvency cover of 1.6 to 2.0 times the SCR before any declared dividend. The SCR of Momentum Metropolitan Life increased from 2.07 times SCR in F2023 to 2.10 times SCR (pre-foreseeable dividend) at 30 June 2024. The improvement was mainly due to good investment returns, positive mortality and morbidity experience, as well as a net positive impact from the reduction in the Prudential Authority nominal yield curve, which increased both own funds and the life underwriting risk SCR exposures.

The solvency cover for Guardrisk Insurance decreased slightly to 1.20 times SCR compared to 1.21 times SCR cover in F2023. The cell SCR increased primarily due to increased reinsurance retention levels as well as policy renewals, while the promoter SCR increased primarily driven by increased risk-taking associated with the growth of the of the Guardrisk General Insurance business combined with higher reinsurance retention. The solvency cover for Guardrisk Life decreased slightly from 1.16 times SCR to 1.15 times SCR year-on-year. Own funds grew due to profits from fees and increased risk participation by the promoter, as well as movements in the yield curve which, together with robust sales volumes also caused an increase in the cell SCR. The solvency cover for Guardrisk Insurance lies within the target range, whereas the solvency cover for Guardrisk Life lies above the target range.

Momentum Insure's solvency cover increased from 1.56 times SCR in F2023 to 1.69 times SCR at 30 June 2024. This was largely due to an increase in own funds due to realised profits and good investment returns, which partially offset adverse claims experience from severe weather events. The solvency cover lies above the target range of 1.4 to 1.6 times SCR.

Regulatory group solvency position for Momentum Group

The Prudential Authority has classified Momentum Group as an insurance group with the Accounting Consolidation method applied to certain entities, notably Momentum Metropolitan Life and Momentum Insure. Momentum Group has set a target range for Group regulatory solvency cover of 1.4 to 1.7 times the SCR. As of 30 June 2024, the Group's SCR cover was 1.64 times.

OUTLOOK

We are satisfied with the underlying operational performance the Momentum Group has achieved. Our business model of empowered, accountable business units has again demonstrated its resilience and agility, enabling the Group to withstand the challenging operating environment and report a steady financial performance over the year.

Looking ahead, we remain concerned about the pressure on our operating environment given the country's subdued economic growth. However, we are beginning to see encouraging signs of improvement in the South African economy. With inflation expected to ease, the environment should be more conducive to interest rate cuts, which will bring financial relief to clients and the absence of loadshedding should all gradually improving confidence levels. As we navigate an increasingly competitive landscape, we remain dedicated to maintaining our competitive attractiveness to existing and potential clients. We will continue to drive sales volumes and find innovative solutions to improve VNB outcomes. The Group is on a solid financial footing and is well positioned to adapt to the evolving needs of our clients.

IN APPRECIATION

I sincerely thank all our stakeholders for their unwavering support throughout the past year. Your continued commitment and trust have been invaluable to our success and I look forward to continuing our collaboration to create mutual value in the year ahead.

I am proud of the Group's performance and want to acknowledge the exceptional efforts of our employees. Their skill, professionalism and tireless dedication have been key in overcoming the tough market conditions and have delivered significant value for our stakeholders. Their contributions have been essential in reaching our goals and maintaining our momentum.

This year marks our first full year of reporting under the new accounting standard for insurance contracts, IFRS 17. I would like to extend a special recognition to our various reporting teams for their exceptional work in adapting to, and successfully implementing, this significant change.

Their expertise has been instrumental in ensuring a smooth transition and maintaining the accuracy and integrity of our financial reporting.

Risto Ketola
Group Finance Director

Please note that the information provided in this commentary, including the financial data on which the outlook is based, has not been reviewed or audited by the Momentum Group's external auditors.

BUSINESS UNITS' PERFORMANCE

momentum retail

Protection, advice and savings products focused on the middle and affluent client segments.

Our key differentiators

- Connected by digital and advice
- Protection benefit design and underwriting
- Savings/life cross-sell further enhances our client value proposition

Our operating environment

The current macroeconomic and socio-political climate has constrained clients' disposable income and slowed industry expansion, affecting new business sales volumes and margins. Despite these challenges, we are pleased with the growth in our long-term retirement savings and digital-led protection sales. We experienced positive mortality and persistency results as well as positive policy alteration experience in Life insurance. The business, however, experienced some persistency challenges although investment product sales were strong.

The industry is encountering slower growth and saturation, especially in the protection market, necessitating strategic adjustments to sustain or achieve growth. Digital transformation is becoming increasingly vital for enhancing efficiency and customer experience, prompting us to intensify our focus on this area. Additionally, expanding and retaining our adviser network is crucial for market share growth in a stagnant market.

Regulatory changes have introduced increased compliance demands, notably with the implementation of the two-pot retirement system. This includes IT and operational adjustments, such as introducing self-service withdrawal functionality supported by a new digital helpdesk, to mitigate the impact on the service area's capacity.

Business portfolio changes

The Momentum Retail business portfolio has undergone substantial changes to the operating model and adviser value proposition to secure long-term sustainability. This transformation involved migrating to a more focused, digitally-enabled, user-friendly product rewards concept while replacing outdated IT platforms to boost efficiency and adaptability.

The Momentum Life portfolio was merged into the newly-established Momentum Retail portfolio, which now includes former Momentum Life product businesses (protection and savings products), Momentum Distribution Services (MDS), Momentum Advice (including Momentum Financial Planning and Consult by Momentum) and Momentum Digital Connect (the Momentum Group-wide IT platform team).

Key areas of focus include enhancing adviser and client engagement through advanced digital platforms and streamlined processes, refining distribution strategies for IFAs, updating life product offerings to meet evolving market needs and technological advancements, and investing in digital solutions for a more integrated and efficient operating model. These initiatives are designed to foster a sustainable future by emphasising specialisation and digital innovation. We have now increased our focus on advice and the pivotal role of the Momentum Retail business portfolio to spearhead this effort.

Our performance

Momentum Retail's NHE declined marginally from R1 144 million to R1 109 million in the current year. Earnings were bolstered by higher alterations experience profits on protection business and the increase in investment return on shareholder portfolio assets. This was offset by reduced profits from yield curve and market movements, an increase in development expenses relating to an operating model change in our tied agency channel (MFP), higher mortality claims on traditional business (although aggregate mortality and morbidity experience were positive), and slightly weaker lapse experience on protection business.

KEY METRICS

NHE	**R1 109 million** (F2023: R1 144 million*)
VNB	**-R86 million** (F2023: -R69 million)
PVNBP	**R8 461 billion** (F2023: R7 601 billion)
New business margin	**-1.0%** (F2023: -0.9%)

Restated - The IFRS 17 – Insurance Contracts (IFRS 17) standard became effective for the Group from 1 July 2023. Accordingly, the prior year's accounting has been restated for the application of IFRS 17 as well as for other restatements. Refer to the ***Audited Annual Financial Statements*** *for more information.*

Momentum Retail's PVNBP improved by 11% to R8.5 billion, aided by a 26% improvement in protection new business and a 3% increase in long-term savings business. On an annual premium equivalent (APE) basis, protection and long-term savings new business volumes declined by 1%.

VNB deteriorated to a loss of R86 million largely driven by an increase in expenses and cost of capital (following an increase in required capital), this translated to a new business margin of -1.0%.

Our focus areas in F2024

Focus area	Progress
Data migration from legacy systems	The completion of policyholder data migrations from legacy systems will provide our distribution and advice businesses with enhanced data, analytics and insights.
Improving adviser and client experience	We expanded the functionality on the VIA adviser platform, the single interface and workspace through which advisers access all Momentum-branded retail products and clients, which improves the ease of doing business and contributes to efficiency gains. By December 2024, we will complete the VIA next project, which will streamline how advisers manage clients, provide advice and access digital sales and service features.
Digitally transforming the business	Through the pleasing adoption of the Myriad LifeReturns proposition, a sophisticated point-of-sale risk selection and incentive mechanism, advisers and clients have successfully transitioned into a long-term protection discount solution operating independently from Multiply. The FastTrack underwriting process, offering immediate acceptance to qualifying lives, was activated on a test basis. Adviser feedback suggests that this could become a significant differentiator for Myriad.
Growing direct-to-consumer sales	Myriad's direct-to-client sales continued strongly with penetration increasing significantly in F2024. Given the first-year lapse rate of direct-to-consumer sales, efforts on quality and lapse management will continue.

MDS and Momentum Advice

Despite the challenging operating environment, MDS and Momentum Advice have successfully maintained market share in certain areas, showcasing resilience and adaptability.

MDS celebrated several record-sales months. Two years into specialisation and having seen great success in the strategies applied, Investo, Momentum Investments and Momentum Corporate's FundsAtWork were the main beneficiaries of our distribution model. We also believe that the specialisation model played a significant role in establishing our new LifeReturns offering.

Consult by Momentum demonstrated a strong footprint and revenue growth. The growth performance of our tied agency channel, Momentum Financial Planners (MFP), was however, poor following significant operating model changes. These changes, however, will contribute to a much more resilient agency business.

We are also addressing the ageing adviser workforce by enhancing succession planning, upskilling and mentoring young advisers, focusing on practice management and growth, and attracting new and experienced talent.

KEY METRICS

MFP	• **595 advisers** (F2023: 722) • **R44.9 billion** in total assets under advice in Momentum Investments local and international platform (F2023: R43 billion) • **717 planners** enrolled in the Momentum Institute for Financial Planning (MIFP) (F2023: 400)
MDS	• **2 249 productive advisers** (F2023: 2 168) • **23%** growth in APE (F2023: 0.4%)
Consult by Momentum	• **411 active financial advisers** (F2023: 350) • **R7.6 billion** in total assets under advice in own solutions (F2023: R6 billion) • **Total AUM of R43.8 billion** (F2023: R37 billion)

Performance against our Reinvent and Grow objectives

OUR REINVENT AND GROW OBJECTIVES

Reinvent	**Improved channel focus**	Achieved	The new Momentum Advice ecosystem and executive team have been finalised. Momentum Advice will extract efficiencies by implementing one wealth management and advice philosophy, aligning processes and software and deploying common capabilities across MFP and Consult by Momentum. We have also successfully implemented the operating model changes in MFP.
Reinvent	**Legacy and IT reset**	Achieved	Good progress was made with the IT reset journey almost complete. From a channel IT and database construct perspective, we are able to support our channels with their execution needs. The successful delivery of all the mainframe migration components remains a focus.
Reinvent	**Finding growth**	Underway	We have seen significant growth within MDS and Consult, however, some challenges are experienced within MFP. Myriad direct-to-client sales have continued their positive trajectory in line with targeted growth.
Reinvent	**Brand and culture**	Achieved	Our synergistic culture is a cornerstone of our journey. We aim to further empower our employees to connect and collaborate across the value chain, enhancing efficiencies and improving client satisfaction.
Reinvent	**Digital processing and service model**	Achieved	Significant progress was made in Investo with onboarding now being automated and the online quote launched to MFP and MDS users. The Momentum Trust Client Management System, which enables advisers and clients to access their Momentum Trust records online, was successfully implemented.
Reinvent	**Product leadership**	Achieved	The old Myriad Interactive platform was closed to new business with all new business from January 2024 being LifeReturns business. The FastTrack underwriting process is expected to be a significant differentiator going forward.
Grow	**NHE of R1.4 billion (IFRS 17)**	Not achieved	At R1.1 billion, we fell short of our target of R1.4 billion as the F2024 result was negatively impacted by an unfavourable move in the yield curve towards the latter part of the strategic period.
Grow	**ROE 20% to 25%**	Achieved	The ROE of 32.1% was well above the Reinvent and Grow target of 20% to 25%, benefiting from the increase in required capital.

Achieved | Underway | Not achieved

Outlook and Impact strategy ambitions

We remain cautious about the macroeconomic environment and the challenges posed by slower industry growth, which may impact sales volume growth. Nonetheless, this highlights the critical need to adopt advanced technologies, forge strategic partnerships, improve customer engagement and foster a culture of innovation.

Impact strategy

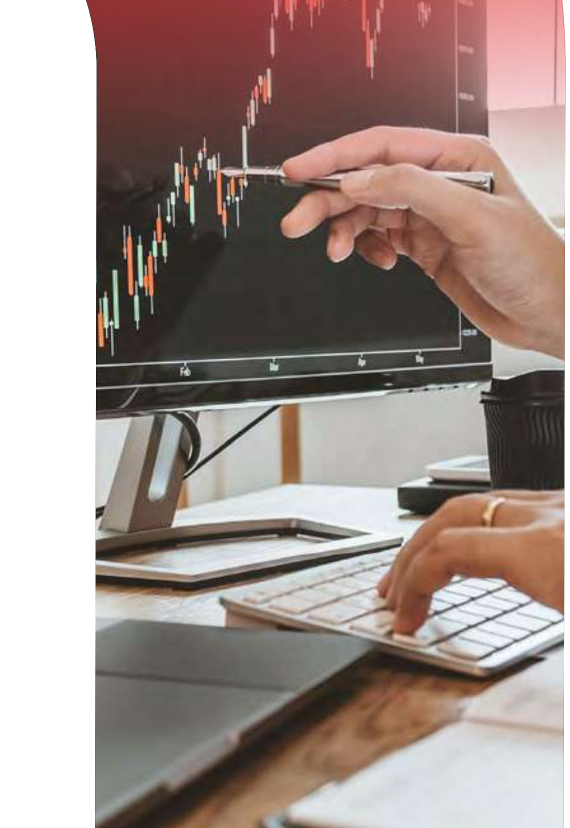
To strengthen Momentum Retail's market position, we will focus on several key initiatives. First, we will continue to entrench IFA specialisation with a strong focus to also support advisers in their practice management challenges. Our newly-crafted advice game plan will involve implementing a strategic approach to delivering comprehensive advice thereby improving client outcomes. We aim to expand our adviser footprint to increase market presence and client reach while optimising and reducing costs through expense rationalisation to boost efficiency and profitability. We will identify and leverage growth opportunities to drive business expansion and harness digital transformation to revolutionise business operations, enhance client interactions and support strategic objectives. Emphasising our strengths and strategic advantages will solidify our position as a market leader while highlighting key factors and strategies that will ensure our success and competitive edge.

Our focus areas include:

Growth	**Position ourselves as a top industry player with attractive value propositions for both clients and advisers.**
Vertical integration	**Enhance vertical integration by fostering stronger collaborations with other areas in the Group, such as Momentum Investments.**
Digital transformation	**Develop and implement a digital financial planning and advice process to enhance efficiency and client experience.**

momentum investments

Making investing personal through wealth management, structured products and annuities, multi-management and investment solutions, and asset management capabilities.



Our key differentiators

- **A business model built around partnering with advisers**
- **Client-focused investment products**
- **Established open architecture platform with wide local and offshore offerings**
- **Responsible investment practices and the integration of ESG criteria into our investment process**

Our operating environment

Over the past 12 months, investment markets have encountered substantial challenges due to an unstable geopolitical environment, impending global elections and escalating armed conflicts. In South Africa, these issues were intensified by poor economic growth and high unemployment. Investors have remained cautious, seeking less volatile investment opportunities, lower-cost passive solutions, and fixed income or guaranteed investment options. This cautious approach has led to strong growth in the sales of guaranteed annuities, which has been advantageous for us.

Given the open architecture nature of our Wealth platform, with access to a wide range of investment options, we experienced record sales numbers on the local Momentum Wealth investment platform, as well as into our guaranteed and hybrid annuity products. However, new asset flows into actively managed retail funds remained a significant challenge across our markets, with net outflows from actively managed multi-asset funds continuing across the UK fund management industry.

Competition in our sector continued to intensify, with digital engagement platforms and automated processes delivering improved service quality emerging as key market differentiators. The need for scale has become a critical success factor to retain acceptable profit margins given pressure on client fees, prompting consolidation across the industry with competitors also focused on vertical integration (with centralised investment propositions).

In response to these trends, we are investing in the re-platforming of our Wealth platforms and enhancing our digital capabilities for guaranteed annuities. This will position us well to offer advisers comprehensive solutions that support their own vertical integration plans and meet the changing needs of financial advisers and investors. The enhancements of the institutional platform have settled, positioning us to drive further continuous enhancements.

The changes to Regulation 28, which allow greater allocation to global financial markets in retirement funds, have led to increased offshore allocations. Our partnership with Robeco, together with our UK fund management business, enabled us to effectively respond to this change.

Our performance

The NHE from Momentum investments increased by 13% to R533 million, largely aided by the higher CSM release from annuities, higher mortality profits from the life annuities business and higher asset returns on assets backing annuity portfolios. This improvement was partially dampened by reduced asset-based fee income for the global asset management business as advisers shifted away from balanced fund mandates, an increase in expenses and lower investment return on shareholder assets following a reduction in required capital in the current year, further restrained earnings growth.

Included in the Momentum Investments normalised headline earnings is Momentum Money, a bundled transactional banking and savings solution. The loss of R69 million reported by Momentum Money, reflects an improvement from a loss of R97 million in F2023. After careful consideration, a decision was taken to discontinue the Momentum Money product effective 31 October 2024.

Momentum Investments, PVNBP improved by 19% to R48.5 billion, largely aided by strong new business volumes on annuities and higher new business volumes on the Momentum Wealth investment platform business.

KEY METRICS

NHE	**R533 million** (F2023: R469 million*)
PVNBP	**R48.5 billion** (F2023: R40.7 billion)
VNB	**R744 million** (F2023: R466 million)
New business margin	**1.5%** (F2023: 1.1%)
AUM	**R936 billion** (F2023: R893 billion)

The focus on sustainable investing, especially ESG outcomes and Net Zero investments in cleaner energy, has significantly impacted investment companies' reporting and systems. Refer to the ***responsible investment section*** *for more details.*

VNB improved significantly from R466 million in F2023 to R744 million, bolstered by solid new business volumes growth and a change in new business mix towards higher margin annuities. This resulted in an improved new business margin of 1.5%.

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Our focus areas in F2024

Focus area	Progress
Linked investment service provider (LISP) re-platform on new-generation technology	The Wealth Management business continued to focus on implementing our technology (re-platforming) and business transformation initiative in partnership with FNZ. The new platform will enhance our local and global offerings, automate processes and boost efficiencies for financial advisers, investors and discretionary fund managers.
Two-pot retirement system readiness	A dedicated team has been preparing systems and processes to ensure our readiness for two-pot, while focusing on adviser and client communication. While investor withdrawals are expected, the business' liquidity remains sufficient across portfolios with no major issues anticipated.
Investment in data and digital capabilities	There has been a big focus on digital and system integration architecture, data and analytics in F2024 to enhance automation and efficiencies across our value chain. Over the period, there has been investment in, AI to support certain UK solutions, data clean up and management capabilities, and the business has partnered with solution providers to drive efficiencies in the call centres and client experience.
Restructuring of the business	We have restructured our business unit to align with key strategic focus areas, fostering a global mindset for future growth. This reorganisation will streamline our approach, enhance collaboration and enable vertical integration.
RMI Investment Managers Group (IMG) purchase	The Momentum Group concluded the acquisition of the OUTsurance Group Limited's stake in RMI Investment Managers Group. The transaction has increased Momentum Investments' shareholding in a range of independent, owner-managed investment businesses. Following this, the business was rebranded as IMG.
Momentum Money discontinuation	During the financial year, we reconsidered the future options of Momentum Money in the context of a broader strategic review, and given the challenges to grow the business. Following this review, the Group Exco and the Momentum Money Board have communicated their decision to discontinue the Momentum Money business.
Curate launch	Curate Investments, our newly established single manager business offering a range of local and global unit trusts, was launched in August 2024. It is expected to enable Momentum Investments to compete for AUM in more sophisticated parts of the SA and select global retail markets.

Performance against our Reinvent and Grow objectives

OUR REINVENT AND GROW OBJECTIVES

	Objective	Status	Performance
Reinvent	**Radical shift in our platform operating model with digital, data and AI capabilities and end-to-end value chain integration/ service delivery**	Not achieved	The delivery of the future Wealth platform has been delayed mainly due to local jurisdictional challenges and resource constraints at our technology partner. We have already achieved good digital adoption of our current capabilities, a lead indicator of future adoption success by financial advisers when the digital platform is launched. Ongoing management engagements with our technology provider are in place to address the delay and ensure successful delivery by the end of F2025.
Reinvent	**New-generation guaranteed and annuity product solutions**	Achieved	Online and self-service capabilities were implemented, resulting in better client service experiences. Increasing usage of these digital tools have and will relieve pressure on service and operations, enabling improved scalability of the business. The Momentum hybrid annuity was launched in F2022 and remains the leading product of this type in the industry, in terms of innovative structuring to blend flexibility and certainty. Year on year sales flows continue to increase.
Reinvent	**Focus on multi- and single-management capabilities**	Achieved	Multi- and single-management capabilities have been bolstered through purchasing IMG and the launch of Curate Investments (and Funds).
Reinvent	**B-BBEE transformation**	Achieved	A level 2 B-BBEE rating was achieved for our SA-domiciled investment businesses (collectively Momentum Investment Management) in F2024. We are optimistic about achieving a level 1 rating in F2025.
Reinvent	**Brand-building and profiling of teams and capabilities**	Achieved	We have made good progress with brand building and profiling of individuals in the investment teams through actively participating in industry events, bolstering our institutional distribution teams and through an increase in general marketing activities. This has contributed to some of the sales success we've seen over the last three years.
Reinvent	**Enabling end-to-end execution through vertical integration**	Underway	Delays in the re-platform have impacted this focus area. The priority shifted to ensuring that Curate is integrated with local and offshore platforms for its August market launch. We have also positioned Equilibrium (our DFM) as the provider of centralised investment propositions to our Group channels. We have achieved good integration where we have discretionary investment management mandates.
Reinvent	**New markets through third-party discretionary fund managers (DFMs) and third-party platforms**	Underway	As part of its new channel development, the UK team has defined a centralised investment proposition framework to target small to mid-sized wealth managers' IFA networks. The full operationalisation remains in motion.

Achieved | Underway | Not achieved

OUR REINVENT AND GROW OBJECTIVES

Grow

Rebuild our LISP (platform) market share	Achieved	Our local and offshore platforms now have a combined new business market share of 17.5%, new business market share in the independent adviser segment continues to increase and remains strong at 18.9%. Our relatively smaller tied agency force has a market share of 14.3%.
Focus on guaranteed/ structured solutions supported by the Group balance sheet	Achieved	We have achieved a strong position in the guaranteed annuity market, with IFA new business market share of 34%. We have also worked in close partnership with Momentum Corporate and our balance sheet management team to deliver a strong institutional index guaranteed fund offering.
Specialised distribution	Achieved	The establishment of the specialised distribution force has contributed to record new business sales for Wealth Management and structured products and annuities. The next phase includes specialised distribution support for our asset management and multimanagement capabilities.
Continue to build in-house advice offerings	Achieved	Collaboration is stronger than ever with most of Momentum Investment Management's successes achieved alongside Momentum Corporate. We have effectively merged the Momentum Outcome-based Solutions and Equilibrium investment teams.
Increase South African offshore market share	Achieved	The partnership agreement with Robeco was finalised with new systematic equity portfolios launched and seeded during the third quarter. The partnership with Robeco, together with our UK fund management business, enabled us to effectively respond to the increased offshore allocation following the changes to Regulation 28.
Develop and grow global single-asset capabilities	Achieved	Having consolidated three structures into one, we have successfully restructured our Luxembourg fund company arrangements. In addition, a new systematic equity fund and Real Assets fund were approved by the Luxembourg regulator and launched in April 2024. The new offshore Curate funds have also been approved by the Luxembourg regulator for launch early in F2025. These funds are also in various stages of Section 65 approval for SA distribution once received.
Target institutional client growth in the UK and other international markets	Not achieved	The Defined Benefit (DB) Scheme market in the UK is experiencing big shifts, with schemes now largely fully funded and pursuing insurance buyouts or moving to fully implemented consulting solutions. Our Momentum Investment Solutions and Consulting division also lost a number of large clients to these strategies and were unable to grow our pure asset consulting DB client base as originally planned. As a result, we have started a shift towards implemented consulting solutions, supported by our well-established asset consulting capabilities and reputation with the market that has already garnered visible support.
Target other international markets	Not achieved	The acquisition of Crown Agents Investment Management (CAIM), an institutionally focused fixed income/ reserves management specialist firm, targeting developing market official institutions, added a new institutional segment to our business, as well as a strong existing client base. This will be a key focus in the next three years.

Achieved Underway Not achieved

Outlook and Impact strategy ambitions

The sluggish economic growth in the local South African market is expected to persist in the coming years. This will negatively impact new business growth, and to counter this, we will target asset growth in our international markets, while looking to increase and grow market share in South Africa. Our focus on digital innovation, unlocking cost efficiencies and product simplification aims to offset the impact of tighter margins on earnings.

In anticipating industry consolidation, our focus will be on strengthening vertically integrated propositions with our Momentum in-house channels, and developing tailored solutions for third-party channels to drive sustained growth.

With increasing local and global regulatory complexities, we will ensure we continue to enhance and invest in our robust governance framework risk management capabilities, which will be imperative to support our growth ambitions. Talent acquisition and retention remain critical to our future success, and will be underpinned by our purpose-driven culture and our strong employee value proposition.

Impact strategy

Our goal is to position ourselves among the top three wealth management providers in South Africa while expanding our presence in key local and international markets. We have developed a superior engagement model that combines advanced digital solutions with a deep personal touch, ensuring that our clients' investments are managed using both cutting-edge technology and a human-centred approach. By maintaining this balance, we aim to deliver exceptional service and build lasting trust.

To counter industry consolidation and margin pressure, we will focus on vertical integration, supported by strong digital processes and AI-enabled capabilities to enhance scalability and reduce costs. As part of a broader Momentum Group initiative, we have identified key efficiency targets to optimise our expense base and will be reviewing our operating model accordingly.

Momentum Investments is well-positioned to achieve our targeted growth in both South African and select international markets, driven by our comprehensive range of capabilities, our partnership and retail distribution heritage, as well as our strong Group balance sheet. Our belief in advice-led investing and strong Momentum distribution strength underpin our strategy.

We are committed to digital innovation, but not at the expense of losing our human touch, enhancing both client experience and operational efficiency. Finally, we take our responsibility as a custodian of our clients' assets seriously, and act as a responsible investor by integrating ESG factors and stewardship principles with commercial factors to ensure good outcomes for investors but also the world and communities in which we operate.

METROPOLITAN
Together we can

Protection, savings and annuity products for our clients in emerging and middle-income markets.

Our key differentiators

- **Trusted brand in the emerging and middle-income market**
- **Reputation for exceptional client service**
- **Strong union relationships and worksite network**

Our operating environment

During F2024, the emerging and middle-income markets faced significant financial strain due to high inflation in essential areas such as food and transportation, an economic downturn and elevated unemployment rates. Clients found it increasingly difficult to manage their diminishing discretionary spending, leading to higher industry lapse rates. We also continued with the socialisation of Pay@ to the broader Metropolitan client base with the aim of assisting clients to manage their financial commitments more effectively.

We saw multiple new and scaling competitors across banking, retail, telecommunications and fintech. To address this, we are optimising our core tied agency channel and expanding our alternative channels to better engage clients through various touchpoints, catering to their diverse needs and preferences. Further, political dynamics impacting the public sector prompted us to intensify our efforts to diversify into private sector businesses. This shift helps mitigate risks associated with public sector changes and creates new growth opportunities.

To compensate for the productivity and quality of business challenges experienced in our worksites in a post-Covid-19 world, we are in the process of forming and bedding down our adviser value proposition with appropriate sales management enablement.

Digitalisation remains crucial for addressing fragmented traditional services and meeting growing consumer expectations for seamless digital interactions. As data costs decrease, digitalisation will enhance both customer experience and operational efficiency. Our ongoing initiatives, including the development of a modernised product platform and the introduction of new WhatsApp capabilities, are designed to streamline contact centre tasks, improve response times and enhance service quality.

Our performance

Metropolitan Life's NHE improved by 90% to R595 million. This improvement was largely supported by a significant improvement in the persistency experience on the protection business following the strengthening of the lapse assumptions in June 2023. The persistency experience variance on savings products deteriorated year-on-year and is indicative of consumer pressure. NHE were further aided by improved investment income from surplus assets in the portfolios backing policyholder liabilities and improved market impacts on most of the product portfolios. Additionally, NHE were impacted by lower mortality experience variance which resulted from the weakening of the mortality basis at the end of F2023. The increase in once off expenses, mainly related to system migration and setting up a new product administration system, further impacted earnings.

PVNBP of R6.9 billion declined by 4% compared to F2023. This was largely driven by a decline in new business volumes in the protection and long-term savings business, offset by good growth in the life annuities business. The decline in new business volumes follows the decision to limit the number of tied agents to drive higher quality of business. Despite the smaller agency force, the number of advisers with a tenure of more than 12 months remained stable. As a result, the quality of business written improved, evidenced by the decline in early duration lapses, with efforts to improve agent productivity in future.

VNB declined to a loss of R41 million, mainly due to a decrease in new business volumes, an increase in initial expenses, the adoption of IFRS 17 and impact of the strengthening of assumption changes, particularly on protection business, at the end of F2023. This was partially offset by an improvement in the quality of new business and a change in mix toward more profitable business in the second half of F2024, reflecting the impact of management actions.

KEY METRICS

NHE	**R595 million** (F2023: R313 million*)
PVNBP	**R6 901 million** (F2023: R7 201 million)
VNB	**-R41 million** (F2023: R154 million)
New business margin	**-0.6%** (F2023: 2.1%)

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Our focus areas in F2024

Focus area	Progress
Policy Administration System migration	Our migration project is nearing completion, promising substantial ongoing cost savings and enabling rapid response to market trends. The new cloud-based policy administration system (PAS) implemented in F2024 has facilitated quicker product launches and lower ongoing costs. As Metropolitan Life scales, this platform is expected to improve profit margins. Completing the migration will shift our focus from internal to external, enhancing our client-led approach.
Reducing fraudulent business practices	In F2023, the volatile environment as well as pressure on consumers and certain remuneration practices, created a gap for commission fraud. We have reduced fraudulent business practices. This is evidenced by the reduction in policy lapses before the first premium is paid.
Exceptional client service	We received the Ask Africa Orange Index Award, recognising our commitment to exceptional client service. We continued to build on the impactful marketing campaigns launched in the prior year. These included Uber for Youth and Collective Shapers, and made strategic appointments in distribution and products to strengthen these areas. Our continued emphasis on enhancing the client experience has earned us these accolades and led to strong digital adoption from a service perspective. We anticipate that these improvements will further increase client satisfaction.

Our five-point plan and progress

We continue to deliver on the five-point turnaround plan. We have started seeing an increase in the premium collection rates with early duration lapses improving, highlighting an improvement in the quality of business written.

The focus in the foreseeable future will be predominantly to solve for a 5% new business margin and R600 million normalised headline earnings. This will be achieved by a deliberate focus on the five-point plan. Below is a progress update on the focus areas:

1. **Product commerciality:** We enhanced product commerciality by implementing repricing exercises and restructuring various benefits to improve profitability. This includes reviewing our market access fee structure. We leveraged the product platform migration to re-launch current products to address some of the legacy issues of the current product range.
2. **Workforce management:** We are closely managing the vesting of new-to-industry advisers, productivity, access to sufficient worksites and the retention of experienced advisers and branch managers. We strengthened the adviser value proposition and performance management. We have equipped our branch managers to effectively support our adviser base. Going forward, the focus will be on sales management execution.
3. **Improve business quality:** We enhanced the premium collections through Debicheck, changing commission payment to receipt of first premium for high-risk cases and fraud prevention initiatives undertaken.
4. **Align cost base to revenue:** We targeted loss-making channels and initiatives and our focus on cost optimisation created greater efficiencies with targeted savings being realised in F2024. With the migration concluding in F2025, we expect to realise further efficiencies.
5. **Migration and automation:** We implemented the migration system renewal project and various automation initiatives aimed at improving back-office efficiency and front-end digitalisation.

Performance against our Reinvent and Grow objectives

OUR REINVENT AND GROW OBJECTIVES

	Objective	Status	Commentary
Reinvent	**Reduce acquisition cost per policy**	Not achieved	The acquisition cost per policy reduced by less than the target of 10%, which follows an increase in adviser digitisation costs and platform migration costs.
Reinvent	**Migration and automation**	Underway	We implemented the migration system renewal project as part of our five-point plan and while good progress has been made, there has been a delay in the completion of the migration.
Reinvent	**Talent management and transformation**	Achieved	Through focused recruitment, comprehensive training and development initiatives, our senior and middle management transformation exceeded internal targets. An organisational review is underway to optimise resources, structures and efficiencies, ensuring our talent pool meets evolving customer demands.
Grow	**Double-digit APE growth**	Achieved	We achieved double-digit compound annual growth in APE over the Reinvent and Grow strategic period. However, over the last year, growth was flat following the decision to reduce the number of tied agents in efforts to improve the quality of new business sales. We continue to capitalise on market access and our long-standing partnerships with unions to see growth into the future. We have diversified revenue streams through the expansion of our broker channel and launching the Affinity and Associations channel, offering grouped funeral products. Applicable assets from our GetUp initiative have been incorporated into the core business, following the startup's lack of commercial viability.
Grow	**Policy retention**	Underway	While policy retention (measured by lapses, cancellations and surrenders) has improved over the past year, it remains below our initial targets due to challenges with new business quality. This decline in retention is part of a broader industry trend, particularly in emerging markets where consumer disposable income is decreasing. As a result, Metropolitan has established a retention unit that manages a significant number of policies each month, retaining R100 million in premium income in F2024.
Grow	**Improve brand health**	Achieved	Metropolitan Life's brand achieved notable gains against key competitors, with increases of 4.3% in consideration, 2.2% in purchase intent and 4.7% in impression scores year-on-year. Although spontaneous awareness scores have remained steady at 6% amid a competitive market with significant competitor spending, they have remained consistent throughout the year.

Achieved · Underway · Not achieved

Outlook and Impact strategy ambitions

We anticipate that F2025 will continue to be challenging due to ongoing macroeconomic pressures affecting our clients. This environment will likely become increasingly competitive, leading to a shrinking share of wallet for insurers. Despite these challenges, we remain dedicated to leveraging our deep understanding of our target market's needs and our capacity to meet those needs through our diverse channels and solutions. We remain committed to managing our revenue-to-cost ratio while focusing on strengthening our core distribution and product capabilities and maintaining effective workforce management to enhance business quality.

With the rollout of refreshed products on the modernised product platform, our migration goals aim to create a more digitalised business environment, both in terms of straight-through processing and servicing. We plan to deliver a diversified distribution force and market access capabilities, effectively reaching clients in their contextual settings.

Impact strategy

Through disciplined strategic execution and a near-term focus, we aim to be a high-impact player in the emerging market, setting up competitive market access capabilities and a dynamic product platform. This presents a significant opportunity for value creation as the product suite better meets consumer needs, distributed through a diversified channel disposition. A robust distribution cadence is essential, enabling us to efficiently reach clients and maintain stable profitability. By optimising our existing channels and scaling new ones through a digitalised system transformation, we will enhance our reach and efficiency.

Leveraging relationships and technology, optimising and scaling channels, prioritising cost management, delivering innovative products and maintaining a strong client focus – combined with our high-performance culture and disciplined execution – will ensure our enduring success and industry leadership.

By focusing on optimising our value, providing client-led solutions, enhancing client experiences, unlocking the full potential of our businesses, optimising our cost base, investing in advice and expanding our market through diversified distribution, Metropolitan aims to achieve success by F2027.

momentum corporate

Addressing employee benefits through group risk, annuities, pension savings, consulting, advice and benefit counselling and umbrella fund (FundsAtWork) products and services.

Our key differentiators

- **One of the largest umbrella fund providers and underwriters of death and disability insurance in the corporate market**
- **Superior solutions, service and engagement through gaining a deep understanding of our clients**
- **Risk expertise and robust pricing discipline**
- **Solution flexibility across all of our solutions**
- **Digital solutions and engagement**

Our operating environment

In F2024, low economic growth constrained consumer spending and investment leading to reduced demand for insurance products. Declining employment numbers further strained disposable income and threatened the viability of employer-sponsored benefits. Political uncertainty added to the complexity by undermining investor confidence and complicating strategic planning, despite the short-term euphoria stemming from the GNU.

New legislation, like the two-pot retirement system which went live on 1 September 2024, introduces additional complexities that require strategic adjustments, including compliance, managing the impact of increased withdrawals and adjusting product offerings.

Intense competition and aggressive pricing strategies among market players have made clients price and product-sensitive. We remain dedicated to ongoing product and pricing reviews to ensure we remain competitive and attractive to current and prospective clients. As a result, we have seen strong retention of clients following our rate review process. Competitors are also aggressively targeting clients with diagnostic tools and integrated employee benefits solutions that include health components, driving overall margin compression.

We seek to enhance the adviser and client experience by driving digitalisation and innovation as clients increasingly prefer self-service tools for flexibility and personalised solutions, while still valuing a balance of digital and human interaction. Members, particularly those in the gig economy, need tailored services, underscoring the importance of adaptability and personalised offerings to maintain a competitive edge.

Our primary focus remains to address the difficulties faced by clients within this environment while maintaining growth prospects for the business and enhancing our value proposition to position the business for resilience through this cycle.

Our performance

Momentum Corporate's NHE improved 4% to R1 182 million. This was largely supported by continued positive underwriting income from group protection business, active management of our reinsurance strategy, higher investment income benefiting from the elevated interest rate environment and positive impacts from yield curve changes. The improvement was partially offset by lower credit, illiquidity and mismatch profits earned on the investment book. Expenses increased marginally but remain well controlled.

Momentum Corporate's PVNBP increased by 47% to R15.4 billion, largely supported by solid inflows from single premium structured investment business. New business from recurring premiums declined by 34% largely attributable to the non-repeat of a large recurring premium annuity deal included in the prior year. The group risk environment remains under pressure with intense competition and aggressive pricing strategies resulting in clients being price and product sensitive.

VNB declined to R22 million from R67 million in F2023, primarily as a result of a change in business mix towards lower-margin investment business. This translates to a new business margin of 0.1%.

KEY METRICS

NHE	**R1 182 million** (F2023: R1 137 million*)
PVNBP	**R15 393 million** (F2023: R10 485 million)
VNB	**R22 million** (F2023: R67 million)
New business margin	**0.1%** (F2023: 0.6%)

*Restated – The IFRS 17 – Insurance Contracts (IFRS 17) standard became effective for the Group from 1 July 2023. Accordingly, the prior year's accounting has been restated for the application of IFRS 17 as well as for other restatements. Refer to the **Audited Annual Financial Statements** for more information.*

Our focus areas in F2024

Focus area	Progress
Leverage strategic partnerships for greater market access	Collaboration with Momentum Investments and Momentum Corporate's structured investments and annuities are underway to increase flows into structured products. Further, Momentum Corporate is exploring an employee benefits and health-integrated value proposition with Momentum Health.
Two-pot retirement system readiness	With around 600 000 members across FundsAtWork (FAW) and Momentum Retirement Administration (MRA) having at least R2 000 in their savings component available for withdrawal, translating into a total of R3.3 billion in assets under management at risk, resulting in roughly R13 million NHE at risk. In preparation for implementation, recruitment for two new, dedicated two-pot saving claims teams has been completed. Training and awareness programmes, including e-lessons and technical training, are ongoing, and call centres have been equipped with specialised queues and automated scripts for two-pot queries. Members are able to access balances and request withdrawals via benefit statements, WhatsApp, call centres, smart benefit statements, the Momentum app and member and employer portals.
Driving increased levels of automation and self-service take-up to improve cost efficiency	In F2024 we made several strategic product enhancements driven by adviser feedback and market demand, reflecting our commitment to continuous improvement and responsiveness to client needs. These included improved back-end processes and workflows, the introduction of enhanced funeral benefits and expansion of our investment portfolios with a Shariah-compliant option. We further drove increased automation and self-service through Momentum Grow and Dragonfly.
Reinsurance strategy reviews	Partnering with the wider finance and actuarial environments, as well as reinsurers, has helped us to leverage reinsurance strategies to create additional benefits for umbrella fund members.
Client experience with a focus on digital experience and automation	We focused on our digital transformation journey to automate core processes for increased efficiency. We saw a 34% year-on-year increase in digital engagement. Self-service transactions rose 32% year-on-year. Members, advisers and employers increasingly rely on our digital tools with a 139%, 121% and 114% year-on-year increase in digital self-service tool utilisation. To further enhance the member experience, we integrated a withdrawal claims tracker into our WhatsApp bot and launched the Smart Quote capability for Momentum Grow to assist advisers. This initiative aims to reduce the volume of incoming calls and emails by enabling members to track their claims via WhatsApp and empowering advisers through self-service tools.

Performance against our Reinvent and Grow objectives

OUR REINVENT AND GROW OBJECTIVES

	Objective	Status	Performance
Reinvent	**Drive operational efficiency**	Achieved	Our fit-for-growth journey, aimed at driving operational efficiency is nearing completion, driven by higher-than-expected cost savings, reduced expenditure on key initiatives and notable revenue growth in select areas.
Reinvent	**Enhance client engagement**	Achieved	We tracked well against our F2024 targets, with total digital engagements reaching 2.2 million – exceeding our target of 1.8 million.
Reinvent	**Cultivate an entrepreneurial culture in a transformed business**	Achieved	Our recent focus on culture and leadership interventions has yielded positive shifts in both our culture and employee net promoter scores. In F2024, we maintained our deliberate approach to diversity, equity and inclusion, ensuring meaningful opportunities to build an inclusive work environment where everyone feels they belong. Our employee experience initiatives, including a virtual gallery that immerses employees into their unique life cycle and employee value proposition offerings, have further strengthened our cultural fabric.
Grow	**Refresh our core solutions through digitalisation**	Achieved	We have successfully launched our digital product shop, a platform that connects clients with financial solutions by combining traditional employee benefits with customisable and voluntary options. The launch has been a success. Our Dragonfly product shop attracted over 273 407 member visits, achieving a 90% increase in sales in F2024 from a widened member engagement base. This marked a pivotal milestone in our digital retail acquisition strategy. Work is underway to further assist self-directed sales with the introduction of chatbots and automated responses in more targeted parts of the client journey. Momentum Grow, our end-to-end digital product focused on enhancement of our existing FAW offering to introduce comprehensive self-service capabilities, end-to-end automation and a modular approach for adaptable solutions and channels, was officially launched to advisers, employers and members in November 2023.
Grow	**Partner effectively to drive sales**	Achieved	The structured investments and annuities deal team remains steadfast in its commitment to engaging both existing and potential partners, with the strategic aim of integrating our solutions seamlessly into their value chains. Most notable are the steady AF Navigator flows in the retail space and monthly flows steadily increasing. These developments underscore our ability to generate impactful outcomes through strategic alliances.
Grow	**Position the Momentum Corporate brand for success**	Achieved	Our FAW and Group insurance marketing positioning strategy emphasises our unique strengths, customisable solutions and pricing. They highlight our innovative solutions that cater to different market segments while positioning the brand as a thought leader, and enhances member engagement to entrench our value proposition to clients, members and stakeholders. We achieved 16% spontaneous awareness, exceeding our target of 15%. In F2024, we focused on enhancing member engagement and awareness of the two-pot retirement system to further position the brand as a thought leader in the industry.

Achieved | Underway | Not achieved

Outlook and Impact strategy ambitions

We are cautiously optimistic about F2025, as we are beginning to see encouraging signs of progress and early positive developments. The efforts and strategic initiatives implemented in F2024 have laid a solid groundwork for the future success of our business. Our focus now shifts to leveraging the pipeline of new potential business opportunities we have developed. We are committed to diligently converting these opportunities into tangible results throughout F2025.

As we navigate an increasingly competitive landscape, we will remain dedicated to maintaining our competitive edge and attractiveness to both existing and potential clients. Our strategies will include enhancing our service offerings, optimising our value propositions and staying responsive to market dynamics. However, it is important to recognise that we are not operating in a time of economic abundance. We anticipate continuing pricing pressures that could impact our margins. As we move towards a more sustainable earnings outcome, our focus will be on managing these pressures effectively. We expect earnings to continue to be under strain as we adjust to a more balanced performance level.

To ensure long-term success and stability, we will adopt a resilient approach to managing our business. This will involve optimising operational efficiencies, carefully navigating market challenges and preparing for fluctuations in the economic cycle. Our goal is to position ourselves to not only withstand these pressures, but also to thrive by continuously adapting and evolving our strategies in response to changing market conditions.

Impact strategy

Our long-term vision is to lead the employee benefits market in South Africa with digital innovation and inclusivity, ensuring comprehensive and affordable benefits for all employed individuals.

To evolve into a digitally-led, human-first business and achieve sustainable market growth, we will invest in advanced technologies, prioritise human-centric design, develop a seamless omnichannel strategy, forge strategic partnerships, create client-focused products and implement preventative risk management. Data analytics will drive decision-making and predictive insights, enhancing client experiences through personalisation and proactive engagement. Operational excellence will be achieved through LEAN methodologies, and we aim to position Group Insurance and FAW as the preferred brands for funds, employers, employees, advisers and intermediaries.

HEALTH

Healthcare solutions to individuals, corporates and the public sector within a range of solutions and products, including Momentum Multiply, an incentivised wellness product.

Our key differentiators

Fully integrated value proposition offering healthcare administration, managed care and wellness services

Use of scale to reduce the cost of improving members' health through optimal design supported by incentives

Market-leading low-income products providing cover to the employed but uninsured in South Africa

Use of technology including digitised solutions to enhance member experience, utilise better insights in health risk management and improve broker efficiencies

Our operating environment

The healthcare industry is under pressure due to low economic growth, leading to historically low growth rates in the traditional medical scheme market. Lower employment numbers have further hampered growth in our traditional medical scheme business. Despite this, our overall client base grew in an otherwise flat market.

We have observed a shift in the market where more clients are choosing affordable options or exiting the market altogether. The entry of non-traditional players into the health insurance market has intensified competition. This creates opportunities to collaborate with government towards universal healthcare access. We believe that sustainable, affordable solutions will ultimately prevail, despite some competitors undercutting prices to capture market share in the short term. Additionally, there has been an increase in collaborations between employee benefits companies and the health sector to stimulate growth in the employed but uninsured segment. Engaging with labour unions to identify suitable solutions for their members is also crucial. To that end, Momentum Health is labour-aligned and has built deep relationships with unions in both the public and private sectors.

Regulatory uncertainty has curtailed growth in low-cost benefit options and other product innovations. One such innovation is the novel option that fuses health insurance solutions with low-cost scheme benefits to stretch affordable cover for more people for less. Registration has been delayed but we have appealed the non-registration with the Council for Medical Schemes (CMS). On 28 March 2024, CMS announced a one-year extension for the Exemption Renewal Framework for insurers conducting the business of a medical scheme. The new period will run from 1 April 2024 to 31 March 2025, enabling Health4Me to continue as is for another year. The short window period creates uncertainty for the sustainability of health insurance products, but Momentum Health remains best placed to provide viable alternatives in the low-cost market through our various scheme solutions.

National Health Insurance

While we support the goal of expanding healthcare access for more South Africans, we believe that the current implementation of the NHI Act is not sustainable. Healthcare is a fundamental right for all, and to create and implement a national health system that truly achieves this goal, we must be aware of existing constraints and proceed in an informed and sustainable manner. We anticipate that the challenges already documented by various stakeholders will become more prominent, particularly concerning the constitutionality of the bill. Additionally, it is crucial to recognise that the South African economy currently lacks the necessary funds to support the full implementation of the NHI.

We are confident that the current private and public systems should collaborate to better utilise the experience and infrastructure of the private industry to augment the public offering and ensure we don't lose critical experienced resources and capabilities from our health economy.

Our performance

Momentum Metropolitan Health's NHE of R255 million improved by 4% compared to the prior year. NHE, before the deduction of the health business share of non-controlling interest, declined by 7%. This was largely driven by the change in the business mix with significant growth being experienced in lower-margin products. The higher-margin traditional scheme experienced lower volumes, which resulted in lower fee income. The business has been slow in reducing the expense base to adjust to the change in business mix. Going forward, a key focus will be to achieve cost efficiencies while investing in strategic growth and transformation initiatives.

Despite an otherwise flat market, overall membership growth of 2% was achieved. The increase in membership was largely aided by the continued growth in the public sector (5%) and Health4Me (14%).

KEY METRICS

NHE	**R255 million** (F2023: R245 million*)
Membership growth year-on-year	**2%** (F2023: 4%)
Growth in Health4Me membership	**14%** (F2023: 14%)
Public sector membership growth	**5%** (F2023: 4%)
Growth in restricted schemes membership	**-29%*** (F2023: -2%)
Growth in open scheme membership	**-2%** (F2023: -1%)

This large decline follows the loss of a large corporate client.

Membership in the Momentum Medical scheme (-2%) and labour (-6%) market segment declined marginally, indicative of economic pressures faced by retail clients. In the corporate market, membership declined by 29% and included the exit of a large corporate client and declining employment numbers within the corporate client base.

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Our focus areas in F2024

Focus area	Progress
Introduction of demarcation products	The distinction between medical schemes and non-life insurance has evolved. Medical schemes, operating on a not-for-profit basis, offer mandatory minimum benefits, open enrolment and community rating, with participants qualifying for tax credits. Despite this, about six million employed South Africans remain uninsured due to the high costs associated with medical schemes. To bridge this gap, demarcation products have been introduced, providing affordable health coverage options for low-income individuals. These products aim to improve health coverage inclusivity and address the longstanding coverage gap.
Retaining the Government Employees Medical Scheme (GEMS) partnerships	The Public Sector team was successful in extending the contract. Negotiations are underway to establish a longer-term partnership.
Incentivised Wellness entrenchment	Incentivised Wellness evolves our value proposition to entrench Momentum Health as a partner to assist in improving members' health. Multiply has been fully incorporated into the Health business and launched the exclusively health-aligned value proposition. By March 2024, more than 95% of existing Multiply Premier contracts were successfully migrated to Incentivised Wellness.

Performance against our Reinvent and Grow objectives

OUR REINVENT AND GROW OBJECTIVES

	Objective	Status	Performance
Reinvent	**Integrated wellness solutions to improve health outcomes**	Underway	Good progress was made in enhancing the data architecture to support integrated wellness solutions. We have successfully executed with a few clients, and are now waiting to collect sufficient data to confirm desired outcomes.
Reinvent	**Simplify and use scale to reduce the expense base to deliver quality healthcare at low cost**	Underway	Current fragmentation is putting a strain on growing profitability. The scheme amalgamation project has been prioritised. We are striving to reduce our expense base while balancing the need to invest in strategic growth and transformation initiatives, all while maintaining operational excellence.
Reinvent	**Virtual care — making care more accessible and affordable**	Achieved	Hello Dr's success is evident in the Health4Me design, with virtual doctor care making healthcare more accessible and the pricing thereof more sustainable.
Reinvent	**Digital consumer engagement solutions**	Underway	A migration is underway to consolidate the entire Health business into a single system of record and will have a significant impact on the architecture of our digital solutions.
Reinvent	**Incentivising wellness**	Achieved	We successfully transitioned more than 95% of Multiply Premier members to the new proposition.
Reinvent	**People – enabling culture/transformed/fit-for-purpose remuneration/hybrid model**	Achieved	Ongoing improvements in organisational human factor benchmark and transformation targets despite limited opportunities for new hires in senior management levels.

Achieved | Underway | Not achieved

OUR REINVENT AND GROW OBJECTIVES

Grow

Diversify into new markets	Underway	Earnings improved in markets where we have a Health presence.
Growth from new and existing channels	Underway	Growth has been difficult to achieve in a stagnant economy. Optimising our relationship with and support of MDS and MFP channels for Health is one of the critical strategic objectives of our Impact strategy. In addition, initial collaboration efforts with Momentum Corporate are showing positive signs.
Covering more of the employed but uninsured in South Africa	Achieved	The 14% growth for Health4Me achieved in F2024 outperformed peers. We continue to explore further opportunities for growth in the employed and uninsured market.
Invest in delivery and digital care	Underway	NHI uncertainty made capital raising in the healthcare sector difficult. While new funding has been raised to kickstart expansion, the project must accelerate.
Momentum Health Scheme to continue outperforming growth in its mature market	Underway	We saw a marginal reduction in members but this was in a market with flat growth. Going forward we will focus on winning market share for Momentum Medical Scheme.

Achieved | Underway | Not achieved

Outlook and Impact strategy ambitions

Momentum Health aims to expand health coverage to a larger number of people at reduced costs, supporting and safeguarding our clients' financial aspirations. While we are confident that our growth plans will begin to show results and positively impact the product mix in F2025, we anticipate that efforts to reduce operational expenses will only yield significant outcomes from F2026 onwards.

Impact strategy

Our long-term ambition is to expand our streamlined Momentum-branded value proposition in targeted markets, both locally and internationally, by leveraging existing capabilities and forming Public-Private Partnerships (PPPs) with government entities at scale. This will be achieved through our Impact strategy, which focuses on significant growth and impact by building strategic partnerships and delivering value through cost-effective, streamlined health solutions.

We remain committed to delivering better health outcomes at lower costs by focusing on sustainable and affordable solutions. Our strategy focuses on building strong relationships with employers, channels and labour, which are vital to our success. We prioritise digitising all aspects of our business to improve efficiency and client satisfaction. By leveraging our collaborative approach and advanced digital capabilities, we are well-positioned to execute our plans effectively and achieve client delight. This comprehensive approach ensures that we drive both growth and meaningful results in the healthcare sector.

GUARDRISK
TAILORED RISK SOLUTIONS

Offering cell captive insurance and risk solutions to corporate and commercial entities.

Our key differentiators

- A proven track record since 1993
- Received SA's first cell captive microinsurance licence tin 2021
- Specialist Corporate and Commercial underwriting solutions and products
- A highly skilled team driven by a passion for innovation
- Unlocking the ecosystem for Insurtech initiatives
- Enabling capital efficiencies and related financial benefits for clients

Overview

In F2024, Guardrisk's resilience and sustainability proved its mettle once more, delivering sound results in often challenging conditions.

Geopolitical and socio-political risks, including political instability, corruption, risk of riots and looting, continue to contribute to a demanding local landscape, while geopolitical factors influence how reinsurers view South Africa.

The premium increases and reduction in capacity seen in the reinsurance segments over the last couple of years have stabilised. Like insurers, reinsurers are increasingly concerned about the effects of climate change, particularly how extreme weather events may influence pricing, risk selection and the geographical distribution of risk. As a result, there has been a shift towards more precise policy wording between insurers and their clients, as well as between insurers and reinsurers. In South Africa, the situation is further aggravated by the deterioration of ageing and poorly maintained infrastructure, which amplifies the damage caused by extreme weather.

Cyber risk remains a key concern for insurers, serving as a double-edged sword by introducing new risks while creating opportunities.

As local talent gains appeal beyond our borders, retaining critical skills is becoming increasingly difficult and talent attraction is more costly.

While regulatory compliance continues to be a costly aspect of the insurance business, the past few years have brought increased certainty in this area.

During the year, Guardrisk underwent changes in its senior management structure following the retirement of its longtime CEO, Herman Schoeman, who had led the company for over two decades. The business transitioned smoothly to a stable and experienced management team, with Lourens Botha, previously Guardrisk's CFO since 2008, stepping into the role of CEO. Andre Jansen van Vuuren, Guardrisk's Chief Actuary since 2014, was promoted to CFO, while Amogelang Kgaladi joined Guardrisk as the new Chief Actuary. The core revenue-generating business units continue to be managed by experienced and stable leadership.

Our performance

Guardrisk's NHE improved by 33% to R653 million, largely supported by strong underwriting profit growth in Guardrisk General Insurance (GGI), which benefited from an improved claims ratio, and solid growth in management fee income across the volume and underwriting agency, mining rehab and Guardrisk Life businesses. The improvement was partially offset by an above inflation increase in expenses, largely driven by increased personnel costs incurred to develop capacity for reporting requirements and future growth.

Operating profit was further boosted by increased investment income on policyholder funds following a refinement of the investment strategy coupled with a higher interest rate environment.

KEY METRICS

NHE	**R653 million** (F2023: R491 million*)
GGI Gross written premium	**R4 949 million** (F2023: R4 188 million)

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Our focus areas in F2024

Focus area	Progress
Bolt-on transactions	Guardrisk's acquisition of its former third-party cell captive client, Zestlife, in May 2024 opens the door to notable new opportunities for Guardrisk and strengthens its position in Life and Non-life health insurance. Zestlife is however a strong and respected brand in its own right and will continue to operate as such.
Revenue diversification	Diversification is the cornerstone of our approach to managing volatility. Our diverse revenue streams and the wide range of industries our clients operate in, such as retail, telecommunications, manufacturing and financial services, ensure that volatility has a minimal impact on our business. Enhancing our cell captive offering extends across our three licences (life, non-life and microinsurance) and will include incorporating services that were traditionally performed by clients, such as policy administration and underwriting systems. These services are sought after by new entrants and will strengthen our value proposition to new clients. Focus continues on GGI, establishing a solid corporate and commercial business with relevant scale.
Modernisation and digitisation	We are placing significant emphasis on modernising and digitising our business by leveraging fintech and Insurtech solutions to transition from manual to automated processes. This technological advancement will enable us to offer clients solutions beyond traditional cell captive offerings.
IFRS 17 implementation	The business placed significant emphasis on IFRS 17, dedicating substantial financial and human capital to strengthen the necessary skills for its implementation.

Performance against our Reinvent and Grow objectives

OUR REINVENT AND GROW OBJECTIVES
Sustainable profitability through scale and value beyond traditional insurance

Reinvent

Objective	Status	Performance
Digital transformation	Achieved	Good progress has been made in digitally transforming and modernising Guardrisk's internal systems to ensure the business keeps up to date with the latest technology to maintain excellent customer service and offer clients access to world-class insurance administration digital platforms.
Diversify revenue streams	Achieved	An example of this ongoing diversification is the creation of our specialist insurance division, GGI, which underwrites a broad spectrum of corporate and commercial risks.
Value proposition beyond cell captives	Achieved	Offering enhanced reinsurance solutions will play a role in extending our value proposition beyond cell captives.
Capital efficiencies (ROE)	Achieved	Guardrisk relentlessly focuses on finding the most cost-efficient and effective ways of doing business. We achieved an ROE of 22% during F2024.
Sustainability	Achieved	We provide mining rehabilitation guarantees to mitigate adverse environmental impacts of mining activities during the life of and at closure of mines. Agnovate provides innovative agri-tech soil moisture insurance for South African grain farmers. A key focus within our microinsurance business is providing solutions that will increase the penetration of low-cost, simplified, easy-to-sell products into the market. We prioritise using local contractors to handle municipal property reinstatements, thereby empowering communities, enhancing B-BBEE procurement, reducing fraud, and keeping costs within market parameters.

Achieved | Underway | Not achieved

OUR REINVENT AND GROW OBJECTIVES

Sustainable profitability through scale and value beyond traditional insurance

Grow

Increase underwriting revenue	Achieved	Underwriting revenue now comprises 31% of total revenue.
Guardrisk General Insurance (GGI) broker enablement	Achieved	To support broker enablement, Guardrisk has created a portal, which makes the transition easier for brokers to generate reports, load policies and better service their clients. We are moving our underwriting system onto a cloud-based system. Once completed, this will enable us to improve our service levels to brokers and interact seamlessly with them.
Drive client retention and new client growth	Achieved	Advanced analytics are used to enhance value beyond cell captive, with structures put in place to mine available client data to strengthen our offering to existing clients using their own data.
Bolt-on transactions	Achieved	Bolt-on transactions play a crucial role in bringing the right skills and resources into our business. Our acquisitions are focused not only on growing earnings but also on securing the essential expertise needed to drive our strategic direction forward.
Expand international partnerships to support adjacent strategies	Underway	We see valuable collaboration opportunities with start-ups and tech players, and are continuing our investment in the Insurtech platform, Root Insurance, while exploring other partnerships.
Microinsurance (embedded insurance and ownership)	Achieved	Embedded insurance offers corporates a valuable opportunity to enhance revenue streams, aligning well with our cell captive model. This model allows clients to customise and sell insurance directly to their clients. By leveraging existing customer data, businesses across various sectors can quickly develop innovative and tailored insurance solutions that meet specific needs, boosting both their bottom line and brand.
Insurtech	Achieved	Our ongoing partnership with Root Insurance enables us to offer insurance-as-a-service. Through Root Insurance's platform, which integrates all necessary regulated services via a developer-friendly application programming interface, clients can rapidly develop and launch compliant insurance products in weeks instead of months. Through our LAUNCHPAD initiative, we are also looking to invest in Insurtech ventures beyond the Root Insurance platform. We recently initiated a joint proof of concept with a global technology group to develop a smart insurance platform gateway solution.

● Achieved ● Underway ● Not achieved

Outlook

Since the May 2024 elections, there has been a noticeable increase in positive sentiment in the business sector, with clients optimistic about the outlook.

Our strategy for F2025 centres on two key focus areas. First, we aim to enhance our cell captive client offering to attract new market entrants. Second, we will continue developing the specialised insurance business we've established with GGI. This approach will allow us to leverage our robust cell captive foundation and create a transformative impact in the specialised insurance sector. Guardrisk relentlessly focuses on finding the most cost-efficient and effective ways of doing business. This is a crucial strategy for any future-focused insurance company and involves harnessing the power of automation while minimising costs. We have significantly optimised the capital structure for cell captive clients, which is why the cell captive model remains a highly efficient vehicle for incubating insurance businesses. We will continue to explore alternative solutions, including innovative capital options, to further enhance our traditional cell captive model.

Impact strategy

Guardrisk's long-term winning aspiration is to remain the leading cell captive and alternative risk transfer (ART) provider while establishing a well-recognised corporate and commercial general insurance business that sets the standard as the best in the market. To achieve this, the Group's Impact strategy aims to position Guardrisk as a strategic partner, creating value beyond traditional cell captive insurance. This includes driving strong growth in establishing a general insurance business focused on corporate and commercial insurance.

Guardrisk is poised to enhance its cell captive value proposition through a series of strategic initiatives. We are focusing on bolt-on transactions and exploring further international expansion to broaden our market presence. By offering an end-to-end solution with vertical integration, we aim to streamline operations and improve efficiency. Our approach includes selective risk participation and innovative risk-taking strategies, supported by alternative capital solutions and strategic reinsurance partnerships.

We are committed to extending our product offerings and integrating embedded insurance to meet evolving client needs. Additionally, our intentional focus on data and digitalisation will fuel future growth and innovation. With these strategies, Guardrisk is well-positioned to thrive in the competitive insurance landscape momentum Insure

Retail non-life insurance for middle, upper and high-net-worth market segments and small to medium businesses.

Our key differentiators

- **A diversified and market-segment-specific set of product, distribution and service capabilities**
- **Momentum Insure boasts a strong, advice-driven tied agency force**
- **Our safety value proposition**
- **Service excellence, with digital and/or dedicated (personal) channels**

Our operating environment

The South African short-term insurance industry continues to experience challenging trading conditions mainly due to increased severe weather-related events, claims inflation and a hardening reinsurance market. Factors such as low economic and industry growth, financial pressures on consumers, inflation, exchange rate and supply chain challenges (resulting in claims cost pressure) as well as infrastructure deterioration are all challenges which are prevalent in the industry.

Low economic growth, which has dampened market expansion in the non-life industry due to reduced new car sales and a depressed property market, has inevitably impacted new business volumes. Our efforts to return to sustainable profitability, including necessary underwriting actions, make it challenging to isolate the specific effects of low economic growth on these volumes. Additionally, elevated interest rates and inflation have pressured customer disposable income, further affecting new business volumes, as well as lapse and retention rates. Despite these pressures, both lapse and retention rates remained within management's appetite and expectations, given the underwriting measures we have implemented.

The non-life insurance market remains sluggish, with few new entrants and muted growth prospects as new business volumes and active policies decline year-on-year. Increasing competition from non-traditional players and heightened industry convergence are leading to more acquisitions and partnerships. Traditional insurers are seeking competitive advantages through collaborations with fintechs and Insurtechs. Consolidation is widespread as companies pursue better yields and greater efficiency.

Climate change has already affected weather patterns and is expected to keep doing so. Over the past 12 months, we observed an increase in severe weather events, with the largest weather accumulations contributing just over 3.5% to the annual claims ratio, though none exceeded the catastrophe reinsurance threshold. Additionally, outdated and failing infrastructure has exacerbated the situation, making the impacts of weather events more significant and intensifying discussions on climate change. Significant effort have been made to ensure that premium rates, both for new and existing clients, reflect the current and expected claims cost and inflationary environment, as well as to account for higher reinsurance costs. This was achieved through the renewal of price adjustments and new business rates.

Our performance

Momentum Insure's NHE improved significantly from a loss of R309 million to a profit of R192 million. This earnings turnaround was largely supported by a 5.2% increase in gross written premiums following higher renewal increases during the year, a 9.6% improvement in the claims ratio, higher investment income and the recognition of a deferred tax asset that was derecognised in the prior year.

Operating conditions during the period remained challenging, with new business growth prospects dampened by muted economic growth. Persistency experience deteriorated marginally as a result of these corrective action taken but remained within appetite and industry norm. Management expenses remain well controlled with the overall expense ratio improving marginally from the prior year.

Investment income increased significantly on the back of a higher asset base following capital injections made in the prior year and higher interest rates. The business required no capital injections during the year and remained well-capitalised.

KEY METRICS

NHE	R192 million (F2023: -R309 million*)
Claims ratio	67.1% (F2023: 76.7%)
Gross written premiums (GWP)	R3.2 billion (F2023: R3.1 billion)
Cost ratio	36.1% (F2023: 36.8%)
Underwriting margin	-R101 million (F2023: -R395 million)

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Our focus areas in F2024

Focus area	Progress
Corrective actions to improve underwriting performance	The claims ratio improved from 76.7% in F2023 to 67.1% in F2024, which is indicative of the satisfactory progress we have made through the corrective actions taken to improve our underwriting performance. These actions were mainly focused on: • Adjusting new business rates to appropriate levels. • Vehicle accident, building and contents models were rebuilt and implemented. • Addressing the inflationary impact on the existing book by implementing a new renewal methodology. We managed to outrun producer price index (PPI) for the entire financial period. • Correcting uneconomical premium rate cohorts through cancellations. We cancelled approximately 2 000 policies during the financial year. • Implementing tracking device requirements on vehicles with a high risk of theft, affecting more than 4 000 policies. • Updating policy wording as part of the renewal cycle to remove the 12-month premium guarantee provision (effectively implemented by Nov 2023). Despite significant improvements in F2024, the results have not yet reached our long-term aspiration level. In addition to the underwriting corrective actions implemented, we had two additional initiatives specifically contributing to the claims ratio: • The implementation of a claims service provider allocation model. • Fraud model enhancements were made to ensure more accurate and effective identification of possible fraudulent/contractual breach claims to be investigated.
Cost-efficiency initiatives	Various cost-efficiency initiatives have been identified and are being tracked by management. The objective remains to improve the cost ratio over the medium term to a more optimal level. The following are worth noting: • In F2024, we fully decommissioned the previous Alexander Forbes Insurance business system. This follows the policy migration completion in F2023. • Operational productivity and efficiency gained further momentum in the call centre environment as employees who previously worked on the decommissioned business system gained familiarity with the Momentum Insure system. • Automation initiatives in the sales and servicing departments (related to optical character recognition, auto-populate functionality and service optimisation) received focus. • Automation in the claims department continued, with additional straight-through processing of claims introduced on the Momentum app and website. This further strengthened our digital claims capabilities, positioning us among the best in the industry. • Several expense items were identified in the business, which required investigation, tighter monitoring and embedding of cost management principles, all of which resulted in cost savings for the business.
Stabilising new business growth	The Direct Sales channel proved to be the most robust over the past year, becoming our second-largest personal-lines channel. We aim to scale this channel further, focusing only on personal lines. We aim to invest in additional skills, capabilities and technology to drive the efficiency and effectiveness of our lead sourcing. We intend to reposition our tied (BDC) channel to become a leading advice-led, face-to-face specialist short-term tied agency channel in the industry. The focus will be on high-net-worth individuals and small commercial businesses, working closely in collaboration with the Momentum Advice channel. We aim to optimise all our distribution channels to become complementary by delivering focused execution in our chosen market segments and products. Investing into digitisation to reduce our acquisition and servicing costs, particularly in the IFA segment, will be a future focus for management. There will be continued focus on growing our commercial-lines market presence by selling our enhanced commercial product to small commercial business primarily through our tied agency force and our intermediated channels in the future.
Improving client experience outcomes	Client experience outcomes showed a steady improvement, with the progress in the claims department the most notable, despite high claim volumes in certain periods, due to severe weather events. As a result of corrective action taken to address price adequacy in our existing book, telephone and email service levels were under pressure in our services area. Process and system enhancements were implemented and additional capacity was added, which had a positive impact on results.
Talent management and transformation	We partnered with recruitment agencies to attract talent for hard-to-fill roles and focused on sharing our EVP offerings and wellness initiatives to improve retention, with only a few critical roles remaining unfilled. Over 90% of new hires were ACI candidates, with nearly 70% of them being African. Additional transformation efforts included supporting Jozi Mobility with a grant for a 12-month youth development programme, leading to employment at Glasfit centres and aiding a motor body repairer with a grant for the skills development of two women employees, one of whom attained a formal industry qualification as a spray painter.

Performance against our Reinvent and Grow objectives

OUR REINVENT AND GROW OBJECTIVES

	Objective	Status	Performance
Reinvent	Deliver integrated business by F2023	Achieved	Completed in F2023.
Reinvent	Own safety as distinctive customer value proposition	Underway	Momentum Insure completed the transition from Multiply Premier to our Safety Returns programme at mid-year. In Q3, we launched the Maxidor benefit, where clients get a 30% discount, and in Q4, we introduced accident detection functionality on the Momentum mobile app. Accident Alert uses a client's phone's sensors to detect potential car accidents and automatically dispatches emergency responders to their location. Utilisation of our safety value proposition increased by over 20% compared to the previous year.
Reinvent	Become a market-led business, with leading product and service solutions for targeted segments	Underway	Given other priorities and the focus to return the business to profitability, the update to our product aimed at high-net-worth clients (Envoy), has been put on hold and may be approached differently in future. Good progress has been made with the development of the first phase of an improved IFA value proposition.
Reinvent	Evolutionary digital transformation	Achieved	Several digital transformation initiatives were delivered, focusing on unlocking post-integration synergies and enhancing operational efficiencies through further digitalisation of sales, service and claims processes.
Grow	Unlock the Momentum Insure new business growth potential	Not achieved	Focusing on profitability, the underwriting actions negatively impacted new business growth, resulting in significantly lower new business volumes compared to the previous year.
Grow	Grow GWP to between R3.1 billion and R3.4 billion by F2024	Achieved	Despite subdued new business volumes, our renewal strategy and controlled lapse experience supported good premium growth.
Grow	Increase earnings to R230 million	Underway	Returning to sustainable profitability is well underway, with an after-tax profit of R192 million for the year, marking a R501 million turnaround from the prior year's R309 million loss.

Achieved | Underway | Not achieved

Outlook and our Impact strategy ambitions

Building on the positive results of F2024, our focus for F2025 will be on ensuring the long-term sustainable profitability of the business by further improving the claims ratio while our focus on management expense levels and efficiencies will continue. Internally, our medium-term focus will continue to be on prioritising profitability before we explicitly target significant growth.

It is also appreciated that continued underwriting efforts to further improve the claims ratio may still affect new business levels, however, since the majority of these are in the past, new business should improve during the coming year, and mirror market growth at least.

Our focus on advancing digital capabilities remains to increase efficiencies, improve client experience and reduce costs to serve in the intermediated channels. We also plan to further enhance client experience by expanding our safety value proposition.

Enso predictions indicate a La Nina environment from Q2 F2025 onwards which is expected to correlate with heavier-than-usual weather events and may lead to higher claims ratios during Q2 and even Q3.

As part of our efforts to build a sustainably profitable business, we are actively refining our market segment, product offerings and distribution channel mix. We do however, expect new business growth in F2025 to improve from the F2024 levels and have a positive outlook about the non-life insurance market. Modest but stable growth is expected in the future. However, the low economic growth will inevitably impact industry growth prospects.

Impact strategy

Our goal is to become a leading insurer in South Africa, dedicated to helping our clients feel safe by protecting what matters most to them, extending beyond traditional insurance coverage.

We are on track with a significant turnaround in core profitability. Key strategic initiatives in F2025 will include further investing in our pricing and underwriting capability, reducing broker channel costs, increasing investment in our direct sales channel and commencing with repositioning the BDC channel to target high-net-worth and commercial segments.

Our emphasis on digitalisation will continue to focus on driving cost efficiencies and ensuring long-term competitiveness. Our unique safety proposition will focus on enhancing client attraction and differentiate the business in the market. Strategic alignment of our market segments, distribution channels and propositions fosters profitable growth and better collaboration within the Momentum Group. Ongoing investment in data analytics will continue to strengthen our pricing and underwriting capabilities.

AFRICA

Providing life and non-life insurance, healthcare, asset management and pension administration across other African countries.

Our key differentiators

- **Future-fit healthcare systems and products**
- **A deep understanding of markets and strong relationships in the markets where we operate**
- **Improved focus on profitable businesses that have potential for long-term growth**
- **Diversified product offering**

Our operating environment

Africa's economic growth is outpacing global averages, fuelled by sectors like mining, infrastructure, agriculture, oil and gas, financial services and tourism. Despite this progress, poverty and unemployment remain high and a large informal sector persists. While much of the continent's population is still rural, urbanisation is steadily increasing. The continent's young population amplifies the demand for simple, accessible and affordable solutions.

We boast a strong brand presence and market knowledge, positioning us well to win market share. Competitive pressures have increased significantly across our markets, driven by market consolidation and increased competition from smaller players. Mozambique recently lost market share following aggressive repricing. We, however, maintain a strong competitive market position in Lesotho, Botswana and Namibia.

Growing our distribution to achieve scale is key to our success.

Digital transformation plays a critical role in our growth, as we leverage technology to innovate and enhance our offerings. The increasing mobile penetration across the region provides a vast opportunity for reaching a broader customer base.

Additionally, the emergence of non-traditional players such as banks, fintech and mobile network operators (MNOs) is reshaping the competitive landscape, prompting us to adopt more advanced digital solutions to stay ahead.

Systems optimisation remains a key focus to drive operational and cost efficiencies. By refining our systems and processes, we aim to reduce costs, increase productivity and improve customer experiences. This approach ensures we are well-positioned to capitalise on market opportunities and achieve sustainable growth.

Our performance

NHE improved to R376 million compared to R254 million in F2023. This was largely aided by investment income, which benefited from margin releases during the IFRS 17 transition, an elevated asset base and favourable bond returns. NHE was further boosted by the reversal of prior year fair value losses incurred on the Ghanaian Debt Exchange Programme. This was partially offset by higher new business strain and negative expense assumption changes in Namibia and Lesotho, coupled with unfavourable persistency experience variances. Mortality and morbidity experience remain in line with expectations for most countries, except Botswana, where mortality claims remain slightly elevated.

Central cost on-charges are restricted, due to in-country tax codes and legislations along with the head office nature of some of the expenses. As a result, the Group reduced its central cost allocations to certain countries in the Africa portfolio. This contributed to the 39% increase in centre costs. In addition, the increase in centre costs was also impacted by contract roles required to execute system migration projects.

Africa's PVNBP declined by 3% to R2.8 billion compared to the prior year. This was largely due to lower corporate protection new business volumes in Botswana and Lesotho, partly offset by improved retail new business volumes in Namibia.

The VNB worsened to a R50 million loss, mainly attributable to a decline in new business volumes in Botswana and Lesotho, notably on the more profitable corporate business coupled with an increase in expenses resulting from the delay in the implementation of policy administration systems. This was partially offset by the improvement in Namibia's VNB, aided by improved protection volumes and the change to a risk-neutral discount rate. The new business margin was-1.8% for the year.

KEY METRICS

NHE	**R376 million** (F2023: R254 million*)
PVNBP	**R2 840 million** (F2023: R2 930 million)
VNB	**-R50 million** (F2023: -R18 million)
New business margin	**-1.8%** (F2023: -0.6%)

Restated – The IFRS 17 – Insurance Contracts (IFRS 17) standard became effective for the Group from 1 July 2023. Accordingly, the prior year's accounting has been restated for the application of IFRS 17 as well as for other restatements. Refer to the ***Audited Annual Financial Statements*** *for more information.*

Our focus areas in F2024

Focus area	Progress
PAS system implementations	Our focus remained on ensuring the delivery of corporate and retail platform migrations given their downstream impacts on enhancing client and broker engagement. Progress was made on the retail platform migration with the retail PAS going live in Lesotho in August 2024 and improvements in the turnaround time on issuing of new policies being immediately visible. Delays have however resulted in the final implementation being moved to February 2025. The current corporate platform migration was, however, halted as the segment reviews the strategic direction of the initiative.
VNB	Significant focus was given to improving the VNB across our regions, particularly in Namibia. Although not yet on target, we are beginning to see Namibia's VNB move in line with the country's three-year VNB strategy. This improvement is supported by the work done to improve our remuneration model and enhance our distribution channels. VNB, however, remains a challenge for the business, mainly due to lower-than-planned volumes and elevated expenses following the implementation of systems. Going forward, we will roll out new products to drive the business mix toward higher-margin products. We continue to focus on increasing new business volumes and reducing sales related expenses and management expenses.
Target operating model (TOM)	The TOM project, which had been running since F2022, was closed in June 2024. The work completed includes standardisation and documentation of processes, improved understanding of process requirements and implementation of processes that do not have dependencies to aid automation. However, certain dependencies, primarily related to platform migrations implications, have delayed the full process automation and role migrations. The full benefits of the project will be realised when all the dependencies have been eliminated. The operating model will therefore continue to evolve as the business evolves.
People	Following the Group-wide culture survey, people were highlighted as an area requiring focus. People and culture in Africa have been a significant focus, with roadshows conducted by the International CEO, Africa CEO and Human Capital Executive, and were supported by culture webinars and ongoing initiatives. This has started to bear fruit.

Performance against our Reinvent and Grow objectives

OUR REINVENT AND GROW OBJECTIVES

	Objective	Status	Performance
Reinvent	**Continue with reforming our business**	Underway	The upgrading of our core systems and building our digital capabilities are key elements of this reform. The retail PAS implementation is due to conclude in F2025, the next priority is the corporate implementation which is in progress. The control environment is stable and has shown an improvement.
	Ongoing focus on improving client experience	Underway	We have made progress in boosting the client experience through driving the culture of putting clients' interests first. The expected target operating model and post PAS system implementation benefits will further enhance client experience.
	Build digital capabilities	Underway	There has been a notable increase in the adoption of robotic process automation across the segment. Robots across the countries have cumulatively processed 42 500 new business applications, with an average success rate of 93% of policies being issued.
	Enhance distribution channels	Achieved	We continue to embed our distribution reforms, focusing on recruitment and training, market access, channel economics and performance management and performance analytics. As a result, we have seen an improvement in the business mix in some of our businesses, particularly having gained several corporate schemes and increasing new business volumes in Namibia.
	Foster and maintain relationships with our partners and regulators	Achieved	Africa's in-country teams have played an active role in engaging with regulators and influencing emerging regulations impacting the insurance industry. There is continued focus on facilitating and maintaining relationships with MNOs and bancassurance partners. Of particular interest has been securing partnerships with Mobile Telecommunications Company (MTC), Namibia's largest MNO, as well as bancassurance partnerships to distribute Health retail products in Ghana (an industry first).

Achieved Underway Not achieved

Performance against our Reinvent and Grow objectives

OUR REINVENT AND GROW OBJECTIVES

Grow

Grow our earnings to R500 million by 2024	Underway	The NHE of R375 million achieved in F2024 fell short of the target and were impacted by new business strain and experience variances due to higher lapses and surrenders.
Refresh our entire product range	Not achieved	The rationalisation and refresh of products has not been as responsive to market needs as desired. This is in part due to prioritisation challenges and system dependencies.
Expand savings product offering	Not achieved	The expansion of our savings product offering is underway and was delayed by management's focus on system implementations and improving VNB.
Build our brand presence	Underway	Various initiatives have been implemented to improve our brand presence. Our brand tracker shows indications of our NPS improving, although not at desired levels.

Achieved Underway Not achieved

Outlook and Impact strategy ambitions

Namibia and Lesotho have a positive outlook and prospects for growth according to the latest data. Oil and gas discoveries in Namibia and Mozambique present opportunities for significant economic growth, and improved prospects for new business. We however expect stagnant economic growth in Botswana and Ghana, this is despite the significant bounce-back in inflation in Ghana.

In the short to medium term, we expect sales volumes in Africa to improve as the distribution initiatives are embedded. We will need progress in distribution to achieve growth and market relevance. In the short term, we expect VNB to be impacted by pressures on savings product margins following market and regulatory pressures to improve policyholder fund values. This is in addition to increased expenses emanating from higher system costs. The outlook on Namibia is however positive as the business continues to show improvements. A key focus will be to ensure costs translate into topline growth or are well-managed. A project is underway to analyse costs across business segments to optimise and align them with business needs.

Impact strategy

Our goal is to be a lifelong partner with a significant market share, providing effective solutions and exceptional client experiences. We aim to be the preferred financial services partner, making financial services accessible as clients pursue their goals. Our success is anchored in community impact, operational excellence, strategic global-local synergy and a people-centric approach.

This strategy focuses on streamlining processes, enhancing service delivery and optimising resource allocation, leading to improved overall performance. Focusing on operational efficiency through system optimisation and automation ensures robust and sustainable financial outcomes.

Our strategy involves selectively exporting unique capabilities to different regions, leveraging our strong Group brand, technical expertise and product knowledge to tailor offerings to specific needs. Our commitment to a lean and streamlined operation will enhance employee and client experiences, fostering a culture of excellence and satisfaction and building long-term loyalty and trust.

INDIA

The Group's investment in Aditya Birla Health Insurance (ABHI) represents a strategic move into the health insurance sector in India.

Our key differentiators

- Our health-first model
- Superior client experience
- Diversified distribution
- Differentiated products
- Data and digital assets

Our operating environment

The Indian economy has demonstrated resilience and stability in the face of global economic challenges, driven by strong domestic policies, strategic investments, and an emphasis on self-reliance. This stability has been bolstered by a diversified economic base, a youthful workforce, and continuous advancements in infrastructure and technology.

Health insurance continues to be the fastest-growing segment among the various general insurance segments, with year-on-year growth of 20% versus the general insurance segment (excl. health), which grew 9% over the same period. In the health insurance sector, stand-alone health insurance companies hold a 28.4% market share. Despite this, health insurance penetration in the country remains low, presenting significant opportunities for growth.

The Indian government's focus on "insurance for all by 2047" and transition from being a provider of services to a funder of services is anticipated to further stimulate the health insurance industry. Despite this push, about 30% of the population still lacks any form of health insurance, including government schemes. Coupled with growing awareness and increased health spending, these factors are expected to drive industry growth in the coming years.

The health insurance industry continues to attract newer insurance players with many players having approached the regulator for licences. In F2024, the regulator granted licences to new health insurance players. The industry now has a total of 32 players comprising four public sector general insurance companies (PSUs), 21 private multi-line players and seven stand-alone health insurers. PSU insurers continue to cede market share with overall share value at 37% in F2024 (F2019: 48%), while stand-alone health insurers increased their share from 22% in F2019 to 28% in F2024.

Our performance

On an IFRS 17 basis, India's normalised headline loss increased from R222 million in F2023 to R274 million in F2024. This is largely due to delayed pricing adjustments in response to increased benefit utilisation from a growing and maturing in-force book, as well as the high cost of healthcare in India.

Regulation has historically required that retail business premiums be locked in until the next renewal cycle. However, new regulations that relax the restrictions on the timing of repricing took effect from 1 April 2024 for new business and 1 October 2024 for existing business.

GWP improved strongly to R8.3 billion, with robust growth in both retail and group businesses. The growth in earnings from support services delivered from India, which are provided to internal and external clients, remain favourable. The expense ratio improved to 42% from 46% in F2023.

The claims ratio improved slightly in the last quarter of F2024, supported by product repricing and enhanced claims management initiatives. The claims ratio however remained elevated at 68%, predominantly impacted by a recent change in business mix toward group business following new guidelines by the Indian insurance regulator to limit the total expense ratio (administrative and commission) for standalone health insurers to a maximum of 35%. In response, ABHI has focused on balancing its business mix away from the more expensive retail distribution channel.

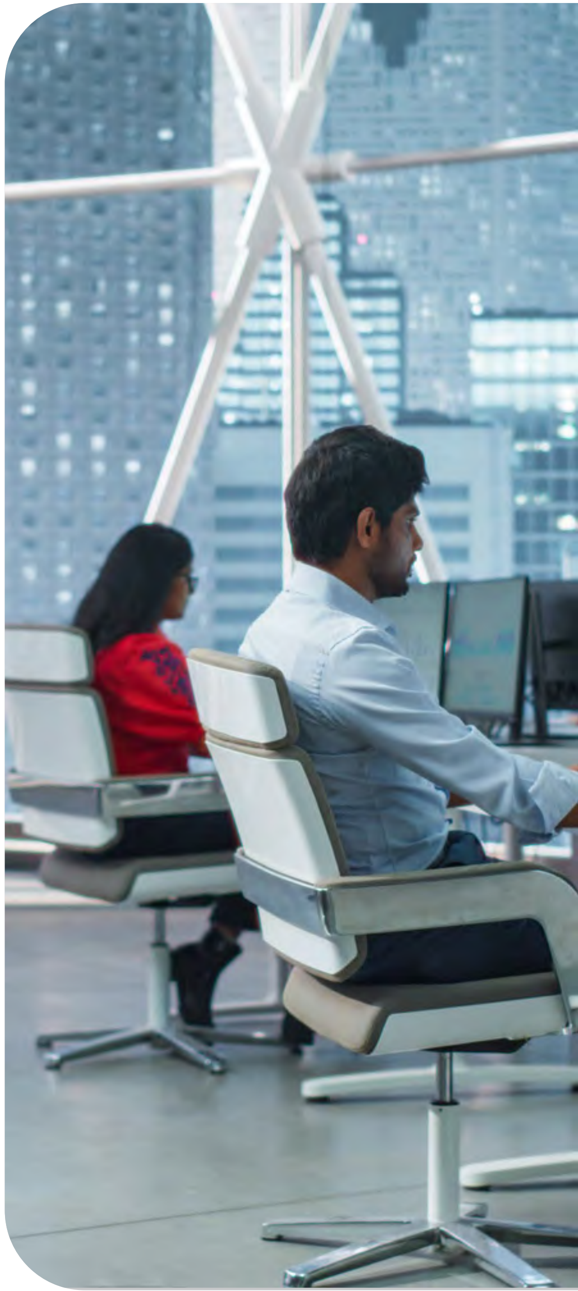
KEY METRICS

NHE	**-R274 million** (F2023: -R222 million*)
Total lives covered	**18.7 million** (F2023: 20.9 million)
GWP	**R8.3 billion** (F2023: R5.9 billion)
Claims ratio	**68%** (F2023: 64%)
Combined ratio	**110%** (F2023: 110%)

*Restated – The IFRS 17 – Insurance Contracts (IFRS 17) standard became effective for the Group from 1 July 2023. Accordingly, the prior year's accounting has been restated for the application of IFRS 17 as well as for other restatements. Refer to the **Audited Annual Financial Statements** for more information.*

Our focus areas in F2024

Focus area	Progress
Distribution channels performance	Despite being a new entrant, ABHI has successfully created the most diversified distribution mix among its peers, increasing its sales force to over 5 500 (F2023: 4 500). This has been achieved through its investment in diverse distribution channels including bancassurance partners, proprietary distribution and new age digital partners. The long-term goal is to increase the share of proprietary channels by increasing our presence across more than 225 branch locations with access to more than 10 000 agents. ABHI continues to be a pioneer in bancassurance distribution with distribution tie-ups with 14 private banks and four PSU banks. During the year, ABHI gained access to one PSU bank, India Post Payments Banks.
Product performance	ABHI launched its latest offering, Activ One, in November 2023. The new product is a transformative offering providing for large number of benefits including personalised coverage, 100% HealthReturns™ and no sub limits. The product has been launched with seven variants, considering multiple identified white spaces. The product has been well received by the market and has rapidly gained significant market share.
Client experience	Consumer experience is the cornerstone of our service model. This includes a focus on omni-channel service, empowering clients to communicate through their preferred channels, providing personalised experiences, ensuring simplicity. The Activ Health app has been further upgraded to provide seamless experiences for all customer-related servicing. ABHI continues to invest in customer and distribution digital assets, which are core to its operations. By leveraging data analytics and gaining a deep understanding of clients' health, ABHI transforms customer data into valuable insights. Each customer's risk is assessed and represented as a unique score, known as the well-being score, allowing clients to benchmark their health. This hyper-personalised well-being score forms the foundation for the company's tailored health interventions, offered whenever appropriate.
Leveraging digital	ABHI's digital-first approach has led to a wide suite of relevant digital assets, which include an industry-first multilingual app for customer journeys, bots and the traditional website. With over 40 live features, the Activ Health app is the customer touchpoint across acquisition, renewal management, servicing and health management. Today, 98% of our consumers are onboarded digitally, 93% of our services are available on the app and 86% of them being served digitally. We see a consistent increase in these metrics and this is enabling scale, efficiencies and cost optimisation across the business.
Data and analytics	Having implemented Data Lake, with capabilities for managing and analysing both structured and unstructured data from multiple sources, ABHI has built strong in-house capabilities around data analytics, artificial intelligence, machine learning and natural language processing. The business is constantly evaluating and investing in data capabilities.
Claims management	Management's initiatives initiated in F2023 such as product pricing, the management of new business sourcing, rigid underwriting and measures to closely manage provider fraud, waste and abuse have yielded encouraging signs of improvement to the claim ratio. ABHI continuously reviews sourcing guidelines to optimise the sourcing risk. The business has effected market-linked price increases with a focus on the right product with the right features at an appropriate sum insured. ABHI has maintained its focus on improving cashless ratios, provider rate negotiations and tariff penetrations across the network. Fraud waster abuse management also continues to be an integral part of the claims management strategy.



Performance against our Reinvent and Grow objectives

OUR REINVENT AND GROW OBJECTIVES

	Objective	Status	Performance
Reinvent	Market share growth	Achieved	ABHI's market share among stand-alone health insurers was 11.2% (F2023: 10.4%) in F2024, a 36% increase in market share.
Reinvent	Leveraging the Aditya Birla brand and distribution capacity	Achieved	The business continued to leverage the digital platform agents available in the Aditya Birla Capital (ABC) ecosystem and operated through ONE ABC flagship branches.
Reinvent	Scale and differentiation	Achieved	Our Health First model continues to be a competitive advantage recording 193 billion steps per annum and 1.5 million clients having stratified their health risk and 29% of our clients having performed their health assessments. This has resulted in 6.3% of our clients earning a health return and 17% of our clients making healthy lifestyle choices and earning Active Dayz™.
Grow	Loss ratio	Underway	During the last quarter of F2024, ABHI saw a further improvement in the retail claims ratio as product repricing and enhanced claims management initiatives started to bear fruit. While the Group claim ratio remains high, management interventions have ensured it has not deteriorated further.
Grow	Expense ratio	Achieved	Operating expenses (excl. commission) as a percentage of total gross written premium was 21% compared to 32% in F2023. ABHI is continuously reviewing its operating model to optimise costs and improve its expense ratios further, by improving productivity and performing a strategic review of the value chain including claims, provider management and technology.

Achieved | Underway | Not achieved

Outlook and our Impact strategy ambitions

Overall, the combination of strong domestic consumption, strategic government investments and rising consumer spending is set to propel the Indian economy forward, with significant positive implications for various industries, including healthcare.

The outlook for the health insurance industry continues to be positive given India's low health insurance penetration, high out-of-pocket expenditure and favourable demographics. The industry presents a compelling opportunity, thereby attracting newer players and increased attention from multi-line general insurance players. New technologies and product innovation are expected to disrupt the industry.

Looking ahead, given the compelling opportunity and the differentiated business model, we maintain an optimistic outlook on the growth potential of the health insurance industry in India, and expect ABHI to break even by F2026.

Impact strategy

We aim to expand our market presence, gain higher market share and maintain our brand positioning through the following key strategic pillars:

- **Purpose-driven business:** Our purpose is to empower individuals to lead healthier lives, recognising health as a gift to families and society. Our Health First model prioritises well-being, earning us recognition and trust. We aim to embed our purpose-driven approach into every aspect of our operations, shaping both our sales and service strategies; this includes maximising the potential of our Activ Health app and pioneer wellness initiatives in our Group business offerings.
- **Customer-obsessed approach:** Our primary commitment is to prioritise our clients' needs and experiences. We believe in understanding our customer segments to bring relevance and value to their lives. Looking ahead, we are committed to refining our customer segmentation framework and conducting comprehensive consumer research to gain insights into our target audience and their expectations.
- **Data and digital enablement:** To realise our vision of delivering an unparalleled consumer experience, we are committed to data and digital enablement. We will invest in strengthening our capabilities in this area, with a focus on data-driven and digital-first strategies. This approach influences our services, distribution strategies, sales management, customer journeys and handling of critical business drivers.
- **People-first focus:** We will create an empowering environment for personal and professional growth, enhancing workforce efficiency, providing growth-centric training, coaching managers for team success, managing attrition and promoting a culture of making people successful. For us, at ABHI, the order of priority is people, customer and then finance. This prioritisation will guide our operations, ensuring the well-being of our people, which in turn will enhance customer satisfaction and drive positive financial outcomes.
- **The ABHI way of execution:** All of this will come to fruition through our unique approach, which we call the "ABHI way of execution". The approach sets the standard for our operations, ensuring a P&L-driven organisational structure that prioritises outcomes. Our squad-based approach is designed to deliver results swiftly, with each project aimed to be completed within 90 days. This methodology emphasises agile decision-making and efficient project delivery, aligning every aspect of our operations with our overarching goal of customer satisfaction.

momentum group

SUSTAINABLE ENTERPRISE VALUE

OUR APPROACH TO SUSTAINABILITY

This chapter outlines our performance across key sustainability areas and encourages exploration of detailed insights in our ***Sustainability Report***, which highlight our approach, actions and initiatives towards driving financial inclusion, societal resilience and environmental sustainability.

Our commitment to people, society and the environment drives us to safeguard financial dreams while promoting inclusive progress, financial access, social well-being and environmental stewardship. We aim to close South Africa's insurance and savings gap through inclusive financial solutions that uplift communities and empower individuals.

Sustainability is core to our operations, ensuring resilience, addressing societal and environmental challenges and fostering economic growth. Through collaboration with governments, academia and businesses, we promote sustainable practices aligned with our goals, with our Group strategy function leading efforts to integrate regulatory factors into our long-term sustainability strategy. Together, we are dedicated to building a sustainable future for all.

The global pursuit of sustainability requires collaborative efforts to meet present needs while ensuring future generations can thrive. It involves proactive measures to promote environmental responsibility, social equity and economic prosperity in a balanced, inclusive manner. Initiatives like the UN's Sustainable Development Goals (SDGs) guide nations toward sustainable development, with businesses increasingly integrating practices such as carbon emission reduction, biodiversity protection and diversity inclusion to meet growing consumer demand for sustainable products. Technological advancements in renewable energy and clean technology are crucial and collaboration, innovation and commitment across sectors are essential to achieving a sustainable future.

OUR SUSTAINABILITY FRAMEWORK

Our goal is to empower individuals, businesses and communities to achieve their financial goals while addressing social and environmental challenges. Our Sustainability Framework guides us in managing risks, seizing opportunities and evaluating performance through KPIs. It focuses on financial well-being, regulatory compliance, operational efficiency, client engagement, digital inclusivity, talent development and diversity. Aligning with the SDGs, it reinforces our commitment to a sustainable future.

Ambition

Our commitment is to empower individuals, businesses and communities from diverse backgrounds to realise their financial dreams. By addressing social and environmental issues through the core business, we aim to create a positive impact that extends beyond financial success. Through this approach, we seek to foster a more inclusive and sustainable future for everyone we serve.

Strategic pillars

- **Make financial services more inclusive**
- **Enhance financial security and health**
- **Help to build the low-carbon economy**

The strategic pillars represent the top priorities where the Group can have an impact in the long term.

Key themes

The key themes are interrelated sustainability initiatives that will evolve as each business unit progresses in its sustainability practices.

1. Provide appropriate offerings for underserved segments such as SMMEs, low-income earners and employed but uninsured people
2. Develop a custom-made advice approach to serve distinct segments and maximise client value
3. Enable clients to actively direct their health and financial wellness
4. Enhance client experiences to better serve their needs
5. Build a decarbonisation roadmap
6. Grow our portfolio of climate-positive products and services

Strategic enablers

The strategic enablers cover core expectations and represent the foundational elements that need to be in place for us to be successful.

- **Responsible business practices, ethics, and accountability**
- **Diversity and future-fit skills**
- **Strategic Corporate Social Investment**
- **Digital-led innovation**
- **Partnerships for systemic change**

Sustainable Development Goals

Collectively the Group, along with its business units and the Momentum Group Foundation, actively contribute to eight SDGs. The business units are currently aligning their commitments and targets with specific SDGs to maximise their impact and increase their contribution to global sustainability efforts.

1 NO POVERTY | 3 GOOD HEALTH AND WELL-BEING | 4 QUALITY EDUCATION | 5 GENDER EQUALITY | 7 AFFORDABLE AND CLEAN ENERGY | 8 DECENT WORK AND ECONOMIC GROWTH | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 13 CLIMATE ACTION

OUR CONTRIBUTION TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGS)

By aligning with the SDGs, we address key societal needs like poverty alleviation, health, education and economic growth, supporting our vision for a fairer future. We focus on eight SDGs within our Sustainability Framework.

Insurance plays a crucial role in providing financial safety, boosting resilience and enhancing social safety nets and financial health. Our commitment to the SDGs drives new market opportunities, fosters innovation and strengthens global collaboration, helping to shield against financial shocks and promote better working conditions.

Our impact priorities are:

- 1 NO POVERTY
- 3 GOOD HEALTH AND WELL-BEING
- 4 QUALITY EDUCATION
- 5 GENDER EQUALITY
- 7 AFFORDABLE AND CLEAN ENERGY
- 8 DECENT WORK AND ECONOMIC GROWTH
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
- 13 CLIMATE ACTION

*Read page 16 of our **Sustainability Report** to learn more about the progress Momentum Responsible Investments has made toward the SDGs.*

OUR ROLE IN SOCIETY

Our goal is to provide communities and businesses with the resources needed to address societal and environmental issues, fostering sustainable economic advancement for all.

MOMENTUM GROUP FOUNDATION

The Momentum Group Foundation acts as our philanthropic arm, focused on creating positive societal impact. As an independent not-for-profit entity, it is governed by a board of independent non-executive directors and management team members.

In South Africa, high youth unemployment demands broad action. The Momentum Group Foundation tackles this by supporting disadvantaged youth through financial education, socio-economic development and volunteerism. Governed independently, it directs resources to non-profits focused on community development.

The Foundation's strategic CSI initiatives align with the Group's objectives and aim for significant developmental outcomes. It fosters meaningful change through partnerships and programmes that uplift communities, advance financial inclusion and promote environmental stewardship, focusing on youth employment, quality education, job placement and enhancing financial and IT skills.

The Group contributes over 1% of its net profit after tax annually towards the Momentum Foundation's initiatives, translating to R35.5 million dedicated towards CSI initiatives (F2023: R43.5 million), amounting to 1% of net profit after tax for the same period (F2023: 1.28%).

*Read pages 52 to 54 of our **Sustainability Report** to learn more about the Foundation's efforts and partners.*

Youth employment and entrepreneurship programmes

The Foundation is dedicated to supporting disadvantaged South African youth through financial education, employment programmes, job placements and opportunities for income generation. Aligned with our business objectives, our socio-economic strategy focuses on combating youth unemployment through IT and digital skills training, entrepreneurship and vocational programmes.

We support six youth entrepreneurship development programmes nationwide (F2023: eight), achieving significant milestones: 503 youth recruited for training (F2023: 613), 503 completing training (F2023: 545) and 347 placed in jobs (F2023: 352).

*Read page 55 of our **Sustainability Report** to learn how we support youth entrepreneurs.*

Matters material to our role in society

- Responsible investing and corporate citizenship
- Lobbying through industry bodies
- Addressing social inequalities (driving financial inclusion)

- Increased competition for critical and scarce skills
- Authentic transformation through diversity and inclusion
- Health and well-being of employees

The SDGs we contribute to through our approach to our role in society

4 Quality education | 7 Affordable and clean energy | 8 Decent work and economic growth | 9 Industry, innovation and infrastructure

KEY METRICS FOR OUR ROLE IN SOCIETY

R35.5 million total community investment (F2023: R43.5 million)

Youth employment and entrepreneurship programmes

R17 million invested
(F2023: R24 million)

52% were female
(F2023: 352)

503 young people completed training
(F2023: 545)

503 recruited for training opportunities
(F2023: 613)

Consumer financial education

R14 million invested
(F2023: R17 million)

2 700 people received financial education
(F2023: 2 689)

Employee volunteerism

Employee participation of **2 907**
(F2023: 1 968)

R206 277 donated through payroll giving
(F2023: R348 957)

No in-kind donations
(F2023: R100 000)

4 720 hours volunteered
(F2023: 852)

Transformation

Enterprise and Supplier Development (ESD)

Invested **R54 million** into ASISA ESD Fund
(F2023: R55 million)

R10 million invested in enterprise development initiatives (F2023: R10 million)

Skills development

R517 million towards training and skills development
(F2023: R402 million spent on training)

Preferential procurement

Exceeded preferential procurement targets with a spend of **R2.8 billion** on black owned suppliers
(F2023: R2.6 billion)

Empowerment financing

Over **R17.6 billion** invested in building transport systems, energy supply, and connectivity, enabling service delivery and economic transformation
(F2023*: R13.9 billion)

R1.6 billion invested in providing funding to black-owned businesses (F2023*: R1.3 billion)

**Restated to reflect the weighted amount to align to our Group B-BBEE submission.*

Consumer financial education

Our financial education initiatives are comprehensive and inclusive, extending to clients and broader society. Through programmes like those from the Momentum Group Foundation, we empower youth with the skills to make informed financial decisions and build sustainable wealth. Consumer financial education is crucial for developing healthy financial habits among South Africa's youth, aged 18 to 35, including students, unemployed individuals and those in various employment sectors. Our programmes aim to enhance financial literacy and promote secure futures by aligning with youth views of "financial success" as "comfortable living" and financial freedom.

Our Staff Volunteerism Programme

Our Staff Volunteerism Programme (SVP) fosters ongoing engagement with non-profits by offering one day of volunteer leave annually and payroll-giving options. Employees can choose from partner organisations for their volunteer activities and set donation amounts for automatic salary deductions. The R206 277 donated from payroll giving highlights our growing commitment to community service. The programme also encourages employees to lend their skills to organisations in need and recognises their contributions through the Lesedi Awards and the International Volunteers' Corps.

PARTNERSHIPS FOR SYSTEMIC IMPACT AND CHANGE

Broad collaborative partnerships are essential for achieving meaningful impact.

Guided by our values, Code of Ethics and Standards for Conduct Policy, we establish diverse partnerships across commercial, research, service, support, knowledge and industry sectors, each managed by relevant business units. These collaborations aim to foster social relations, build trust and achieve consensus.

Vertical integration and partnerships for low-cost health

We prioritise vertical integration to sustainably manage the cost of delivering low-cost health insurance in South Africa by expanding into new sectors like clinics and pharmacies, enhancing access to affordable private care. Key initiatives include Hello Doctor and Health4Me, supported by strategic partnerships.

Health4Me continues to offer customisable, affordable healthcare tailored for low-income earners, integrating unlimited GP visits and pre-authorisation via Hello Doctor, covering 218 916 beneficiaries in South Africa (F2023: 183 000).

*Read page 57 of our **Sustainability Report** to learn more about the Hello Doctor initiative.*

Academic partnership for financial insights

The Science of Success Insights report, a result of Momentum and Unisa's longstanding research partnership since 2012, highlights the lack of financial wellness among South African households, emphasising the neglect of financial goal-setting and the prevalence of side hustles. This collaboration produces the Household Financial Wellness Index (FWI) and the Consumer Financial Vulnerability Index (CFVI), essential benchmarks for informing policymakers on household financial health and guiding decisions to improve financial wellness.

Industry associations

Our membership in industry associations and international bodies serves as a platform for collaboration and broader impact, enabling us to partner with others and make meaningful contributions to important causes.

ENTERPRISE AND SUPPLIER DEVELOPMENT (ESD)

Our ESD initiatives go beyond compliance, aiming to empower SMMEs and foster inclusive growth by enhancing enterprise and supplier development, skills training and supporting small and medium-sized black-owned enterprises in South Africa through our Enterprise and Supplier Development Trust.

*More details on the impact of our ESD programmes is available in our **Sustainability Report**.*

ASISA ESD Fund

ASISA coordinates investments and accelerates growth for SMMEs by pooling contributions from financial sector stakeholders, significantly boosting capital accessibility for black-owned SMMEs. We have invested R54.4 million in the ASISA ESD Fund (F2023: R55 million).

In F2024, the fund has increased average revenue for supported SMEs by 71%, developed over 1 447 SMEs, supported 8 062 jobs, created over 3 903 jobs, facilitated R365 million in industry procurement and provided over 144 700 hours of developmental support. We are dedicated to integrating the fund's initiatives into our supply chain and actively seeking partnerships with ASISA to broaden access to funding opportunities beyond our immediate network.

MAKING FINANCIAL SERVICES MORE INCLUSIVE

We remain committed to narrowing the insurance and savings gap in South Africa through inclusive solutions aimed at enhancing the resilience of more South Africans, their families and communities.

Financial inclusion

The insurance industry is re-evaluating the financial inclusion scorecard to better align products with inclusion goals and foster collaboration among stakeholders, government and labour. Efforts are underway to address gaps, especially in savings products, and to improve access both physically and digitally.

Key initiatives include integrating financial inclusion into product development, emphasising employment savings and SMME support, creating cross-subsidised products for low-income clients, supporting black broker development and advocating for revised industry standards.

Appropriate offerings for underserved segments

We provide tailored solutions for underserved segments such as SMMEs, low-income earners and uninsured employees, aiming to enhance inclusivity, particularly for underserved youth. Our strategy involves innovating product design, exploring new distribution channels and forging partnerships to enhance access, with a primary emphasis on health insurance. By promoting savings and insurance among low to middle-income households, we empower them to realise life goals, protect assets and contribute to sustainable economic development.

Affordable healthcare	**Escalating healthcare costs challenge budget-constrained consumers, particularly as the low-income segment lacks affordable private options. Our Health business addresses rising healthcare costs in South Africa by offering accessible, cost-effective primary care, virtual consultations, and home-based services, while adapting to NHI Bill regulations to ensure equitable, sustainable healthcare for all citizens**
Custom-made advice approach	**We aim to expand our adviser network into new and underserved markets, leveraging tied agents and independent advisers to offer trusted financial solutions and promote financial literacy through clear, timely information, utilising electronic formats as appropriate.**

Empowerment financing

The Group is dedicated to developing vital infrastructure for South Africa's economic growth, focusing on strategic financing that supports infrastructure, economic equity and empowerment initiatives such as integrating young graduates into our supply chain.

Through strategic empowerment financing, we not only contribute to reliable and resilient infrastructure, economic development and human well-being but also enable affordable and equitable access for all.

In F2024, our Balance Sheet Management Asset Origination team invested R1.2 billion (F2023: R4.1 billion) in renewable energy infrastructure projects. This includes the Umsinde Emoyeni and Khangela Emoyeni Wind Farm in Richards Bay.

ENHANCING FINANCIAL SECURITY AND HEALTH

We offer solutions that enhance financial inclusion and tailor our engagements to achieve the best outcomes for clients, businesses and communities, helping them meet their financial dreams.

Actively driving financial health and wellness

We empower clients and communities to manage their health and financial wellness, enhancing their financial security and well-being through education and tailored solutions. This includes teaching personal financial management, budgeting, investing and providing opportunities to apply these skills to foster financial literacy and resilience.

Informed and financially empowered consumers and communities drive demand for financial products and sustainable financial inclusion. We promote financial education, transparency and fair market conduct through inclusive initiatives reaching both clients and broader society.

We enhance financial literacy among South African youth through workshops, empowering young adults with skills in personal finance, budgeting, saving, investing and debt management. In F2024, 2 700 young adults benefited from these initiatives (F2023: 2 400).

Enhancing client experiences

We prioritise client interactions that improve outcomes, balancing self-service solutions to boost engagement while ensuring inclusivity in our digital efforts. This commitment extends to careful claims handling, protecting client data privacy and promptly addressing queries. We also incentivise behaviours that bolster financial health, contributing to a safer and healthier society.

Treating Customers Fairly (TCF) ensures client fairness in financial institutions. Our Fair Practices Committee oversees adherence, guided by our Code of Ethics. We prioritise clear communication, suitable advice and consistent product value, monitored through our Group Market Conduct Framework. Executives manage conduct risks, reinforcing fairness and trust across the Group.

In adopting digital transformation, Momentum recognises risks, including potential financial exclusion due to digital inequality. As such, we prioritise face-to-face engagement for complex insurance products, ensuring digital options complement, rather than replace, traditional products.

Equity ownership

Our long-term empowerment strategy includes the iSabelo Trust, which provides shares to all permanent South African employees, with a focus on black employees. In its third year, iSabelo has over 14 389 beneficiaries receiving dividends (F2023: 13 200), distributed in October 2023 and April 2024. Committed to B-BBEE objectives, iSabelo ensures that at least 85% of the benefits go to black beneficiaries, with a minimum of 55% allocated to black women.

OUR RESPONSIBLE APPROACH TO INVESTING

Our responsible investment commitments focus on social responsibility and environmental sustainability, prioritising renewable energy, infrastructure projects and programmes for enterprise suppliers and youth entrepreneurship.

Investing responsibly on behalf of our clients

Our responsible investment commitments integrate social responsibility and environmental considerations into our investment decisions through investments in renewable energy, infrastructure projects and enterprise supplier and youth entrepreneurship programmes.

Our Responsible Investment Committee ensures our strategies meet global best practices and regularly evaluates our performance. For F2024, the committee aimed to progress on climate change, contribute to the Just Transition and build impactful market relationships.

We publish our climate footprint in the TCFD chapter in our Sustainability Report and our Stewardship Report.

Responsible investment approach

Our responsible investing approach is guided by the following principles:

Advocacy	We advocate for responsible investing by participating in industry events, serving on ASISA's Responsible Investing Committee and supporting the Just Transition to a low-carbon economy.
Integrating ESG	The Responsible Investing Committee provides oversight for responsible investing practices across our investment team. We follow an integrated ESG approach across all our asset classes. Integrating sustainability factors into investment decision-making is essential for effectively managing risks and enhancing long-term investment performance.
Reporting on progress	We report on our progress to demonstrate our commitment to acting in our clients' best interests.
Seeking disclosure	We seek disclosure and maintain a register that details our engagement with the companies we invest in, ensuring they remain accountable.
Stewardship activities	Individual and/or collaborative activities undertaken by Momentum Investments to act on behalf of our investors include voting at shareholder meetings and engaging with investee boards. Through these actions, we exercise our rights as shareholders to advocate for responsible corporate governance, transparency and sustainable business practices. By voting on key issues and actively engaging with investee companies, we seek to promote long-term value creation, mitigate risks and align corporate behaviour with the interests of our investors in mind.
We are active owners	We incorporate ESG issues into our ownership policies and practices, using our influence to promote well-governed corporate practices in South Africa. By integrating sustainability factors, we ensure alignment with our clients' best interests. Our proxy voting and engagement policies guide our stewardship approach and both the policies and our voting records are available on our website. Below is a summary of our proxy voting activity in South Africa: • Number of shareholder meetings voted on: 213 (F2023: 243) • Total resolutions: 3 464 (F2023: 3 749) • Abstentions: 74 (F2023: 67) • Votes in favour: 3 013 (F2023: 3 221) • Votes against: 377 (F2023: 461) ** We will abstain if there are conflicts of interest.* These statistics reflect our ongoing commitment to exercising our shareholder rights responsibly and engaging with companies on relevant issues.

Climate Action 100+ | ICSWG | PRI Principles for Responsible Investment | ASISA | CRISA

How we integrate sustainability

We integrate sustainability factors into all discretionary assets, focusing on risk management. Our Responsible Investment team addresses E-ESG issues, allocates assets to impactful sectors and engages with company management to resolve sustainability concerns. This approach aims to enhance market health and stability, aligning with our outcomes-based philosophy and clients' long-term goals. As a signatory to the UN-supported PRI and supporter of Code for Responsible Investing in South Africa (CRISA) 2.0, we have a proud legacy of responsible investing practices.

Our investment approach to climate change

We prioritise due diligence in evaluating potential investments and their environmental impact, aiming to contribute to a Just Transition to a low-carbon economy. We align with the Paris Agreement and South Africa's low GHG emissions pathway. For F2024, we have comprehensively measured the carbon footprint of our South African equities and fixed-income exposures, committed to avoiding direct financing of new coal-fired power stations and invested in energy businesses transitioning to low-carbon operations.

We focus on low-emitting technologies, gradually replacing high-emitting ones and support high and low-emitting firms to ensure critical services with robust climate strategies. Our Climate Investment Decarbonisation strategy guides our investment team, emphasising SDG 13 (Climate Action).

*For more details, refer to page 43 of our **Sustainability Report** and our Climate Change Investment Policy **online**.*

Investment portfolio carbon footprint

Our responsible investment team uses third-party research, including MSCI ESG Research, to refine carbon emissions measurement aligned with GHG Protocol methodologies. This analysis covers our South African discretionary assets, including listed equities and fixed-income assets, making up nearly 33% of our total discretionary portfolio.

SA discretionary assets invested

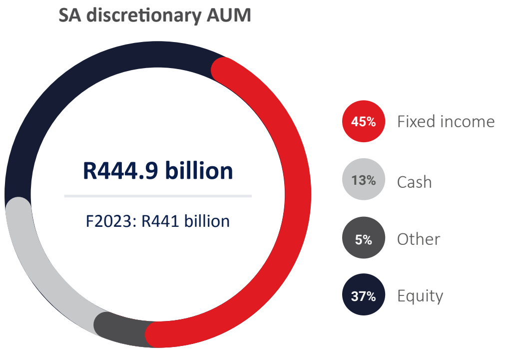
The totals represent the discretionary listed equity, carbon-related assets* managed by the Momentum Group with the unlisted exposure inclusion of Eskom and Transnet as at 30 June 2024.

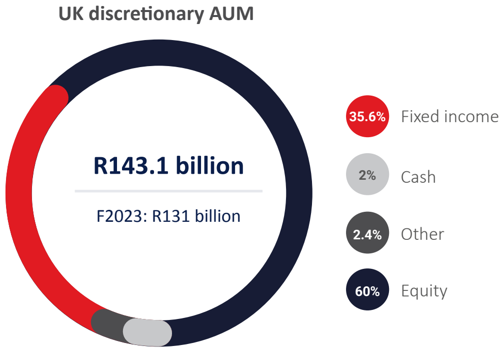
	F2024	F2023
Total carbon-related assets* (R billion)	41.7	33.5
Total coal** (R billion)	5.7	4.4
Total oil and gas*** (R 000)	613	737

Source: Momentum Investments/MSCI
**Total carbon-related assets consist of the energy sector; basic materials: mining; consumer discretionary: transport; consumer staples: food producers, farmers, fishing, ranches and plantations; industrials: containers and packaging, diversified industrials, transportation services, engineering and contracting services, marine transportation; real estate: real estate holding and development; healthcare. Unlisted entities: Eskom and Transnet.*
***Total coal assets consist of Eskom, Thungela Resources Ltd and Exxaro Resources Ltd.*
****Total oil and gas consists of Efora Energy Limited (EEL).*

Discretionary AUM by asset class

Total discretionary assets under management amount to R588 billion (F2023: R572 billion).





The rise in UK discretionary AUM is due to MGIM's acquisition of Crown Agents Investment Management (CAIM), completed in April 2023.

Our South African impact investment portfolios include:

Momentum Alternative Energy Fund — **Value R99 million** (F2023: R63 million)

Investment in equity and mezzanine debt for renewable energy infrastructure, aiming to boost capacity, reduce fossil fuel reliance and mitigate climate change.

Momentum Diversified Infrastructure Fund — **Value R188 million** (F2023: R175 million)

Targeting core infrastructure such as roads, rail, telecommunications and agriculture. It aims to support economic growth and societal well-being by improving essential systems, enhancing connectivity and fostering sustainable development.

Momentum Social Infrastructure Fund — **Value R83 million** (F2023: R75 million)

Focusing on student accommodation and affordable housing, supporting social impact and sustainable development by providing accessible housing and enhancing educational opportunities for students.

Global funds

A combination of sustainability integration, screening and stewardship activities have been applied to the assets in the global funds set out below:

The Momentum Global Sustainable Equity Fund — **Value R15.7 billion** (F2023: R11 billion)

With varying thresholds, the Momentum Global Sustainable Equity Fund excludes coal, tobacco, palm oil, firearms, UNGC breaches and companies that have a negative impact on the UN SDGs, specific sustainability objectives, which include an ESG score of 20% better than the MSCI World index, and 20-30% lower carbon footprint, waste generation and water consumption compared with the MSCI World benchmark.

Key performance indicators:
- **46.4%** lower GHG (Scope 1 and 2) than the benchmark
- **23.6%** lower waste generation than the benchmark
- **78.0%** lower water consumption than the benchmark

The Harmony Sustainable Growth Fund — **Value R239 million** (F2023: R157.6 million)

This fund aims to provide capital growth in US dollar terms, but with a reduced level of volatility via strategic exposures to a wide range of asset classes. With varying thresholds, the fund excludes companies where the core business activity is tobacco production, controversial weapons or coal.

The fund aims for a better sustainability profile compared to relevant broad market indices for the majority of asset class exposures by integrating ESG factors. In the selection of sustainable investments, the fund will consider collective investment schemes that are classified under Article 9 or Article 8 (with a commitment to a minimum investment in sustainable investments). Any other investment classified as sustainable must be aligned with one or more of the SDGs or demonstrate a substantial reduction of 20% or more in environmental footprint versus a comparable market index. These investments must also do no environmental or social harm.

Key performance indicators:
- No exposure to coal
- **21%** and **72%** of the portfolio invested in impact and ESG integrated strategies respectively

The Momentum Africa Real Estate Fund (MAREF) — **Value: R1.9 billion** (F2023: R1.7 billion)

The MAREF is an institutional real estate portfolio that finances and develops commercial real estate in sub-Saharan Africa, excluding South Africa. MAREF has a minimum standard of construction of IFC EDGE, which implies a 20% minimum saving on all three of the following versus the national country average for energy consumption, water consumption and implied energy usage in materials. One of the properties, The Rose in Nairobi, will be a considerably higher standard upon completion: LEED Silver at a minimum.

Key performance indicators:
- **100%** of buildings have achieved the IFC EDGE certification or better

OUR HUMAN CAPITAL

Matters material to our people

- Increased competition for critical and scarce skills
- Authentic transformation through diversity and inclusion
- Health and well-being of employees

The SDGs we contribute to through our approach to our people

4 QUALITY EDUCATION | 7 AFFORDABLE AND CLEAN ENERGY | 8 DECENT WORK AND ECONOMIC GROWTH | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 13 CLIMATE ACTION

KEY HUMAN CAPITAL METRICS*

Employee profile

12 725 permanent employees (F2023: 12 786)

6.4% of all employees are temporary employees (F2023: XX%)

86% of the 841 employees who were awarded learnerships and internships in F2024 are black (F2023: 84% of 599 employees)

Number of employees **15 821** (F2023 15 991)

Average voluntary turnover **10%** (F2023: 11%)

863 temporary employees (F2023: 940)

0.8% of employees covered by an independent union or collective bargaining agreement (F2023: 1.1%)

R7.7 billion spent on total employee remuneration (F2023: R7.1 billion)

R365 million spent on the training and skills development of our black employees (F2023: R298 million)**

R517 million spent on training and skills development of employees (F2023: R402 million)

Progress with authentic transformation through diversity and inclusion

81% of our employees are black (F2023: 80%)

65% of our permanent employees are women (F2023: 65%)

1.1% of our employees are disabled (F2023: 0.81%)

45% of our top management are black (F2023: 36%)

27% of our top management are women (F2023: 18%)

18% of our top management are black women (F2023: 9%)

Employee support through our assistance programme

33 permanent employees received health and education training in F2024 (F2023: 1 244)***

12% of our employees requested individual counselling sessions in F2024 (F2023: 10%)

100% of employees have access to Wise & Well (our wellness programme) (F2023: 100%)

5.8% of our employees underwent critical incident stress debriefings in F2024 (F2023: 4.2%)

Transformation strategy objectives

Have a diverse workforce – implement employment equity (EE) targets
- Create an inclusive culture that embraces diversity
- Transformed broad-based shareholder (25% black)
- Enable inclusive economic growth

** The human capital metrics above relate to our South African operations.*
***Previously salaries of employees on learnerships, professional programmes, accredited training programmes and workplace learning were excluded in the calculation. In the F2024 report these costs are included as is allowed for in terms of the B-BBEE Codes. The F2023 number has been restated to reflect this*
**** Temporary employees are employees without any benefits and have a fixed term in their contract.*
***** Employer initiated dismissal excluding international countries*
****** The decline in health, education and training is attributed to the removal of free training hours in the new Wise & Well contract. Previously, businesses could access these hours at no cost, but the updated contract does not offer any complimentary training hours.*

OUR PEOPLE STRATEGY

Our working environment respects human rights, promotes well-being and fosters learning and career growth.

OUR PEOPLE STRATEGY AND AMBITION AS A TOP EMPLOYER

Our goal is to create an inclusive workplace where every employee is valued for their unique talents and aspirations, fostering growth, empowerment and collective success, transforming our company into one that embraces diversity and inclusion, builds a compelling employee value proposition, develops evolving skills, cultivates diverse leadership and prepares our workforce for success in a dynamic environment, ensuring a unified Group-wide culture with a clear overarching purpose.

OUR EMPLOYEE VALUE PROPOSITION

Our employee value proposition (EVP) centres on fostering a workplace where employees feel valued, connected, invested, cared for and proud. This framework is built on six pillars: building futures, fostering growth, maintaining connectivity, providing care, promoting responsible business practices and cultivating an inclusive culture. It is communicated through various channels and EVP Elevate Expos across campuses, enabling our employees to engage with service providers and gain deeper insights into our offerings.

Empowering our people

We foster a high-performance, inclusive culture based on excellence, accountability and integrity. Our values include responsibility, respect, fairness, teamwork, innovation and diversity. We encourage employees to embrace these principles to create an ethical work environment and reach our strategic goals, and prioritise diversity, inclusion, equal opportunities and zero discrimination.

We follow the Code of Good Practice to prevent workplace harassment. Employees' rights to freedom of association and collective bargaining are upheld without fear of retaliation. We are committed to open dialogue and negotiating in good faith with union representatives when neccesary.

Engaging with our employees

We prioritise fostering a collaborative and engaging work environment that promotes sustainable business practices, aiming to stimulate employees, enhance performance and improve client experiences through frequent engagement that addresses needs promptly, identifies new opportunities, mitigates operational risks and addresses skills gaps, with F2024 engagement measurements at the business-unit level guiding interventions and action plans for continuous improvement.

Authentic transformation through diversity, inclusion, equity and belonging

Our commitment to authentic transformation through diversity, inclusion, equity and belonging forms the core of our Sustainability Framework and supports our transformation strategy. We prioritise fostering a diverse workforce through our employment equity plan and nurturing an inclusive culture that values diversity.

Recognising the enriching impact of diverse perspectives, the Group continues to take significant strides in developing black talent and fostering leadership at all levels. We have a strong team of senior leaders and aim to build bench strength in junior talent. We do this by introducing them to our values and processes, while strengthening academic and industry partnerships access new talent pools.

Discover more about our transformation efforts and initiatives in our ***Sustainability Report*** *on page 62.*

Succession planning

We utilise talent management to balance organisational capabilities, preparing our talent pipeline for future roles through tailored tools and strategies that align with our business objectives and operational realities. Key principles include ensuring talent supply meets demands, aligning with our Group talent strategy and leveraging data-driven insights for effective talent segmentation. Business units take ownership of talent management and succession planning, integrating strategic intent with necessary skills assessment to address gaps and deploy targeted talent strategies.

Attracting and retaining critical talent

The Group prioritises robust recruitment, effective succession planning and continuous leadership development, ensuring alignment across strategic workforce planning, people development and organisational design.

Our comprehensive EVP Framework reinforces a workplace culture where employees feel valued, connected, cared for and proud, supported by initiatives in responsible business practices, employee well-being, collaboration, future-ready skills development, talent nurturing and career growth, enhancing the employee experience with a #ThinkHumanFirst approach.

Skills turnover mitigation

In F2024, skills turnover was driven by employees seeking better opportunities elsewhere, particularly among semi-skilled staff, which had 877 exits (F2023: 966* exits) and a 10% voluntary turnover rate (F2024: 11%). The emigration of skilled professionals has been a significant challenge, leading to the loss of intellectual capital and organisational knowledge.

Read page 66 of our ***Sustainability Report*** *to learn more about our skills turnover.*

Employee skills development and building a talent pipeline

Our Group invested R517 million in skills development in F2024, focusing on reducing unemployment and supporting designated groups, including R205.58 million for black women.

We conduct annual leadership reviews and support black leaders through the MMPowered initiative, which hosted 27 ACI leaders this year. To address tech talent shortages, we invested R4.5 million in our Tech Talent Incubator, offering courses and training in digital skills.

We focus on developing internal talent and use outsourced tech resources as needed. Key areas include remuneration benchmarking, flexible talent acquisition, internal mobility and creating a talent pool. These strategies are essential due to the high turnover and demand for technology and digital skills.

Our investment in training and skills development

Skills development investment	F2024	F2023
Total training spend (R million)	517	403*
Number of employees trained	17 787	8 767

For further details on our investment in training and skills development, please refer to page 67 of our ***Sustainability Report.***

Developing future skills

The Group human capital team has launched a project to create a systematic toolkit for identifying scarce and critical skills across business units with the goal of strategically managing these skills from recruitment through to reward. This structured approach helps business units methodically identify essential skills. Our key skill priorities include problem-solving, adaptability, interpersonal influence and results-driven performance which are crucial for tackling challenges, adapting to change, building relationships and achieving operational excellence.

Driving a digital focus

Driving digital transformation is a key strategic objective for our human capital team, enabling our workforce to adapt to an evolving workplace through automation and self-service efficiencies. Leveraging predictive analytics, we prioritise strategic workforce planning and management to anticipate talent challenges, address skill gaps and optimise workforce decisions, which are crucial amid the high demand and turnover of technology and digital talent in our industry.

For additional information on our skills and leadership development programmes, please refer to page 67 of our ***Sustainability Report.***

Employee health and well-being

We prioritise a safe workplace environment with robust safety protocols and employee-engaged standards, including regular training and resources like monthly health and safety communications, first aid tips and online evacuation planning. In F2024, we addressed 52 reported injuries with thorough investigations and mitigation measures. Trained first aiders handled 62 medical incidents and 288 officials received training in firefighting, first aid and health and safety protocols.

Our critical incident stress debriefings (CISD) have increased annually by 23.4%, addressing issues such as grief, domestic violence, accidents and personal loss, supported by a bi-monthly grief support group.

Our Wise & Well employee assistance programme provides counselling, managerial consultations and trauma support via an accessible WhatsApp channel with an automated chatbot. Netcare 911 offers emergency ambulance services for Momentum Health members, alongside ongoing training for health and safety officials in evacuation, firefighting and first aid to mitigate the 31 reported injuries on duty annually. We enhance employee well-being through training on stress management, work-life balance, diversity, financial wellness, gender-based violence and mental health, with regular updates in our #ThinkHumanFirst newsletter.

For more information on employee health and well-being, refer to page 69 of our ***Sustainability Report.***

An evolving workplace

Our Group hybrid work guidelines provide office-based, hybrid and remote options to support operational needs and improve talent retention and collaboration. We established a structured approval process for international remote work, managed by a Remote Review Committee, with six-month approvals and divisional review.

Financial wellness

Our financial wellness portal offers educational resources and adviser advice accessible from any device. It includes a financial wellness map covering career start, asset acquisition, parenting and more, with ongoing predictive analytics for deeper insights.

Reward, remuneration and performance management

The Group creates a motivating environment to attract and retain top talent, focusing on engagement, reward and excellence. Our remuneration philosophy offers competitive packages and performance incentives to exceed KPI targets and create mutual value.

Read our Remuneration chapter on pages 118 to 130 for further information.

**The F2023 statistics have been restated, following the implementation of a new standardised methodology that more accurately reflects voluntary exits.*

ENVIRONMENTAL MANAGEMENT

We prioritise environmental responsibility and actively encourage consumer sustainability awareness.

Matters material to help build the low-carbon economy

- Responsible investing and corporate citizenship
- Climate change and resilience

The SDGs we contribute to through our approach to our people

7 Affordable and clean energy
13 Climate action

KEY METRICS

B score achieved for our voluntary CDP climate change disclosure (2022: B score)

R1.2 billion invested in renewable energy projects (2022: R4.1 billion)

52 443 MWh total energy consumption (2022: 40 167 MWh)

63 780tCO_2e total GHG emissions (2022: 55 518tCO_2e)

11% reduction in overall GHG emissions against the 2019 baseline (2022: -22%)

2.49tCO_2e emissions per employee (2022: 2.66tCO_2e)

4 396tCO_2e Scope 1 emissions (2022: 3 568tCO_2e)

35 366tCO_2e Scope 2 emissions (2022: 40 437tCO_2e)

24 018tCO_2e Scope 3 emissions (2022: 11 513tCO_2e)

115 212kl total water withdrawal from municipal water supplies (2022: 98 408kl)

Four waste management programmes (one at each main campus)

67% waste produced recycled (2022: 61%)

** Please note that to comply with the requirements of the DFFE/SAGERS reporting, our emissions data is for the 2023 calendar year.*

We prioritise responsible environmental management to ensure sustainability across our business, clients, employees and communities. This includes improving energy and water efficiency, managing waste responsibly and forming partnerships to enhance asset reuse. We actively reduce emissions through initiatives like remote health assessments and robotics automation, integrate environmental considerations into investment decisions, support renewable energy projects and foster green economy development. Our commitment is further demonstrated through innovative products such as Guardrisk Mining Rehabilitation and pension-backed solar installations.

Our approach to environmental management

Our environmental management approach is guided by rigorous policies and a climate change position statement that oversees our sustainability efforts. We adhere to all applicable environmental laws, including reporting annual carbon emissions for our stationary combustion activities exceeding 10 MW(th), as mandated for JSE-listed companies by the Department of Forestry, Fisheries and the Environment. In addition to reducing our direct environmental impact, we encourage environmental responsibility among employees and responsibly dispose of IT hardware, while migrating our data centres to cloud-based solutions.

CLIMATE CHANGE

Contributing to combating climate change

The climate crisis is evolving within a complex global landscape where climate commitments, geopolitical dynamics and planetary boundaries are interlinked with natural resource limitations and local social issues.

At the Momentum Group, we recognise this complexity and consider these external trends as we develop our response. We remain committed to addressing climate change and facilitating a Just Transition to a low-carbon economy. Throughout the years, we have demonstrated our dedication through various climate-related statements and disclosure projects. Our contributions to combating climate change are extensive. We have implemented a robust governance framework to ensure the Board's oversight of climate risk and we formally support the TCFD while also voluntarily participating in the CDP.

Taking tangible steps to reduce our carbon footprint across our value chain and striving towards decarbonisation targets are integral components of our strategy. Additionally, we actively invest in renewable energy projects to promote a low-carbon economy and actively engage in initiatives like Climate Action 100+. Furthermore, our commitment to responsible investing is evident in our portfolios, which are aligned with ESG criteria. Finally, our dedication to environmental sustainability is reflected in our product offerings and innovative solutions aimed at enhancing environmental performance.

Just Transition for South Africa

Achieving zero GHG emissions by 2050, as mandated by the Paris Agreement, demands urgent and comprehensive action from all nations. However, these efforts must not harm the people they aim to support. Climate change disproportionately affects low-income households, the unemployed, and those lacking adequate housing, infrastructure and healthcare.

In South Africa, historical inequalities amplify these challenges, making it crucial to mitigate and adapt to climate change. A common misconception is that the responsibility for a Just Transition rests solely with governmental or intergovernmental bodies. In reality, achieving this transition requires collective efforts across all sectors, including the private sector. According to the the United Nations Global Compact (UNGC), the financial services industry can play a pivotal role in advancing a Just Transition and enhancing the climate action agenda by including factors beyond the environment and climate such as labour standards, social dialogue and consensus-building, to enable finance to lead in the Just Transition; partnering with other sectors, allocating capital, managing related risks and seizing opportunities while contributing to a robust informational infrastructure; and working with policymakers to create an enabling environment, particularly regarding fiscal policies, financial regulations and transition plans.

Task Force on Climate-related Financial Disclosures

The Group joined the TCFD in June 2021, aligning with stakeholders' heightened focus on our climate change initiatives. Recognised as a crisis potentially more impactful than the pandemic, climate change demands heightened readiness from financial institutions to assess its economic implications accurately, as emphasised by regulators and industry experts.

We support the transition of climate-related disclosure oversight to the IFRS Foundation from 2024, alongside the International Organisation of Securities Commissions' endorsement of IFRS S1 and S2, marking a significant step in standardising reporting. Our Group Sustainability and Climate Risk Steering Committee will evaluate IFRS S2's alignment with TCFD guidelines to enhance transparency and accountability in addressing climate-related risks and opportunities.

Helping to build a low-carbon economy

We take a proactive, long-term approach to addressing climate change and supporting a Just Transition to a low-carbon economy. In South Africa, where climate impacts disproportionately affect vulnerable populations, our sustainability efforts focus on reducing our environmental footprint, assessing climate risks and supporting the shift to a low-carbon economy. Climate performance is integrated into our broader Sustainability Framework with collaboration across business units crucial for effective strategy and decision-making. Group sustainability now operates within the Group risk function, empowering leaders to implement and evaluate climate actions company-wide. This includes:

Responsible investment	**Our responsible investment strategy integrates environmental factors into our investment decisions, focusing on renewable energy and infrastructure projects that improve basic service delivery.**
Development of products and services	**We offer products like Guardrisk Mining Rehabilitation and Momentum Corporate's pension-backed solar installations to tackle emerging environmental risks.**
Reducing emissions	**We reduce emissions across distribution channels, client acquisition and policy management by using remote health assessments at Momentum Life and robotics process automation for streamlined sales and services.**

Our carbon footprint

While our carbon emissions are relatively small on a global scale, they contribute to the overall footprint, particularly through electricity consumption, with South Africa's coal-derived energy amplifying this impact. We disclose our GHG emissions data annually, verified by a third party and our integration of energy-efficient technologies and green building construction has reduced our carbon footprint. Tracking our GHG emissions helps us monitor environmental impact and the effectiveness of our initiatives. We report total GHG emissions annually using the GHG Protocol Standard, verified externally and compatible with international standards like ISO 14064. We report all direct operational emissions (Scope 1) and selected indirect emissions (Scope 2 and specific Scope 3 categories), with plans to include more categories over time.

Our 2030 target is a 23% reduction. In 2023, we achieved a significant 11% reduction in overall GHG emissions from our 2019 baseline, aligning with our 2030 target. We participate in the CDP, consistently achieving a B score since 2017, demonstrating our dedication to transparency and environmental stewardship. Our latest CDP submission is available online.

Energy management

Our facilities management team prioritises energy efficiency in upgrading infrastructure, ensuring new technologies are environmentally friendly.

We integrate energy efficiency into new building designs and enhance existing buildings and critical infrastructure like data centres. This has led to a reduction in GHG emissions through several initiatives, including a capital investment of over R150 million into solar facilities at our Centurion and Parc du Cap properties, installing solar panels and a battery energy storage system. Eris Property Group, a subsidiary of the Group, installed 10 solar plants generating significant energy and reducing CO_2 emissions. Major data centre upgrades and IT equipment improvements since 2018 have increased power utilisation efficiency. We aim to further reduce energy usage by transitioning data centres to energy-efficient ICT kits, underscoring our commitment to sustainable operations.

WATER MANAGEMENT

We recognise the importance and impact of water scarcity. By adopting water-efficient technologies and initiatives such as backup tanks, hands-free, sensor-smart taps and air-cooling HVAC systems, we can reduce our water reliance and consumption. Our total water withdrawal increased from 98 408kl in 2022 to 115 212kl in 2023 due to higher office occupancy year-on-year.

WASTE MANAGEMENT

We make every effort to avoid sending waste to landfill. Monitoring of waste management currently takes place at our four main campuses (Parc du Cap, The MARC, Centurion and Cornubia), with 67% of the waste produced in 2023 recycled (2022: 61%). The Group responsibly disposed of up to 18 tonnes of ICT e-waste in 2023.

PURPOSE-DRIVEN GOVERNANCE

PURPOSE-DRIVEN GOVERNANCE

OUR GOVERNANCE APPROACH

Good governance is fundamental to the Momentum Group's operations and serve as a cornerstone of our value-creation process.

Through robust governance practices, we prioritise transparency, accountability and integrity in all interactions and decisions, fostering trust among clients and stakeholders, and safeguarding our reputation and long-term sustainability.

Our governance section outlines how the Board oversees the Group's strategy and assesses the business model, while emphasising ongoing efforts to enhance sustainability. By aligning governance with our strategic objectives, we drive transformative change, support strategic execution and strengthen leadership in navigating challenges and seizing opportunities. This integrated approach ensures effective oversight by our Board, facilitating value creation through active engagement in Board and committee activities.

KEY BOARD DISCUSSIONS IN F2024

Board meetings are governed by the Board charter, which is derived from several legal frameworks including the Companies Act of 2008, the JSE Listings Requirements, King IV™ and other relevant legislation and regulations. This charter specifies the composition of the Board, the frequency of its meetings and the roles and responsibilities of individual directors and the Board as a whole. The charter undergoes an annual review to ensure its continued relevance and effectiveness. Furthermore, an annual work plan is in place to ensure that meeting agendas adequately address all the Board's duties and responsibilities. During F2024, the following pivotal discussion points took centre stage:

Guiding the Group through a volatile macroeconomic environment	• **Considered and monitored the impact of economic and regulatory challenges on earnings, value of new business and persistency.** • **Oversaw the Group's response to the impact of competitors and new entrants in the industry.**
Overseeing the execution of the strategic objectives	• **Monitored the implementation of the Reinvent and Grow strategy and held management accountable.** • **Supported management in the design and approval of the new Impact strategy.**
Embedding capital management framework	• **Considered optimal capital decisions aligned with Group strategy and long-term shareholder value.** • **Monitored resilience of solvency and liquidity positions.**
CEO and executive succession	• **Balanced Board and executive skills, experience and diversity through active succession planning.** • **Supported the newly appointed Group CEO and members of the Exco in their new roles.**
Sustainability	• **Supported the Group's ESG initiatives.** • **Assessed the Group and its business units' progress in embedding the *Sustainability Framework*.** • **Monitored climate change risk and approved the decarbonisation strategy and own emissions targets.**

THE BOARD IS THE CUSTODIAN OF CORPORATE GOVERNANCE K[7,8]

As the custodian of Group governance, the Board holds a central role in steering the organisation towards sustained value creation. By overseeing the implementation of governance processes, policies and plans; ensuring accountability throughout the Group; and providing diligent oversight, monitoring and strategic guidance, the Board and management contribute significantly to the Group's ability to generate enterprise value across short-, medium- and long-term horizons.

Setting and steering strategic direction | **Approving policy and planning** | **Providing oversight and monitoring** | **Ensuring accountability**

Ensuring accountability for performance

Our governance framework enables the Board to uphold business accountability and to attain performance targets aligned with our strategic objectives.

Approving policy and planning

The Board approves policies and plans that bolster the Group's strategy and contribute to value creation by promoting good governance, corporate social responsibility and an ethical organisational culture.

Board inputs

Steering organisation and setting strategic direction

The Board is responsible for establishing and guiding the strategic trajectory of the Group, defining the risk appetite and overseeing risk management efforts to facilitate the attainment of strategic objectives.

Overseeing and monitoring implementation and execution

The Board's vigilant oversight and performance monitoring serve to enhance the value delivered to the business and our stakeholders by upholding a fair and transparent operational approach.

Outcomes

Effective Control K[6, 7, 8, 10, 15]

Supported by a robust Governance Framework and delegation of authority structure, the Board provides guidance to, and oversight of, the management of risk, remuneration, compliance and the related lines of defence that support good governance practices.

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An ethical culture K[1, 2, 3]

The Board plays an important role in promoting and overseeing the Group's efforts to embed an ethical culture, supported by our Code of Ethics and Standards for Conduct policy, along with other policies designed to foster ethical behaviour and address conflicts of interest.

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Delivery against strategy K[4]

The Board maintains oversight of the Group's performance against its strategy and business plans. It measures its performance against agreed targets to ensure the Group continues to create sustainable value for the business and its stakeholders.

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Legitimacy K[3, 16]

Our Board champions economic, environmental and social sustainability in our business practices by implementing robust governance policies and processes through its mandated committees.

The Group remains committed to balancing and considering the interests, needs and expectations of material stakeholders through proactive engagement and robust governance practices.

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Creating value encompasses profitability, environmental sustainability and social responsibility.

EFFECTIVE CONTROL

Delegation of authority and effective control K[10, 12, 15]

The Group's governance and delegation structures are designed to empower the Board as the custodian of corporate governance while enhancing effective leadership throughout the organisation. The Governance Framework is structured to empower the Board with robust control over business operations.

Each entity operates with clearly defined mandates, ensuring accountability and alignment with the Group's strategic objectives. This approach promotes transparency and efficiency while enhancing our ability to navigate challenges and capitalise on opportunities. The Group's frameworks, processes and policies collectively ensure consistent governance practices across the Group, enabling us to execute our strategy effectively and meet stakeholder expectations.

Outcome

The Board is confident that our delegation structures foster the clarity of roles and an effective distribution of authority and responsibilities. These structures serve as a cornerstone for applying principles outlined in King IV™, enabling us to achieve corporate governance outcomes centred on ethical culture, strong performance, effective control and legitimacy.

Our delegation mechanisms facilitate the allocation of authority to Board committees, which are chaired by independent non-executive directors, ensuring compliance with regulatory requirements and best governance practice.

The Chair provides overall leadership to the Board, ensuring effective director performance, while the Group Chief Executive Officer oversees daily operations and leads the Group executive committee, adhering to our delegation of authority framework. Through a clear distinction of roles and responsibilities between the Chair and Group Chief Executive Officer, we maintain a balanced distribution of power at the Board level.

Moreover, the majority of our Board members are independent non-executive directors. They align with our Group policies that are aimed at safeguarding shareholder and stakeholder interests.

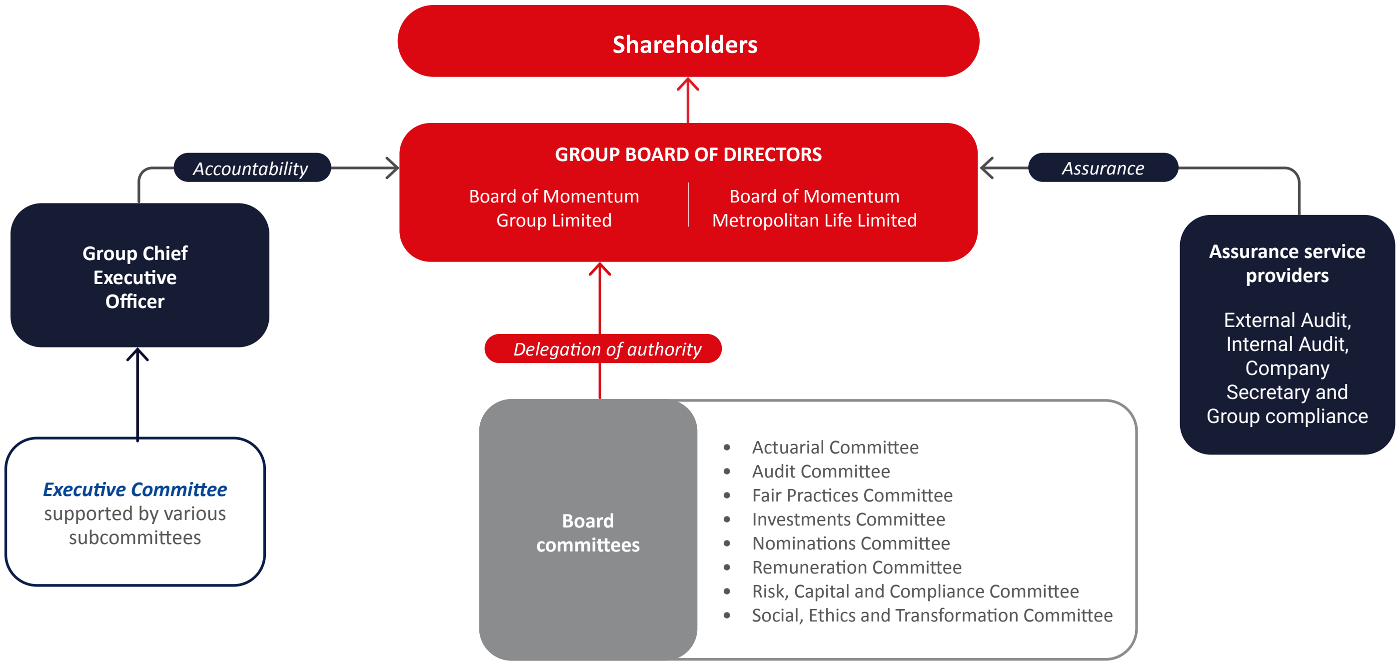
K[7,12] JSE[3.84(a)] K[7] JSE[3.84(e)]

Actions taken by the Board during the year

The Board monitored the implementation of the recommendations for improvement identified during the F2023 independent Board review.

Governance Framework K[16]

Our framework for governance, policies, procedures, risk and sustainability management and remuneration strategy all form the foundation of our value generation process. These elements guarantee that the Group is guided by integrity and efficiency and is well-managed and controlled.



PROTECTING AND ENHANCING VALUE

AN ETHICAL CULTURE [1,2,3]

Nurturing a Group-wide ethical culture is paramount to us, with our Board diligently overseeing all facets of our operations, from financial performance to risk management, regulatory compliance and social and environmental impacts.

Our Board upholds a set of principles to reinforce ethical leadership and governance, including leading by example, minimising risks, ensuring integrity and the highest standards of conduct. This commitment is reflected in our unwavering dedication to ethics and compliance, demonstrated through our ethical supplier engagement, active involvement in industry forums and regulatory collaborations to enhance standards and alignment, and refraining from political party donations. Quarterly reports provide insights into these areas, including assessments of our social and environmental performance, employee and client safety, health and well-being, as well as efforts in climate change mitigation.

Actions taken by the Board during the year

- Among the key focus areas for F2024 were initiatives to strengthen ethical behaviour and further mitigate and respond to fraud risk.

Ethical behaviour

We recognise the importance of good corporate citizenship extends beyond compliance to encompass our role in society, environmental stewardship and ethical obligations to our stakeholders. To uphold these principles, we ensure the implementation of robust governance policies and processes, which are overseen by mandated committees.

Governance structures

Our governance structures are robust and are supported by a strong value system that guides our actions to provide services with honesty, fairness and due diligence. Ethics and accountability are integral components of our operations and are deeply rooted in our organisational values.

At the Board level, our committees include the Social, Ethics and Transformation Committee (SETC) and the Fair Practices Committee (FPC), while at the management level, oversight is provided by the Group Exco and various management committees within our business units.

Governance accountability

Social, Ethics and Transformation Committee	The SETC serves as the custodian of ethical conduct and practices within our organisation and is mandated by the Board to oversee the ethics programme and evaluate the Group's overall ethical performance. Through its diligent efforts, the SETC upholds the organisation's commitment to ethical behaviour and integrity, fostering trust and accountability among stakeholders.
Fair Practices Committee	The FPC oversees the Group's application of its values of accountability, integrity and excellence to its relationship with its clients and its compliance with the Financial Sector Conduct Authority's (FSCA) treating customers fairly (TCF) requirements.
Policy guidance	The ***Code of Ethics and Standards for Conduct Policy*** serve as the cornerstone for cultivating an ethical culture and upholding ethical principles across the entire Group. Applicable to all employees, including those within subsidiaries and joint ventures, it outlines our core values and codes of behaviour, which are communicated internally and externally. These principles are integrated into training programmes and incorporated into all contractual agreements. In response to emerging challenges, such as the rise in fictitious claims, we continuously enhance our systems to prevent and detect unethical behaviour effectively.
Compliance with statutory obligations	The Board maintains a strong focus on regulatory compliance and oversees the implementation of Board-approved policies. A comprehensive ***combined assurance framework*** and process are in place to uphold an effective control environment.

Ethics and compliance disclosures and commitments

The Momentum Group collaborates with government structures to support social projects but does not make any donations to political parties, directly or indirectly. We maintain high governance and ethical standards in our engagements with suppliers, ensuring compliance and avoiding those associated with significant risks of child or forced labour.

No incidents of child, forced, or compulsory labour were identified during the year. Additionally, the Group actively engages with industry regulators and bodies such as ASISA to promote alignment and enhance industry standards.

In F2024, the Group reported no significant environmental, social, or governance incidents and faced no scrutiny from regulators or public bodies. No fines, penalties, or claims related to sustainability incidents were incurred.

Conflicts of interest [2]

To uphold integrity and comply with section 75 of the Companies Act, Board members are required to promptly disclose, in writing, any interests they hold in significant contracts involving the Group. Consequently, Board members are excluded from participating in discussions or decisions concerning any matters in which they have a conflict. The Board ensures that such matters are managed appropriately to mitigate conflicts of interest.

Dealing in securities

Our information and share-trading policy regulates the conduct of directors, employees, insiders and relevant individuals regarding trading of the Group's securities and disclosure of sensitive financial information.

Within restricted or closed periods, directors, the Company Secretary and designated officers are prohibited from trading in shares and are required to obtain written authorisation from the Chair, in coordination with the Company Secretary, prior to engaging in any securities transactions outside of these restricted periods.

Details of directors' shareholdings are openly disclosed in the ***Remuneration Report.***

Preventing fraud, corruption and crime

A zero-tolerance stance	We maintain a strict zero-tolerance stance towards all forms of commercial crime, including corruption, within and directed at the Group. Our robust policies and control mechanisms are designed to detect and prevent such activities effectively. To further strengthen our efforts, an updated anti-money laundering, counter-terrorist financing and counter-proliferation financing policy is scheduled for publication in December, pending governance approvals.
A clean track record	Our track record remains untarnished, with no incidents of corrupt behaviour identified among our Board members or employees over the past five years, whether through internal investigations or external scrutiny.
Secure and confidential reporting channels	The Group maintains business-specific fraud and ethics lines accessible to stakeholders, including employees, clients and authorities. All reports received through these channels undergo independent investigation, with formal feedback provided to the reporter or the independently managed whistle-blowing facility provider. In F2024, we received and addressed 361 whistleblowing reports (F2023: 387), each subject to independent investigation and formal registration, ensuring transparency and accountability.
Continuous awareness and training	We prioritise continuous awareness and training on ethical conduct and reporting mechanisms for employees and external parties. During F2024, we completed a comprehensive training campaign as part of the Group-wide learning initiatives. Through these initiatives, the Group ensures that all stakeholders are equipped with knowledge and resources to uphold ethical standards and address any misconduct effectively.
Externally reviewed and vetted practice	In F2021, Momentum underwent a comprehensive fraud and risk maturity assessment conducted by EY. This assessment encompassed a thorough review of all Group Forensic policies and guidance notes. Our Code of Ethics and Standards for Conduct Policy, along with policies designed to safeguard whistle-blowers from retaliation, were rated as advanced. Additionally, our training programme and communication strategies related to fraud risk management received an "established" rating. The SETC and RCCC annually review the relevant Momentum Group governance and compliance policies and expressed their satisfaction with the content of the policies.

Respecting human rights K[17]

Our robust Human Rights Policy mandates strict compliance with relevant legislation and adherence to the UNGC principles. This commitment is reflected in our Code of Ethics which emphasises dignity and respect for all associated with the Momentum Group.

To ensure widespread awareness and adherence, the Human Rights Policy is readily available to our employees and external stakeholders. Our whistle-blower facilities enable anonymous and in-person reporting, promoting accountability and transparency.

DELIVERY AGAINST OUR STRATEGY

Implementation of Group strategy K[4]

The Board, as the entity accountable for the Group's performance, considers all aspects of the value creation process when steering and setting the strategic direction. It maintains oversight of the Group's performance against its strategy and business plans, measuring progress against agreed targets to ensure sustainable value creation for the business and its stakeholders. The Board is satisfied with the performance achieved in implementing the Reinvent and Grow strategy.

From a governance perspective, the Board oversees the execution of the new Impact strategy and the launch of the new purpose statement. The Board identified six strategic choices to guide our business units in meeting the Group's expectations and delivering impactful results.

Robust risk and performance management K[11]

The Board actively seeks to enhance its understanding of material risks and opportunities and uses effective risk management and its combined assurance model to monitor risk.

Technology and information governance support K[12,16]

Our RCCC is tasked with monitoring IT governance, information security and cyber risk, identified as critical matters for the Group. In fulfilling its mandate, the committee evaluates the effectiveness of our cybersecurity strategy and assesses technological risks, especially concerning technology renewal and remote work arrangements.

To govern technology and information effectively, we have implemented a Technology and Information Governance Framework, aligned with King IV™, outlining the committee's oversight duties.

Management oversight is further ensured through various committees including the IT Exco, business unit management committees, Data Privacy Steering Committee, Platforms and Applications Architecture Committees and combined assurance forums.

Identified governance improvement areas

Areas for improvement have been identified including enhancing governance metrics, improving reporting on policy implementation and streamlining oversight forums. A project is currently underway to automate assurance processes related to information security and risk.

How governance supports the Group's strategic objectives in relation to our Exco's responsibility

Strategic objectives	Executive Committee's responsibility	Governance support
Grow existing channels	Leadership sets growth strategies, oversees implementation, and manages risks and opportunities to support the focus on efficiency gains, digitally enabling advisers and footprint growth.	Governance structures oversee the growth of existing channels, ensuring that risks are managed and actions are aligned with Group objectives to achieve sustainable, value-enhancing growth.
Establish new channels	Leadership's role involves strategic planning, resource management, risk mitigation, stakeholder engagement, monitoring and compliance – all crucial for navigating the complexities of launching new channels to drive sustainable growth.	Governance enhances the Group's capacity to expand market reach and achieve sustainable growth through effective management of risks and alignment with strategic goals.
Accelerate digital	Leadership propels digital transformation by setting strategic direction, allocating resources effectively, fostering innovation and ensuring alignment with Group goals, thereby significantly enhancing competitiveness.	Governance oversees the establishment of frameworks for digital transformation and risk management and ensures compliance with regulations and ethical standards. This approach enables the Group to effectively leverage digital technologies, enhancing efficiency, customer experience and our competitive advantage.
Product and service leadership	Leadership is responsible for product and service leadership, focusing on improving product and service design to meet client needs and utilising new technologies to build capabilities, gain competitive advantages and enhance market positioning.	Our governance frameworks ensure that product and service development aligns with strategic objectives and adapts to changing regulations and compliance requirements. This oversight facilitates effective resource allocation, fosters innovation and enables market adaptation, thereby enhancing the Group's ability to deliver valuable solutions and maintain market leadership.
Transformation	Leadership drives authentic transformation towards inclusivity.	Governance oversees accountability measures to track progress, conducts audits to assess diversity goal compliance, and promotes transparent reporting on diversity metrics. This fosters a supportive environment and equitable opportunities for all stakeholders, facilitating the organisation's transformation into an inclusive entity.

LEGITIMACY

The Board recognises the Group's responsibility to its stakeholders, broader society and the environment to be accountable and trustworthy. This encompasses the Group operating ethically, transparently and in a way that balances its business objectives with the expectations of our stakeholders.

Actions taken by the Board during the year

- Embedded the Group Sustainability Framework within the business units.
- Reviewed and approved the disclosure of the Group's ESG objectives and decarbonisation commitments.
- Monitored, on an ongoing basis, progress in the implementation of the Group's diversity, inclusion, equity and belonging practices.
- On behalf of the Group, the Responsible Investment Committee monitored the relevance and integrity of our responsible investment practices and policies to ensure alignment with global best practice.
- The Group conducted a market perception study to gather feedback from market participants on its investment case, as well as the level and quality of its investor engagement.
- Board committees ensured that external disclosures complied with regulatory obligations and met the legitimate needs of stakeholders. This ensured effective communication with providers of financial capital and key stakeholders to guarantee a clear, aligned understanding of the strategy and to maintain transparency.

*Read our **Sustainability Report** for further information on the sections below*

Responsible corporate citizenship K[3]

Governance practices

Governance structures aimed at achieving responsible corporate citizenship include:
- Human capital policies and processes aligned with Principles 1 to 6 of the UNGC, ensuring compliance with the UN Declaration of Human Rights and the International Declaration on Fundamental Principles and Rights at Work, along with all relevant legal requirements.
- Oversight provided by the Transformation Steering Committee, which focuses on authentic transformation efforts.
- The Group's commitment to environmental responsibility, demonstrated by its voluntary participation in the Climate Change Disclosure Project since 2013.
- The Group conducted a market perception study to gather feedback from market participants on its investment case, as well as the level and quality of its investor engagement.
- The Momentum Group Foundation, which is mandated to deliver on the Group's youth employment strategy, monitors the performance of the Group's CSI team and reports on its progress to the SETC.

Responsible and ethical investing K[2,17]

King IV™ Principle 17 delineates the responsibilities of institutional investors in fostering good governance within the companies they invest in. This principle underscores the vital role investors play in upholding governance standards across their investment portfolio. Additionally, King IV™ Principle 2 is pertinent to our role as an investor, requiring the Board to address the organisation's key ethical risks. This encompasses evaluating our approach to investments as articulated in our policies and processes. By adhering to these principles, we ensure that ethical considerations are integrated into our investment strategies, contributing to the promotion of responsible and sustainable business practices across our investment portfolio.

Governance of responsible and ethical investing

The SETC, mandated by the Board, oversees the Group's adherence to responsible and economically viable investment practices. At the management level, the Responsible Investment Committee, comprising representatives from various business units, ensures oversight of our responsible investment approach and the implementation of Exco-approved policies on responsible investment, climate change investment, proxy voting and engagement. Our Group's voting records and these policies are publicly accessible on our ***website***.

Our Group proudly maintains several affiliations and commitments, including:
- Signatory status with the UN-supported UNPRI since 2006
- Supporter of the Code for Responsible Investing in South Africa (CRISA 2.0)
- Signatory to Climate Action 100+
- Active participation in ASISA, with representation on the Responsible Investment Committee and involvement in various technical and investment working groups
- Membership of the Investments Consultants Sustainability Working Group (ICSWG)
- Momentum Global Investment Management has been listed as a signatory to the UK Stewardship code recognised by the Financial Reporting Council since July 2024.

Stakeholder inclusivity K[16]

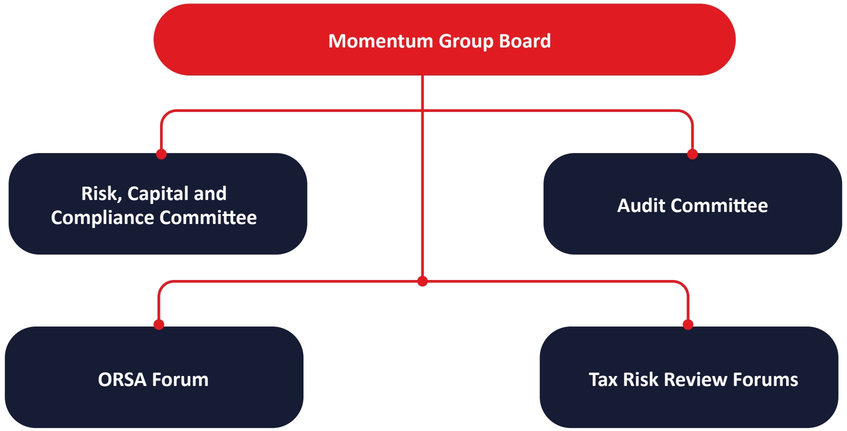
King IV™ Principle 16 emphasises the importance of adopting a stakeholder-inclusive approach, balancing the needs, interests and expectations of material stakeholders in the organisation's best interests over time. Our Board and management achieve stakeholder inclusivity by identifying the Group's stakeholders through engagement and considering their interests, needs and expectations. Through effective governance, oversight and performance monitoring, our Board and management contribute value to the Group and its stakeholders.

*For more detailed information on our stakeholder engagement efforts, please refer to the **Stakeholder Engagement** section.*

Tax governance [3]

The Board's responsibility for tax aligns with the principles of King IV™ which emphasises compliance with laws, responsible citizenship and reputational considerations. The Group rigorously manages tax risks to ensure legal compliance and stakeholder value.

Our tax policy promotes responsible corporate citizenship, transparency, risk management, strategic alignment and stakeholder communication. Endorsed by the Board and overseen by relevant committees, it complements our Enterprise Risk Management Framework. Although tax is an operational risk, it is managed separately to uphold transparent governance, ensuring our practices reflect our values and contribute to sustainable stakeholder value and legal compliance.



Our tax contributions have significant economic and social impacts in the jurisdictions and communities we serve:

Total tax paid (R million)	F2024	F2023	F2022
Corporate tax	5 511	3 369	2 965
Payroll tax	1 859	1 665	1 532
Indirect tax (VAT)	1 167	908	1 319
Policyholder tax	561	520	493
Dividends tax	163	176	131
Other (STI)	2	18	64
Total	**9 263**	**6 657**	**6 504**

A detailed computation of the IFRS effective tax rate reconciliation is available in note 26 on page 180 of our ***Group Annual Financial Statements.***

VALUE-CREATING LEADERSHIP

OUR DIVERSE AND INDEPENDENT BOARD [7]

Our Board is composed of individuals whose expertise and experience align with our vision and purpose, driving us to build and protect our clients' financial dreams and create enduring value for all stakeholders.

With a unitary structure comprising 16 directors (as at 30 June 2024), we uphold a balanced distribution of authority, preventing any single director from exerting disproportionate influence over our governance processes and choices. Our directors come from varied backgrounds, enriching our Board with diverse perspectives and professional acumen. This diversity in skills, knowledge, qualifications and independence fosters robust decision-making. Equipped with a broad spectrum of competencies, including financial acumen, audit proficiency, internal control expertise, risk management and actuarial knowledge, our current directors are well-equipped to guide us effectively and ensure our sustained viability into the future.

Board independence

12%	19%	69%
Non-executive directors	Executive directors	Independent non-executive directors
F2023: 7%	F2023: 22%	F2023: 71%

Board tenure

The average tenure of our Board members is ***3.5 years***

0 — 3.5 years	56%
3.5 — 9.5 years	44%

Average age

The average age of directors is ***58 years***

Attendance at Board meetings

To fulfil its fiduciary responsibilities, the Board has pledged to convene a minimum of four meetings annually. Additionally, it retains the flexibility to convene ad hoc meetings (as necessary) to address operational, financial, governance or other critical business matters. During F2024, the Board held five meetings.

Read page 103 to 106 for more information about director meeting attendance.

99% — Average Board attendance — F2023: 97%

93.5% — Average Board committee attendance — F2023: 97%

Performance against our Board gender and diversity targets

We prioritise Board diversity, understanding that diversity is a key value driver for our long-term success. To this end, our Board has embraced a diversity policy, setting targets for gender and racial representation. These targets are instrumental for advancing our transformational objectives while ensuring that the Board remains optimally sized and equipped with the necessary skills.

Below are the specific racial and gender targets established:

Current Board racial diversity

50% black (ACI) – SA 44% and non-South African 6%
F2023: 43% black (ACI) – SA 36% and non-South African 7%

50% white
F2023: 57%

Board racial diversity target

50% of our Board members to be black.
The racial diversity target was met.

Current Board gender diversity

25% female
F2023: 21%

75% male
F2023: 79%

Board gender diversity target

30% of our Board members to be female.
The gender target was not met

** Nominations Committee continues to monitor the Board composition with efforts to enhance gender diversity on the Board.*

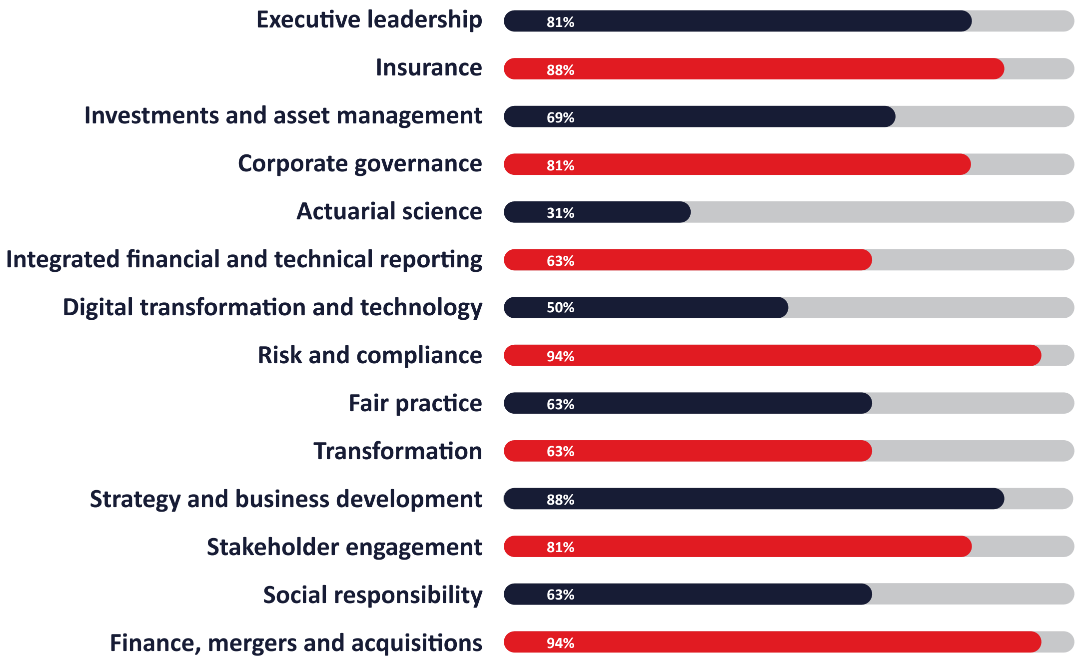
Succession

Annually, the Board conducts a thorough assessment of its size and skill set to maintain effectiveness. This evaluation is aided by the Nominations Committee, which consistently reviews the necessity to bolster and harmonise knowledge, skills, experience, diversity and independence throughout the Board and its committees.

The Board is confident that the current directors possess the necessary skills and experience to meet succession requirements and operate optimally. Additionally, the Group believes that the Board's composition reflects an appropriate blend of skills, knowledge, qualifications, diversity, experience and independence.

Newly appointed directors undergo induction sessions and all directors engage in ongoing training to stay abreast of the latest trends and changes in statutory and regulatory obligations.

The competencies of the Board are represented below:



Appointments, resignations, retirements and re-elections

Appointments

Board appointments are conducted through a formal and transparent process involving careful consideration by the Nominations Committee and the Board. Shareholders have the opportunity to approve the appointment of new directors at the first Annual General Meeting (AGM) following their selection by the Board. Additionally, all non-executive directors receive appointment letters outlining their contractual arrangements. The appointment of Sharoda Rapeti as an independent non-executive director from June 2024, the return of Hillie Meyer as a non-executive director in April 2024, and the appointment of Dumo Mbethe as an executive director in November 2023, have further bolstered the Board's diversity.

Resignations

Paballo Makosholo resigned from the Board with effect from 30 June 2024.

Retirements

Hillie Meyer retired as Group CEO in September 2023 before returning to the Board as a non-executive director in April 2024.

Re-elections

According to our Memorandum of Incorporation (MOI) and in compliance with the JSE Listings Requirements 3.84(d), a minimum of one-third of our directors are subject to election annually via a majority vote. In line with this, our non-executive directors, Linda de Beer, Nigel Dunkley and Seelan Gobalsamy, will retire by rotation and will seek re-election at the upcoming AGM.

Peter Cooper will complete nine-years as an independent non-executive director in November 2024. The Group has deemed it critical to extend Peter's tenure by an additional year, until November 2025. This is in order to provide continuity of the current Chair of the Remuneration Committee, by Peter Cooper, in overseeing the application of the remuneration policy changes necessitated by the new Companies Amendment Act and in addressing the shareholder feedback obtained from the previous AGM. The Board has conducted an assessment and is satisfied with Peter's independence, in view of his continuation to serve as an independent non-executive director and Chair of the Remuneration Committee.

PERFORMANCE REVIEWS K[1,2,9]

The Board recognises the importance of performance evaluation as a tool for fostering ongoing improvement in Board effectiveness, fostering teamwork and nurturing trust among Board members.

Consistent with the King IV™ recommendation advocating for Board and committee evaluations biennially, and the Prudential Authority Standards mandating annual reviews of Board performance, both collectively and individually, the Group undertakes an independent external assessment of the Board and its committees every two years, complemented by an internal assessment every alternate year.

An independent review was conducted during F2023. The review highlighted the effective and trusting relationship between the Board, the committees and management, marked by honesty, transparency and a harmonious blend of encouragement and constructive debate. This environment equips management with the confidence and autonomy required to proficiently drive forward the strategic agenda.

In F2024, the Board conducted an internal assessment of its effectiveness. The analysis of this assessment provided the following insights:

- The Board functions cohesively, with a majority of members agreeing that the Board executes its roles and responsibilities effectively and is addressing the matters on which it could improve.
- All committees operated satisfactorily in fulfilling their mandates with effective support to the Board.
- Management was found to be appropriately held accountable by these committees, enabling the execution of the Group strategy.
- The Chair is considered to be professional and competent, and is leading the Board to sufficiently discharge its responsibilities.

Areas requiring consideration and improvement

Board members have identified areas for improvement, particularly in enhancing oversight and awareness regarding ESG matters, as well as Board succession planning, whilst ensuring that the Board has the necessary skills required for the industry in which the Group operates.

OUR DIRECTORS

Independent non-executive directors

Qualifications:
MBA (Bangor), AMP (Insead), SEP (Harvard)

Date of appointment
1 April 2022

Skills and experience:
Paul brings a wealth of operational expertise garnered from his tenure as an executive at Standard Bank and Nedbank, along with his leadership role as CEO of the Development Bank of Southern Africa until 2012. His professional journey is enriched by significant governance experience, having served as chair and director on the boards of numerous diverse and complex organisations.

Attendance at Board and committee meetings
Board: 100%
Nominations: 100%

Significant directorships:
Bidcorp Limited
enX Group Limited
Peermont Group Proprietary Limited

Qualifications:
BCom (Hons), HDip Tax Law, CA(SA)

Date of appointment
20 November 2015

Skills and experience:
Peter, a chartered accountant by profession, held the positions of Chief Executive Officer and Financial Director at RMB Holdings Limited (RMH) and Rand Merchant Investment Holdings Limited (RMI) until 2014. Presently, he serves as a non-executive director at Shoprite Holdings Limited.

Attendance at Board and committee meetings
Board: 100%
Investments: 80%
Nominations: 100%
Remuneration: 100%

Significant directorships:
Shoprite Holdings Limited

Qualifications:
BCom (Hons), HDip Tax Law, CA(SA)

Date of appointment
1 March 2019

Skills and experience:
Linda's expertise lies in technical accounting, assurance, corporate governance, JSE Listings Requirements and international standards setting. Presently, she chairs the Public Interest Oversight Board (PIOB) in Spain, which oversees the global setting of international audit, assurance and ethics standards for auditors. She is on the Board of Trustees of the International Valuations Standards Council (IVSC) in London.

Attendance at Board and committee meetings
Board: 100%
Audit: 100%
Nominations: 100%
Remuneration: 100%
Risk, Capital and Compliance: 100%
Social, Ethics and Transformation: 100%

Significant directorships:
Aspen Holdings Limited
Shoprite Holdings Limited

Qualifications:
BCompt Hons, CA(SA), AMP (Oxford), Advanced Taxation Certificate

Date of appointment
1 June 2021

Skills and experience:
Nigel boasts a diverse and extensive background in the insurance sector, with a remarkable 22-year tenure spent in various executive roles within the Momentum Group until 2013. He transitioned to owning and managing a hotel, golf and leisure business, while concurrently maintaining his ties with the Group as a non-executive director overseeing its interests in the UK, Guernsey, Gibraltar and South Africa.

Attendance at Board and committee meetings
Board: 100%
Audit: 100%
Investments: 100%
Remuneration: 100%

Independent non-executive directors

Qualifications:
BCom (Accountancy and Law), Postgraduate Diploma in Accounting, Advanced Taxation Certificate, CA(SA), AMP (Harvard)

Date of appointment
1 June 2021

Skills and experience:
Seelan, the current group CEO of Omnia Holdings, is renowned for his adeptness in reshaping companies' strategic trajectories and orchestrating business turnarounds. Prior to his current role, he served as CEO in various esteemed organisations, including Stanlib Asset Management, Liberty Holdings Emerging Markets, Liberty Corporate and Old Mutual Corporate. Throughout his illustrious career, Seelan has amassed extensive international experience spanning diverse geographies and sectors, encompassing emerging and developed markets of a complex nature.

Attendance at Board and committee meetings
Board: 100%
Audit: 100%*
Investments: 100%
Nominations: 100%

Significant directorships:
Executive director of Omnia Holdings Limited

Seelan provided feedback separately for one of the nine meetings not attended

Qualifications:
BSc (Hons) Actuarial Science, FFA, FASSA

Date of appointment
1 October 2016

Skills and experience:
Stephen holds the role of Head of the School of Statistics and Actuarial Science at the University of Witwatersrand, bringing with him a wealth of actuarial expertise. Previously, he served as a director and consulting actuary at Quindiem Consulting and held a position on the executive committee at Swiss Re Life Health in South Africa. Additionally, Stephen has contributed his insights as a member of numerous industry and actuarial professional committees

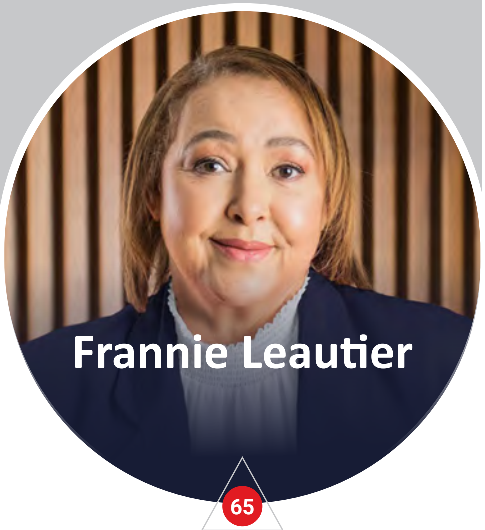
Attendance at Board and committee meetings
Board: 100%
Actuarial: 100%
Fair Practices: 100%

Qualifications:
BSc (Civil Engineering), MSc (Transportation), PhD (Engineering), PhD (Law), Honorary PhD (Humane Letters)

Date of appointment
1 June 2023

Skills and experience:
Frannie is a seasoned finance and development expert, boasting extensive global experience in spearheading and revitalising organisations across the private, public and non-profit sectors. Presently, she holds the positions of senior partner at SouthBridge Group and CEO of SouthBridge Investments. Apart from her profound expertise in finance on a global scale, Frannie brings insights and hands-on experience in navigating the intricacies of African markets, coupled with a profound understanding of Board governance matters.

Attendance at Board and committee meetings*
Board: 100%
Investments: 100%
Nominations: 100%
Remuneration: 100%
Risk, Capital and Compliance: 75%
Social, Ethics and Transformation: 100%



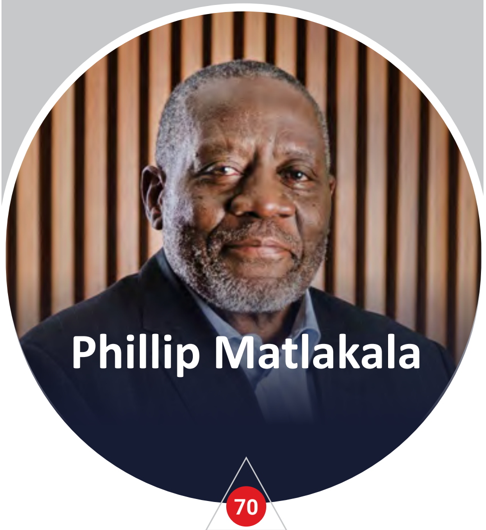
**Frannie Leautier was appointed as a member of the Group's Nominations, Remuneration and Social, Ethics and Transformation committees with effect from 1 April 2024. This was to expand the skills sets of the respective committees.*

Qualifications:
B Juris, B Proc, Programme in Taxation and Financial Planning

Date of appointment
1 June 2023

Skills and experience:
Phillip is a seasoned businessman and independent non-executive director, boasting a career spanning over 30 years in the insurance industry across South Africa and other regions of Africa. He is widely recognised for his significant contributions during his tenure at the Momentum Group, where he held various pivotal roles, including serving as CEO of Metropolitan Retail before retiring in 2014.

Attendance at Board and committee meetings
Board: 100%
Fair Practices: 67%
Social, Ethics and Transformation: 100%



Independent non-executive directors

Qualifications:
BSc (Actuarial Science), FFA, FASSA

Date of appointment
1 December 2019

Skills and experience:
An independent consultant specialising in life insurance, David is an active member of the Actuarial Society of South Africa. He sits on its Professional Matters Board and is involved in the development and provision of technical and professional training to trainee actuaries. During his time as a director/partner at Deloitte, he was the statutory actuary of several life insurance companies, a key adviser to several insurance companies and was also involved in the development of the current South African insurance legislation.

Attendance at Board and committee meetings
Board: 100%
Audit: 100%
Actuarial: 100%
Risk, Capital and Compliance: 100%
Social, Ethics and Transformation: 100%

Qualifications:
Higher national diploma in Electronic Engineering, Masters of Business Administration (MBA).

Date of appointment
1 June 2024

Skills and experience:
Sharoda has over 30 years of operational, board and c-suite experience, obtained across the technology, media and telecommunications, built environment and financial services industries. Her blend of experience comes from having held executive positions in broadcasting and telecommunications and from management consulting involvement in South Africa, sub-Saharan Africa and South East Asia. She provides leadership coaching and has designed and led multiple STEM-based talent development and senior management accelerator programmes.

Attendance at Board and committee meetings*
Board: 100%
Risk, Capital and Compliance: 100%
Social, Ethics and Transformation: n/a

**Sharoda Rapeti was appointed as an independent non-executive director on the boards of Momentum Group and Metropolitan Life, a member of the Group's Risk, Capital and Compliance, as well as Social, Ethics and Transformation committees, with effect from 1 June 2024.*

Qualifications:
BAcc (Hons), Postgraduate diploma in Auditing, CA(SA)

Date of appointment
1 June 2023

Skills and experience:
Tyrone is a highly seasoned and commercially focused chartered accountant with an extensive track record spanning over 35 years in the corporate arena. Throughout his career, he has occupied a diverse array of senior executive positions across various industries including financial services, telecommunications and professional services.
His previous roles include chair of Grindrod Bank Limited and CFO of Cell C Limited. He was also Group Financial Director of the Sasfin Banking Group for 10 years and director of finance at Deloitte for 10 years.

Attendance at Board and committee meetings
Board: 80%
Audit: 78%
Social, Ethics and Transformation: 100%

Non-executive director

Qualifications:
NDip (Cost and Management Accounting), CTA, MCom (SA and International Tax), CA(SA)

Date of appointment
1 July 2020

Skills and experience:
Paballo presently holds the position of Group Chief Executive at Kagiso Tiso Holdings where he steers the organisation towards sustainable growth and success. Prior to this, he served as the Chief Financial Officer at Kagiso Trust and Chief Operations Officer at Kagiso Capital. With over 16 years of experience in auditing, investment and finance, Paballo has honed his expertise in navigating highly volatile and complex business environments.

Attendance at Board and committee meetings*
Board: 100%
Investments: 100%
Risk, Capital and Compliance: 100%
Social, Ethics and Transformation: 67%

** Paballo Makosholo resigned as a member of the Social, Ethics and Transformation Committee with effect from 31 March 2024. He later resigned as a director and a member of the Group's Investments as well as Risk, Capital and Compliance committees with effect from 30 June 2024 to focus on other business commitments.*

Qualifications:
BCom (Econometrics), FASSA

Date of appointment
1 April 2024

Skills and experience:
Hillie, an actuary with more than 36 years' experience in the financial services industry, is no stranger to the Group. He has held leadership positions in insurance, pensions, investments and banking. Hillie joined the Momentum Group in 1988 and served in various roles before becoming its Chief Executive Officer from 1996 to 2005. He left the Momentum Group to become an active investor in private companies and became the founding shareholder and managing partner of a private equity manager in 2009. In early 2018, Hillie returned to the Momentum Group as Group CEO, a position he held until his retirement in late 2023.

Attendance at Board and committee meetings*
Board: 100%
Actuarial: 100%
Investments: 0%

**To enhance the skills set of the Group boards, Hillie Meyer was appointed as a non-executive director on the Boards of Momentum Group and Momentum Metropolitan Life, as well as a member of the Group's Actuarial and Investments committees, effective from 1 April 2024.*

Executive directors

Qualifications:
BSc (Mathematics and Statistics), MBA (cum laude) (IMD Switzerland), PED

Date of appointment
1 March 2018

Skills and experience:
Jeanette has a strong track record of building profitable businesses at various financial institutions. She started her career at the Momentum Group in 1990, filling multiple roles in actuarial product development and marketing and as part of the team that launched Momentum Administration Services, pioneering investment platforms in South Africa.

She filled executive-level positions at PSG, Stanlib and Old Mutual before joining Allan Gray in 2009 as co-head of retail business, where she became executive director. She is passionate about the upliftment of women and making financial services accessible to all South Africans.

Attendance at Board and committee meetings
Board: 100%
Fair Practices: 100%
Risk, Capital and Compliance: 100%
Social, Ethics and Transformation: 100%

56

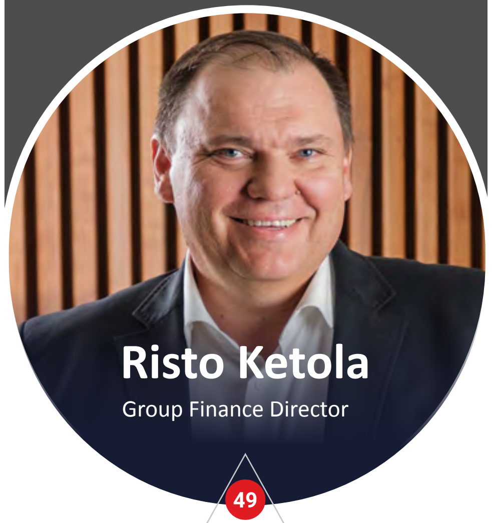
Qualifications:
BSc, CFA, FIA, FASSA

Date of appointment
16 January 2018

Skills and experience:
Risto headed up investor relations and business performance management for the Group before taking up his current position. He has extensive experience as a financial services analyst and researcher with Standard Bank, Ketola Research and Deutsche Bank.

As the Group Finance Director, he is responsible for investor relations, business performance, Group reporting, finance group-wide services, mergers and acquisitions and balance sheet management.

Attendance at Board and committee meetings*
Board: 100%
Actuarial: 100%
Investments: 100%



49

Qualifications:
BCom (Accounting and Information Systems), BCom Hons, CA(SA), AMP (Harvard)

Date of appointment
22 November 2023

Skills and experience:
An experienced executive and business leader with more than 20 years spent in the financial services industry, Dumo joined the Group in January 2017 as Chief Operating Officer of the Africa and Asia business and became Chief Executive of the Africa business in October 2017. In September 2019, he was appointed as the Chief Executive responsible for the Momentum Corporate business, a position he continues to hold.

He joined the Group from Old Mutual where he was General Manager – Member Solutions in the Corporate business and held various leadership roles across the Old Mutual Africa business prior to that.

Attendance at Board and committee meetings*
Board: 100%
Fair Practices: 100%

45

**To balance the executive governance support to the Board, Dumo Mbethe was appointed as an executive director with effect from 22 November 2023, having been an existing member of the Fair Practices Committee.*

OUR EXECUTIVE COMMITTEE (EXCO)

The Exco assumes responsibility for driving the Group's strategic initiatives aimed at enhancing shareholder value. In addition to steering strategic direction, the committee prioritises effective governance and risk management practices to safeguard the interests of stakeholders. By aligning operational activities with overarching strategic objectives, the Exco plays a pivotal role in ensuring the Group's long-term success and sustainability.

56

Qualifications:
BSc (Mathematics and Statistics), MBA (cum laude) (IMD Switzerland), PED

Date of appointment
1 March 2018

49

Qualifications:
BSc, CFA, FIA, FASSA

Date of appointment
16 January 2018

45

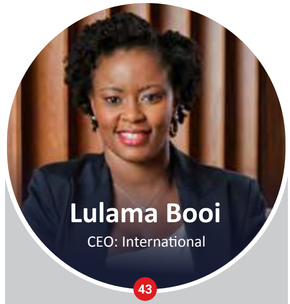
Qualifications:
BCom (Accounting and Information Systems), BCom Hons, CA(SA), AMP (Harvard)

Date of appointment
12 September 2019

53

Qualifications:
BCompt Hons, CA(SA), Chartered Management Accountant

Date of appointment
1 September 2023



43

Qualifications:
BCom (Accounting and Computer Science), BCom Honours, CA(SA)

Date of appointment
1 October 2023

43

Qualifications:
MBChB, MSc. Management

Date of appointment
1 January 2024

57

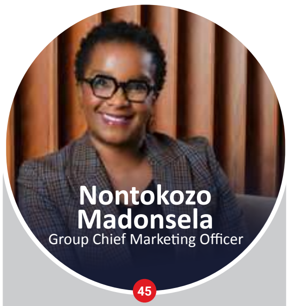
Qualifications:
BSc Hons (Mathematical Statistics), MBA, FASSA

Date of appointment
1 April 2018

53

Qualifications:
MCom, MBA, CA(SA)

Date of appointment
21 November 2013



45

Qualifications:
BCom (Marketing)

Date of appointment
9 October 2017

58

Qualifications:
BA (Psychology), MBA, CFP

Date of appointment
27 February 2018

61

Qualifications:
BSc (Hons) Mathematical Statistics, AMP (INSEAD), Dip Management (Henley), MCSI

Date of appointment
1 September 2023

62

Qualifications:
MChD (Public Healthcare), DHA (Health Administration), MBL

Date of appointment
1 September 2019

Lourens Botha
CEO: Guardrisk Group

Skills and experience:
Lourens is a chartered accountant, specialising in insurance and risk management. He spent 10 years at the Financial Services Board (superseded by the Financial Sector Conduct Authority) in forensic investigation and insurance before joining Absa as Chief Risk Officer of its non-banking financial services division. Lourens was appointed as Guardrisk's Financial Director in 2008 and CEO in 2023.

Key strengths
- Finance
- Leadership
- Insurance
- Strategy

Lulama Booi
CEO: International

Skills and experience:
As Head of Balance Sheet Management (BSM), Lulama played a critical role in formulating the BSM strategy and aligning it with the Group strategy. Lulama led various key strategic projects for the Group FD and CEO's offices, including leading the iSabelo employee share ownership programme from start to final implementation. She has served on a number of Group governance committees related to capital, investment decisions and product management.

Key strengths
- Business leadership
- Risk management
- Stakeholder management
- Strategy development and implementation

Ravi Govender
Group Chief Digital and Technology Officer

Skills and experience:
With over 15 years of service in the financial services and consulting industries, Ravi presents an impressive scope of experience and innovative thinking in his new role. Before joining the Momentum Group, he held digital, channel head and strategy roles in the banking industry following on from his time in strategy and innovation consulting. His focus will be on ensuring all the Group's digital activities and innovations are aligned with market requirements and opportunities while making sure the operations are in sync across all businesses across the Group.

Key strengths
- Business leadership
- Risk management
- Stakeholder management
- Strategy development and implementation

Johann le Roux
CEO: Momentum Retail

Skills and experience:
Johann originally joined the Momentum Group in 1998 as a member of the corporate actuarial team. He became involved in life product development and managing Momentum's life insurance business. In 2005 he became a member of the Group leadership team and assumed executive responsibility for legacy and new-generation insurance, savings solutions and sales and distribution functions. In 2010 he became CEO of Momentum Retail. Retired from full-time executive responsibilities in 2011, he continued to assist the Group with several strategic initiatives before taking up his current role in 2018.

Key strengths
- Business leadership
- Risk management
- Stakeholder management
- Strategy development and implementation

Jan Lubbe
Group Chief Risk Officer

Skills and experience:
Jan joined the Momentum Group as Chief Risk Officer in 2013, previously serving as Chief Risk Officer at Barclays Africa and FirstRand Limited. Having started his career at KPMG (Pretoria and London), where he became a senior manager, he joined Goldman Sachs as an executive director. He received the Institute of Risk Management's Santam Risk Manager of the Year Award in 2006.

Key strengths
- Audit
- Governance
- Industry insight
- Risk management
- Strategy

Nontokozo Madonsela
Group Chief Marketing Officer

Skills and experience:
Nontokozo has specialised in marketing and brand strategy, creative development process, delivery of brand and corporate identity and strategic execution of advertising and marketing campaigns during her over 20 years of experience in brands and marketing. She was formerly Executive Head of Marketing for Personal and Business Banking at Standard Bank, having previously worked in the transport, telecommunications, insurance and fast-moving consumer goods industries.

Key strengths
- Brand transformation
- Business strategy
- Digital marketing
- Reputation management
- Social impact marketing
- Team culture transformation

Peter Tshiguvho
CEO: Metropolitan Life

Skills and experience:
Peter brings a wealth of distribution-related experience to his role, having held various positions across different market and product segments within South Africa and the rest of Africa. Before joining Metropolitan, he was the Head of Corporate and Public Worksites for Old Mutual. He was previously responsible for sales and distribution in the Rest of Africa countries where Old Mutual had a presence.

Key strengths
- Diversity and transformation
- Insurance sales and distribution
- Interpersonal business relationships
- Life insurance
- Strategy

Ferdi van Heerden
CEO: Momentum Investments

Skills and experience:
Ferdi's leadership journey spans across borders and industries. Ferdi has served as CEO of Momentum Global Investment Management (MGIM) in the United Kingdom and on various Momentum boards internationally (from 2010 to date). He spent the bulk of his career with the Group, during which time he played key leadership roles in large-scale business improvement, acquisitions and integration projects. Ferdi has held a range of executive roles in South Africa and abroad (UK, Switzerland).

Key strengths
- Business transformation
- International strategy
- Fintech
- Leadership
- Life, investments and pensions experience

Hannes Viljoen
CEO: Momentum Health

Skills and experience:
Hannes has over 26 years of experience in the South African health sector. A qualified dentist, he achieved his Master's in Public Health and Health Administration (University of Pretoria), which equipped him to understand the intricacies and nuances of the South African health economics landscape. After years as an entrepreneur in the health sector, including starting the National Hospital Network and founding Ingwe HPO, he co-founded Pulz in 2003. He built it into what Momentum Metropolitan Health is today.

Key strengths
- Entrepreneurship
- Health economics
- Health strategy

Company Secretary review K[1,2,3]

The Board acknowledges the responsibilities of the Company Secretary and recognises the role played by Gcobisa Tyusha in ensuring strict adherence to Board procedures and pertinent regulations. Her duties encompass facilitating the flow of information to the Board and its subcommittees, overseeing the Group's compliance with the Companies Act and actively supporting the Board in its governance endeavours. Although she is not a Board member, directors enjoy unrestricted access to her counsel and support.

Throughout the year, the Nominations Committee conducted a thorough evaluation of her performance and affirmed that she possesses the requisite competence, experience and independence to effectively discharge her duties. Consequently, the committee recommended her continued appointment as Company Secretary to the Board.

BOARD COMMITTEES

THE ROLE OF THE BOARD'S COMMITTEES

The Board ensures that its committees adhere to all legislative requirements and operate in alignment with clearly defined mandates outlining their scope, responsibilities, powers and authority. These terms of reference specify committee composition, overall roles and responsibilities, as well as delegated authority and reporting structures.

Committee mandates undergo regular review with annual work plans developed to ensure comprehensive coverage of duties and responsibilities throughout the year. Through these committees, the Board offers guidance, oversees executive management functions and ensures adherence to established governance policies and processes across the Group. This structured approach fosters effective governance oversight and enhances accountability throughout the organisation. K[6]

		Overall attendance by committee members:	% of committee members who are independent:
Actuarial Committee	The Actuarial Committee oversees the Group's actuarial function and supports the Audit and Risk, Capital, and Compliance Committees. It provides actuarial expertise to the Board, focusing on technical understanding and risk management. Responsibilities include consideration of valuation results, embedded value results and projected valuation results over the business planning period as part of the ORSA process. This includes the consideration of the overall methodology and assumptions used to value the assets and liabilities. The committee ensures accurate financial disclosures, assesses capital positions, advises on the distribution of through bonuses, monitors actuarial risks, oversees the actuarial soundness of new products and revisions and ensures regulatory compliance. In F2024, the Committee met four times.	100%	67%
Audit Committee	The Audit Committee oversees internal controls to effectively manage risks and safeguard assets, thereby enhancing transparency and reliability in corporate operations. In accordance with section 94 of the Companies Act, the committee fulfils its statutory duties, including overseeing the integrity of the Annual Financial Statements and the Integrated Report. Members of the Audit Committee are elected annually as per section 94(2) of the Companies Act. During F2024, the Audit Committee conducted a thorough assessment and confirmed its satisfaction with the suitability of EY as the external auditor, as well as the designated auditor, Cornea de Villiers, who is rotating as lead auditor. This assessment was based on the inspection of required reports in accordance with the JSE Listings Requirements. Additionally, in compliance with section 94(8) of the Companies Act, the committee ensured the independence and objectivity of EY in carrying out its duties as external auditors. Furthermore, it verified the expertise and experience of the Group Finance Director and the finance function. The Audit Committee convened nine times in F2024, reflecting its commitment to diligent oversight and governance within the Group.	93%	100%
Fair Practices Committee	The Fair Practices Committee (FPC) ensures that the Momentum Group treats customers fairly by overseeing key aspects of customer relations, such as product design, service delivery, pricing, claims handling and complaints. It ensures compliance with TCF principles, focusing on clear communication, appropriate advice and accessible post-sale services. The committee also manages the Group's discretionary participation business in line with FSCA regulations and reviews the Principles and Practices of Financial Management (PPFM). Additionally, the committee evaluates business practices for fairness and ethics, monitors compliance with consumer protection laws and strengthens governance of distribution channels. In F2024, the Fair Practices Committee convened three times to oversee adherence to regulatory standards and ensure the six fairness outcomes of TCF were met.	81%	57%

		Overall attendance by committee members:	% of committee members who are independent:
Investments Committee	The Investments Committee supports the Board by overseeing investment strategies, mergers, acquisitions and new initiatives. It sets investment criteria, reviews , monitors performance and ensures regulatory compliance. The committee evaluates significant transactions, oversees post-merger integration and ensures business plans align with strategic and risk objectives and monitors existing key strategic investments to ensure delivery against the business case. It also advises other Board committees on financial resources and risk management, reporting regularly on major transactions and strategic initiatives. In F2024, the committee met five times to evaluate investment opportunities and ensure alignment with the Group's strategic goals, contributing to sound financial management and shareholder value optimisation.	83%	57%
Nominations Committee	The Nominations Committee evaluates governance structures and director independence, coordinates annual performance assessments for the Board and Group CEO, and manages succession planning for key roles. The committee recommends changes to Board and committee compositions, ensures transparent nominations and implements diversity programmes. Additionally, it oversees director training, ensures effective induction for new directors and reviews the governance structures of significant subsidiaries within the Group. In F2024, the committee met seven times to fulfil these responsibilities.	100%	100%
Remuneration Committee	The Remuneration Committee is responsible for overseeing the fairness, responsibility and transparency of the Group's approach to remuneration, ensuring that it fosters positive outcomes in the short, medium and long term. The committee ensures that the Group's remuneration framework is aligned to the King IV™ and best practice and that pay and reward systems are sufficiently competitive to attract, motivate, reward and retain the right calibre of employees and to enhance a performance culture. Throughout F2024, the committee convened three times to assess and monitor the Group's remuneration practices.	100%	100%
Risk, Capital and Compliance Committee	The Risk, Capital and Compliance Committee is crucial for maintaining the quality and integrity of the Group's risk, capital and compliance management framework, including technology governance and information security. It supports the Board by evaluating the effectiveness of the respective processes employed in the Group's Enterprise Risk Management, Balance Sheet Management and Compliance functions. The committee advises on risk appetite and technology strategies and approves risk management policies aligned with the Group's strategy. It monitors risk frameworks, business continuity and capital management. The committee oversees the quality, integrity and reliability of the Group's risk and compliance management processes, as well as the reliability of the balance sheet management processes. The committee met four times during the year.	96%	71%
Social, Ethics and Transformation Committee	The SETC plays a pivotal role in advising and guiding the Board on the effectiveness of management's initiatives concerning social, ethics, sustainable development-related matters and transformation efforts. It oversees compliance with relevant social, ethics and legal requirements, as well as best practice codes to promote an ethical culture within the Group. The committee also oversees the Group's diversity and inclusion, environmental sustainability, corporate social investment and good corporate citizenship. Throughout F2024, the committee convened four times to monitor the Group's performance as a responsible corporate citizen in the workplace and within the social and natural environments.	95%	75%

BOARD AND COMMITTEE KEY FOCUS AREAS

The Board and its committees are satisfied that they have fulfilled their responsibilities in accordance with their terms of reference for the reporting period.

Committees' key focus areas and the matters they intend focusing on in F2025

ACTUARIAL COMMITTEE FOCUS AREAS FOR F2024*

Key focus areas	Actions taken during the year
Embedding IFRS 17 financial and risk reporting	The committee received regular updates on the progress of the Group's IFRS 17 programme and evaluated various aspects of the transition to IFRS 17. It also reviewed the results under the new embedded value methodology following the adoption of IFRS 17, including the impact of the change in methodology.
Continue to monitor the poor lapse experience in Metropolitan Life and the claims ratio in Momentum Insure	The committee monitored Metropolitan Life's termination experience after assumption changes on 30 June 2023, and assessed the appropriateness of the basis during the June 2024 review, noting an observed improvement relative to the basis. It also examined the underlying causes, remediation plans, and monitoring of Momentum Insure's loss ratio and its impact on reported and projected solvency. The committee acknowledged the satisfactory improvement in the solvency ratio following capital injections during F2023 and noted an improvement in the loss ratio due to various repricing management actions taken during F2024.
Monitoring the impacts of the two-pot retirement system on product management and financial reporting	The committee reviewed product management matters related to retirement reform and considered the appropriate allowance for expected savings pot withdrawals in the valuation basis as at 30 June 2024.
Additional focus areas that were not planned	The committee approved the Insurance Common Scenario Stress Test results before their submission to the South African Reserve Bank. It also monitored the ABHI combined ratio, focusing on the main factors influencing the loss ratio and the management actions taken to reduce it.

Focus areas for F2025

In 2025, the committee will primarily focus on the following areas, in addition to its ongoing responsibilities as outlined in the Committee terms of reference:

- Embedding IFRS 17 into the Group's financial and risk reporting.
- Monitoring the effects of the two-pot retirement system on product management and financial reporting.
- Concentrating on the value of new business across the Group.
- Tracking the emerging experience in both life and non-life businesses, particularly ABHI, Momentum Insure, and Metropolitan Life.

The Actuarial Committee includes two members who are not part of the Board of Directors: Marli Venter and Ricardo Govender.

AUDIT COMMITTEE FOCUS AREAS FOR F2024

Refer to pages 28 - 30 of the Group Annual Financial Statements for the detailed Audit Committee report.

Key focus areas	Actions taken during the year
IFRS 17 implementation, with specific focus on opening balances and disclosures	IFRS 17 was successfully implemented and reported on by the Group in F2024. This will continue to be a focus area for the Audit Committee to monitor and address any potential unforeseen issues that may arise.
External Audit transition to implement joint audits	On 27 November 2023, the Group announced the appointment of PWC as joint auditor from the F2025 financial year, subject to approval at the November 2024 AGM. The committee is overseeing the division of work between the two firms and evaluating how the new regulatory joint audit requirement affects the Group audit fee. Since this arrangement will be implemented in the F2025 year, the committee will continue to focus on it until the process stabilises.
Monitor enhancement of the technical finance skills and capacity within the business units	Progress was achieved in this area during the year under review, thanks to the guidance and leadership of the Group FD. The finance community now meets regularly to discuss important matters across the various business units. A recently retired business unit FD was appointed to regularly engage with each business unit to monitor the implementation of corrective measures for control weaknesses identified by internal and external audits, and to address previously identified audit differences. Despite the progress made, this will continue to be a focus area for the committee due to its importance.
Focus on additional non-financial measurements and reporting such as ESG	This matter has been transferred to the Social, Ethics and Transformation Committee, which will provide a separate report on the progress.

Focus areas for F2025

In addition to its ongoing responsibilities outlined in the committee's terms of reference, the committee will focus on the following:

- Overseeing the implementation of the joint audit regulation.
- Embedding IFRS 17 into reporting and business-as-usual processes.
- Embedding audit automation and data analytics in Internal Audit processes.
- Ongoing oversight of the maturity of processes and controls in respect of FICA.
- Monitoring enhancements of technical finance skills and capacity within business units.

FAIR PRACTICES COMMITTEE FOCUS AREAS FOR F2024*

Key focus areas	Actions taken during the year
Ensuring that the business tracks unclaimed benefits and makes sufficient progress in tracing clients and treating clients fairly when benefits are paid	The committee prioritised addressing unclaimed benefits, focusing on accurate beneficiary data and system enhancements. Business units routinely reported on unclaimed benefits in their areas of work, with progress updates on processes and system enhancements/projects underway to monitor unclaimed benefits along with activities to trace beneficiaries. The committee considered unclaimed benefits trends and new business processes to mitigate the associated risks, with specific focus on having correct beneficiary data. Momentum Corporate, in particular, provided regular feedback on action plans, which included beneficiary age analysis, acknowledging the challenge of unclaimed benefits due to data scarcity and legislative changes.
Ensuring that the business can meet the requirements for withdrawal where clients are eligible under the two-pot retirement system legislation and that clients are appropriately informed of the options available and the consequences thereof	The committee regularly discussed the two-pot impact and readiness, with a particular focus in April 2024 on the Group's operational readiness. Business units reported on the two-pot changes and impacts, their preparedness for implementation, system enhancements and monitoring processes for two-pot withdrawals. The committee reviewed planned management actions and emphasised proactive, continuous communication with stakeholders about the claims process and withdrawal requirements of the two-pot system. In addition, they monitored the business units' extensive digital engagement plans for processing withdrawals from the savings pot.
Continued focus on client outcomes by reviewing complaints, product changes and service levels	The committee received and discussed regular reviews and updates on market conduct from each business unit, including trend analyses on complaints, claims and service levels. Additionally, each business unit presented an in-depth review of its market conduct activities to the committee on a rotational basis, a practice set to continue in F2025.
The impact of product development, including the ongoing automation and digitisation of the client and adviser experience	During its meetings in the past financial year, the committee focused on understanding the impact of automating processes for efficient reporting and improved client communication. Focus was particularly placed into understanding historical errors and the product modelling project to monitor potential client impacts.
Monitoring customer value (real and perceived) and the impact and adoption of LifeReturns and Health Rewards	The committee held several in-depth discussions regarding solutions that would enhance customer value during the adoption and implementation of LifeReturns and Health Rewards.
Other	The committee monitors the management of the discretionary participation business, particularly compliance with the Principles and Practices of Financial Management.

Focus areas for F2025

In F2025, the committee will continue to focus on the following:

- Monitoring customer value in the adoption of LifeReturns and Health Rewards.
- Oversight of unclaimed benefits and progress made in tracing clients and treating clients fairly when benefits are paid.
- Monitoring of client outcomes by reviewing complaints, product changes and service levels.
- Monitoring the impact of product development, as well as the ongoing automation and digitisation of the client and adviser experience.
- Monitoring the impact of regulatory changes, such as two-pot, on the business and its stakeholders.

** The Fair Practices Committee membership includes three members who are not members of the Board of directors. They are Kobus Sieberhagen, George Marx and Johann le Roux, who is an Exco member.*

INVESTMENTS COMMITTEE FOCUS AREAS FOR F2024

Key focus areas	Actions taken during the year
Review of proposed mergers and acquisitions and strategic investments to ensure proposed capital deployments align with the Group strategy and meet the Group's required return	The committee considered several proposed mergers and acquisitions and strategic investments to ensure that the proposed capital deployments align with the Group strategy and meet the Group's hurdle rate. Key investments concluded in the current year include the acquisition of the Rand Merchant Investment Holdings investment management business, the Zest Life acquisition by Guardrisk Group and the additional capitalisation of Aditya Birla Health Insurance business.
Review Group ROE targets to align with IFRS 17 earnings	While the Group's IFRS 17 frameworks are being developed, the committee continues to monitor the ROE of mergers and acquisitions transactions, greenfield operations and new initiatives investments.
Ongoing optimisation of capital management	The committee has ongoing oversight of the available capital capacity and the gearing position, and provided strategic and commercial insights for consideration of capital deployment and/ or distribution. The committee supported the Board and Audit Committee's consideration and approval of Group dividends and other capital distribution to shareholders. The committee discussed dividend and other capital distributions proposals and their impact on the solvency and liquidity positions. During the year, further share buybacks were implemented as part of the capital management process, and the committee monitored the outcomes thereof.
Ongoing review of policies and governance pertaining to capital management	The committee reviews policies and governance frameworks pertaining to capital management on an ongoing basis.

Focus areas for F2025

- Ongoing review and monitoring of recent investments to ensure delivery against pre-acquisition business plans.
- Analyse and debate the merits of proposed capital investments recommended by executive management.
- Ongoing optimisation of the Group's capital structure considering the impact of IFRS 17 on published financial ratios.
- Review and approval of required changes for the Group's gearing in line with the Group's target capital structure and optimal capital allocation methodology.
- Review the capital allocation based on the current business portfolio and align it with the key Group strategy for growth.

NOMINATIONS COMMITTEE FOCUS AREAS FOR F2024

Key focus areas	Actions taken during the year
Supporting the incoming Group CEO in her new role	The Group CEO has been inducted into her role, with the committee providing ongoing support.
Succession planning for the Group executive and senior management leadership	Following the appointment of the Group CEO in F2023, the committee reviewed executive management succession planning and is confident that the Group executive and senior management leadership team has been strengthened.
Continuing to search for diverse skills in order to optimise the skills set of the Group boards and committees.	Two additional non-executive directors were appointed to the Group Boards during the year, enhancing the actuarial and digital expertise. Changes were also made to subsidiary boards, including the retirement of long-serving directors and the appointment of new ones. Consistent with the Group's policy for nominating and appointing directors, these new appointments aimed to balance skills, knowledge, gender and race diversity across all boards and committees within the Group.

Focus areas for F2025

In 2025, the committee will prioritise the following areas, alongside its ongoing responsibilities as outlined in the committee terms of reference:

- Expanding the skills of non-executive directors, with a particular emphasis on sales distribution and actuarial expertise.
- Overseeing improvements to governance structures and supporting frameworks across the Group.
- Assisting the executive team with the implementation of the new Impact strategy.

*#Refer to the **Remuneration Report** for the detailed Remuneration Committee report.*

RISK, CAPITAL AND COMPLIANCE COMMITTEE FOCUS AREAS FOR F2024

Key focus areas	Actions taken during the year
Digital transformation initiatives and the evolution of the rewards programme	The committee provides oversight of the digital transformation objectives of the Group, as well as the IT governance and risk management controls. Matters considered include redefining the IT risk management framework and taxonomy, the implementation of data classification standard by business units, the development of an organisation-wide IT programme and project management framework, and embedding the security architecture and development guidelines. On a quarterly basis, the committee considered cybersecurity and IT risks, technology implementation pressure, progress on technology adoptions, product engine replacements, and regulatory interaction. There were ongoing efforts to align priorities across ecosystems and to reduce technology implementation pressure. Various business units presented on their digital transformation projects, and the committee provided guidance on, amongst others, enhancing execution of project objectives and the mitigation of project risks. The committee also had oversight of AI and Machine Learning governance, the enhancement of cloud adoption, and actions identified following the Cybersecurity Programme Assessment risk assessment for F2023.
Responses to emerging risk by embedding our sustainability framework and climate risk framework into the Group's risk processes	The committee annually reviews the climate change risk framework and has in-depth discussions of the embedding thereof throughout the Group. The committee has considered the climate risk management enhancements over the past year, the details of the potential material impacts of climate risk on the Group, as well as the scenario analysis and stress testing that has been performed across the Group. Consideration was also given to longer term climate-related stresses (to supplement the current short-term stresses) in the ORSA processes. In addition, the committee considered climate-related disclosures, both in the Group's TCFD report and the 2024 Sustainability and Climate Risk Report.
The risk framework following the implementation of IFRS 17	The Earnings at Risk (EaR) framework and modelling development post-IFRS 17 continued, with updates provided to the committee. The committee also discussed the proposed asset allocation of the shareholder assets backing required capital and the assets backing the CSM of the annuity portfolio following the transition to IFRS 17.

RISK, CAPITAL AND COMPLIANCE COMMITTEE FOCUS AREAS FOR F2024

Key focus areas	Actions taken during the year
Business resilience in the context of the South African economic environment	During F2024, the committee considered the measures to address the electricity supply challenges in South Africa, as well as the impact of impending changes to the South African regulatory landscape. The committee monitored the results of disaster recovery and business continuity testing and carefully considered overall organisational resilience. This included, but was not limited to, risk governance and risk management structures and policies in relation to organisational resilience, the mapping of interdependencies, and examples of the practical application of resilience (i.e. crisis management process). The committee also specifically focused on, amongst others: • The two-pot retirement system regime and the operational readiness by the business units. • The impact of the economic and regulatory environment on the healthcare and medical scheme markets. • Compliance with legislative and regulatory requirements, such as to the POPIA Act and Financial Intelligence Centre Act (FICA). Management's assessment of the business readiness against the Joint Standard on IT Governance and Risk Management and Joint Standard on Cyber Security and Cyber Resilience.
Other areas identified	During F2024, the committee: • Had in-depth discussion regarding Third-Party Risk Management Programme and third-party governance. • Monitored the initiatives regarding talent attraction and retention in technology. • Considered the risk strategy as it affects annuity products, including pricing practices, risk exposures and the management thereof. • Reviewed the liquidity buffer and associated risk limits.

Focus areas for F2025

In F2025, the committee will focus on the following, in addition to its ongoing responsibilities in terms of the committee terms of reference:
- The risk management approach to the Impact strategy.
- Monitor the development and embedding of the digital transformation strategy, with a continued focus on cyber security.
- Monitoring of regulatory changes and the impact on the Group.
- Consideration of the impact of IFRS 17 on Earnings at Risk.
- Continued development of climate risk management and the understanding of the impact thereof on the business model.

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE FOCUS AREAS FOR F2024

** Refer to pages pages 23 to 24 the Sustainability Report for a more detailed Social, Ethics and Transformation Committee report.*

Key focus areas	Actions taken during the year
Integration of sustainability into Group strategy, embedding the Sustainability Framework within business units, and overseeing the gradual establishment of unit-level measurements.	The committee, on a rotational basis, focused on business units' progress in developing measurable sustainability targets aligned with the Group Sustainability Framework. It encouraged collaboration among business units on their sustainability efforts and will continue guiding the development of these targets. Additionally, the committee provided strategic direction throughout the year on key areas within the Group's strategy, including sustainability. The committee also encouraged collaboration among business units on their sustainability efforts and will continue guiding the development of these targets.
Increased disclosure and transparency of the Group's ESG objectives including the Group's decarbonisation commitments.	Elements that the committee monitors on a continuous basis include ethics, people, responsible investments and CSI. During F2024, the committee focused on better understanding the integration and alignment between CSI activities and projects with the Group strategy. The committee also considered the governance, execution and impact of CSI strategic initiatives. Progress on climate change, including the related policy setting journey, both for the Group as a corporate and for the Group as a responsible investor, was a focus for the committee. The Group's climate decarbonisation investment strategy includes working towards a Just Transition and promoting climate-aligned investments. The committee further considered the climate change process as included in the Group's decarbonisation strategy, in terms of which the Group Exco committee proposed a 23% reduction of overall emissions by 2030 using 2019 as the baseline. This decarbonisation target for our own operations was recommended to the Group Board for approval. The committee continuously considers emerging legislation and best practices, with particular reference to ESG disclosure and transparency and their impact on the Group's ESG commitments and reporting. For example, disclosure standards such as IFRS S1 and S2 and the TCFD disclosures were considered.
Employment equity initiatives at business unit and Group level, especially in respect of middle management, in view of the impact of the amended Employment Equity Act on the Group.	The pending changes in employment equity (EE) legislation have heightened the focus on the Group's initiatives, not only to address transformation at middle management level, but also in respect of other aspects that might be negatively affected by the proposed changes. The committee encouraged management to consider other levers, e.g. skills development and culture, in response to the proposed EE targets as per the Employment Equity Amendment Act. In respect of transformation at middle management level, the committee invited various business units that were lagging in meeting their EE targets to present their transformation plans and progress at middle management level to the committee.
Talent development and retention through diversity, inclusion, equity and belonging practices.	The committee considered initiatives in respect of skills development and talent and leadership development as mechanisms to enable transformation. The human capital team regularly reported to the committee on its progress relating to its diversity, equity, inclusion and belonging (DEIB), and overall employee well-being initiatives. The committee considered the feedback on the employee culture and talent surveys performed by the Group as well as the initiatives that emerged from the survey results.

Focus areas for F2025

- Further developing sustainability targets at business unit level and setting key performance measures for the Group as a whole.
- Enhancing the integration of ESG in the business' strategic plans, with specific focus on climate change matters (i.e. biodiversity, the human rights impact of waste and plastic management, and developing disclosure requirements).
- Emerging legislation and trends in respect of climate, B-BBEE and broader ESG/sustainability matters, and their impact on the Group's strategic intent and key performance indicators.
- Monitor employment equity initiatives at business unit and Group level, especially with respect to middle management, and the impact of the amended Employment Equity Act on the Group.
- Talent, skills development and succession plans that will support transformation and the DEIB practices of the Group.

REMUNERATION REPORT AND SHAREHOLDER INFORMATION

PART 1: BACKGROUND STATEMENT FROM THE CHAIR OF THE REMUNERATION COMMITTEE

Our remuneration philosophy prioritises attracting, motivating and retaining high-performing employees while ensuring our remuneration aligns with shareholder interests.

REINVENT AND GROW STRATEGY

When the Group announced its ***Reinvent and Grow strategy*** in 2021, the focus was on mastering digitalisation, creating alternative distribution opportunities, growing our existing distribution channels, achieving above-average growth in our Non-life businesses and ensuring that the strategic objectives deliver revenue and efficiency improvements to achieve NHE (on an IFRS 17 basis) of R4.4 billion to R4.8 billion and ROE of 16% to 18% in F2024.

Key highlights of how the Group performed against the objectives of the Reinvent and Grow strategy:

- Firmly positioned the Group's dominance in the IFA market.
- Accelerated digital in various business areas and, most notably, successfully delivered on the Myriad digital risk selection and processing model and improved onboarding experience.
- Improved underlying profitability in Momentum Corporate through a focus on profitable growth, sustainable pricing and disciplined expense management.
- Turnaround strategies for Momentum Insure (where we have made significant strides) and for Metropolitan are underway.
- While VNB remains a concern, there are solid plans in place for each business to address this.
- NHE of R4.4 billion was achieved in F2024, the lower end of the IFRS 17 adjusted NHE target range of R4.4 billion to R4.8 billion.
- The Group achieved a Non-life insurance contribution to NHE of 19%, marginally below the target of 20%.
- ROE of 15.5% was achieved within our target range of 14%- 16%.
- The Group made a deliberate decision to increase its investment in various critical projects. This resulted in cost efficiencies of R500 million not being achieved.
- Market shares increased across the Group as we built on the foundation set in F2021.

The Remuneration Committee is confident that the reward outcomes during the Reinvent and Grow strategy period were well-aligned with the Momentum Group's performance against our strategic objectives. Details on how the short-term incentive pool aligns with NHE performance during this period can be found in the section of the implementation report that addresses short-term incentive outcomes.

KEY FEATURES OF OUR FINANCIAL RESULTS FOR F2024

South Africa's political and economic uncertainty remains high and is marked by elevated unemployment, high interest rates and slower-than-expected inflation moderation. The 2024 elections, despite being largely successful, resulted in no clear parliamentary majority, which increases political, economic and social uncertainty. Additionally, sustained global geopolitical tensions, such as the Russia-Ukraine and Israel-Palestine conflicts, have disrupted food security and supply chains, delaying inflation moderation to expected lower levels and affecting citizens' ability to meet their needs.

Despite the challenging economic and operating environment, we maintained our strategic focus on meeting our Reinvent and Grow targets. The Group delivered NHE of R4 438 million, up 27% on the prior year. This growth in earnings includes strong positive contributions from most business units and demonstrates that, despite the adverse impact of the continued challenging economic backdrop, the Group remains resilient.

The committee is of the view that these outcomes are fair, given the shareholder total return generated over the performance period and the overall improvement in business performance over the Reinvent and Grow strategy period ending in F2024.

NHE
R4 438 million
(F2023: R3 491 million)

Operating profit
R3 608 million
(F2023: R2 755 billion)

PVNBP
R82.1 billion
(F2023: R68.9 billion)

Group annualised ROE
15.5%
(F2023: 12.7%)

Target range **14%** to **16%**

Momentum Metropolitan Life solvency capital requirement (SCR)
2.10 times
(F2023: 2.07 times)

Group VNB
R589 million
(F2023: R600 million)

Recognising the financial results and current economic conditions, the Remuneration Committee took the following decisions:

An average annual increase of **5.5%** will be granted in October 2024 (F2023: 6%).

The management short-term incentive (STI) pool decreased to **106%** (F2023: 125%) of target, in line with our NHE performance.

Strong total shareholder returns positively impacted the Group's performance against the F2024 targets set for the 2021 long-term incentive plan (LTIP) award, achieving 100% of the performance target at Group level.

Peter Cooper
Remuneration Committee Chair

OTHER ACTIONS BY THE REMUNERATION COMMITTEE IN F2024

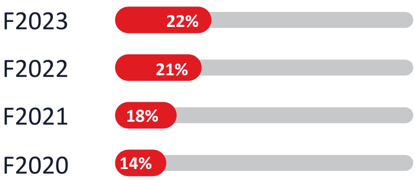
- We have made progress in reviewing our ***fair and responsible pay*** principles, in light of the Companies Act, 71 of 2008 (as amended) (Companies Act). We will continue assessing our remuneration policy amendments and disclosures. The enhanced fair and responsible pay principles are detailed in the policy section. We will continue to monitor emerging regulatory requirements and guidance on remuneration disclosure and policy benchmarks.
- We engaged with shareholders to address concerns about the Group's remuneration policy and its implementation ahead of the AGM on 21 November 2023. The Remuneration Committee took specific actions to respond to the ***feedback*** provided by shareholders.
- We reviewed the competitiveness of our reward plans by assessing market benchmarks and comparing total rewards for senior executives against peers in the financial services sector. This ensures that our total reward plans maintain appropriate market relativity.
- We approved the performance criteria for the ***October 2024 LTIP allocation***.
- We approved the F2024 STI and LTIP allocations based on performance against approved targets. This included individual executive director and Group Exco total reward recommendations.

There was no discretion exercised by the committee for F2024.

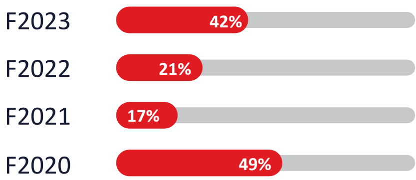
SHAREHOLDER ENGAGEMENT AND VOTING OUTCOME

The following table represents a summary of the results of voting on non-binding remuneration-related shareholder resolutions for the past four years:

Overview of the remuneration policy



Implementation report



Against

The Group is committed to proactive shareholder engagement through one-on-one engagements before the AGM. The Remuneration Committee's commitment to regular stakeholder engagement encourages ongoing communication to ensure that our remuneration policies and implementation strategies align with stakeholder needs. This demonstrates our commitment to accountability, transparency and open dialogue, which we consider crucial for maintaining trust and fostering a strong relationship between the Group and our shareholders.

The F2023 AGM "vote against" for the Implementation Report was below the prescribed 25%. We invited all shareholders to provide written feedback and offered one-on-one meetings to dissenting shareholders to discuss their concerns. This allowed us to engage constructively, understand their perspectives and ensure that our remuneration practices balance their expectations with the business' strategy and performance.

The primary concerns raised by shareholders related to the following matters:

- The non-disclosure of STI metrics for executive directors.
- The significance of the Board's discretion in determining retention payments, sign-on awards, termination arrangements and restraint of trade payments.
- The non-disclosure of maximum award opportunities available under the incentive schemes.

The Remuneration Committee has addressed shareholder concerns by enhancing disclosures in the Remuneration Report. This includes additional information on the ***STI pool determinations***, key performance metrics, weightings for executive directors and disclosing STI limits. The committee also provides context on remuneration discretion in response to shareholder queries.

For F2024, the remuneration policy and Implementation Report will undergo separate annual non-binding advisory votes at the AGM. If either document receives 25% or more votes against it, the Group will issue a SENS announcement inviting dissenting shareholders to engage in one-on-one discussions with relevant Group representatives. Details of these engagements will be disclosed in the F2025 Remuneration Report.

EXECUTIVE DIRECTOR CHANGES

The executive director changes that took place during F2024 are set out in the table below.

	Appointment	Retirement/resignation	Remuneration period disclosed
Hillie Meyer*	–	30 September	F2024 (12 months), F2023 (12 months)
Jeanette Marais (Cilliers)	01 August 2023	–	F2024 (12 months), F2023 (12 months)
Dumo Mbethe**	11 November 2023	–	F2024 (12 months), F2023 (0 months)

**Hillie was Group CEO until 30 July 2023 and remained as executive director until 30 September 2023. His remuneration disclosures are for the full F2024 and F2023 periods.*
*** Dumo's remuneration disclosures are for the full F2024 period.*

All executive director contracts are in line with the Group remuneration policy.

IMPACT OF IFRS 17 ON SETTING PERFORMANCE TARGETS

When setting performance targets for the F2023 LTIP award and the F2024 on-target performance for STI pools, the forecasted impact of IFRS 17 was considered. The Group has assessed the impact of IFRS 17 adoption on underlying results and the committee is satisfied that the impact aligns with the forecasts, making the F2023 LTIP performance targets and F2024 STI target earnings appropriate.

IMPACT STRATEGY

The F2025-F2027 Impact strategy is an evolution of our last two strategies. It focuses on leveraging the Group's diversified portfolio and unique federated operating model. This strategy includes plans to:

- Unlock the full potential of our businesses
- Harness the synergies of collaboration in our federated model
- Optimise our cost base to grow earnings
- Invest aggressively in advice to drive growth
- Selectively expand our addressable market where we have a right to win
- Design simplified and impactful client experiences as a foundation for growth

Impact strategy financial ambition

NHE	R7 billion by F2027
ROE	20%
VNB	R1.0 – 1.2 billion
VNB margin	1% – 2%

The Group's short- and long-term incentive plan targets will be set with the Impact strategy ambition as a base.

F2025 FOCUS AREAS

During F2025, the Remuneration Committee will focus on the following areas:

- Continued alignment of the Group scorecard to the new strategic objectives, including critical measures of profitability, shareholder value and sustainability.
- Refine ESG metrics that align with the Group's overall sustainability targets for the STI and LTIP targets.
- Enhance and expand fair and responsible pay principles, including developing key metrics to track progress. This will involve monitoring and processing the amendments to the Companies Act and anticipated supplementary regulations relating to the fair and responsible pay publication requirements, and benchmarking our implementation and disclosures against industry best practices.
- Assessing remuneration policy objectives by measuring them against market benchmarks to ensure competitiveness. This will include maintaining competitive STI and LTIPs aimed at attracting and retaining critical and scarce skills.
- Continued engagement with shareholders regarding concerns related to the Group's remuneration policy and its implementation.

INDEPENDENT ADVICE

The committee received external independent advice and market information from Deloitte, REM channel, Willis Towers Watson and 21st Century Pay Solutions and is satisfied that the input from these sources is reliable, accurate, independent and objective.

TERMS OF REFERENCE

The Remuneration Committee operates under terms of reference that govern its responsibilities and activities. These are reviewed annually and are subject to approval by the Board. In adherence to the recommendations outlined in King IV^{TM}, all members of the Remuneration Committee are independent non-executive directors. This ensures that remuneration-related decisions are made with impartiality and objectivity, promoting transparency and accountability relating to remuneration matters.

Achievement of the stated objectives of the remuneration policy

In alignment with the Group's purpose, we strive to empower our people to build and protect their financial dreams. To accomplish this, we recognise that offering employees fair and market-competitive remuneration plays a pivotal role in attracting and retaining scarce talent and people who are passionate about our purpose.

The Remuneration Committee's objective is to use our remuneration philosophy to drive the execution of the Group's ***strategic objectives***, which serve as core principles that guide employees in achieving approved performance targets.

The Remuneration Committee oversees the Group's remuneration policy to ensure that the remuneration structures are fair, responsible and aligned with shareholder and employee interests. This commitment enables a balanced and sustainable approach to remuneration, exercising oversight on the appropriateness of employee reward outcomes while considering the interests of shareholders to promote long-term success.

APPROVAL

The Remuneration Committee is confident that its decision-making process is fair, responsible and objective. In reaching its decisions, the committee carefully considered feedback from various stakeholders and ensured that their perspectives were considered. Committee members have approached their duties with practicality and reasonableness, demonstrating a thoughtful and thorough evaluation of remuneration-related matters. They have diligently applied their expertise and judgement to make recommendations to the Board that align with the organisation's overall objectives and stakeholder expectations. By doing so, the committee strives to ensure that remuneration-related decisions are made in the best interests of all stakeholders and contribute to the sustainable success of the organisation.

This Remuneration Report was approved by the Remuneration Committee on 25 September 2024.

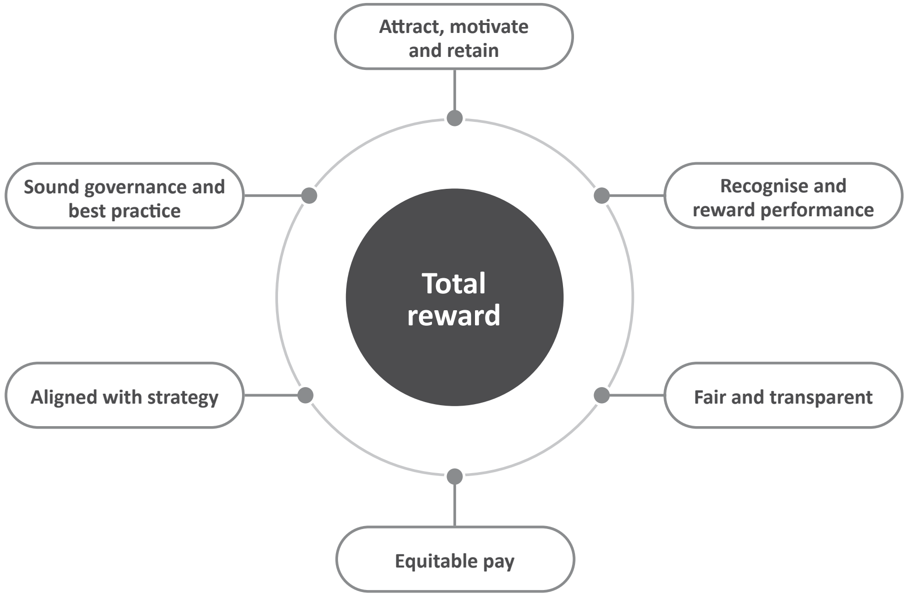
Peter Cooper
Remuneration Committee Chair

PART 2: OVERVIEW OF THE GROUP'S REMUNERATION POLICY

THE GROUP'S REMUNERATION PHILOSOPHY

The Group aims to create an environment where our employees are motivated, engaged and rewarded for their performance. This approach not only helps to attract and retain high-calibre individuals but also fosters a culture of excellence and success.

Our working environment promotes high performance and encourages entrepreneurial thinking. We use our remuneration philosophy to incentivise employees to not only meet but exceed their key performance targets, thereby driving mutual value creation for the Group and its stakeholders. Underpinning this philosophy is a robust performance management system that sets competitive total remuneration packages and provides incentives geared to agreed performance outcomes where appropriate.



Our total reward approach and remuneration policy are based on the fundamental set out below:

Governance	Our approach to governance ensures that appropriate remuneration governance structures, policies and frameworks are in place to support fair and consistent implementation. These practices are designed to ensure adherence to the principles of good corporate governance as set out in best practice and regulatory frameworks such as King IV™ and the Solvency Assessment and Management regulatory framework. Applicable to all Group companies, our remuneration policy establishes minimum standards, guidelines and delegation of authority. It confirms that the Remuneration Committee approves the remuneration approach and principles for heads of control functions.
Alignment with the Group strategy	Our remuneration policy is aligned to our Impact Strategy objectives and Group values to employee performance without being detrimental to our stakeholder interests while discouraging inappropriate risk-taking.
Flexibility	The remuneration policy offers flexibility for customising remuneration and benefits to cater for a better work-life balance and specific business needs.
Pay for performance	We structure our remuneration around incentivising a performance culture with differentiation based on the performance taking place between guaranteed and variable remuneration. All employees are evaluated in terms of their performance against individual KPIs. Performance reviews are conducted in terms of accepted norms to ensure fairness and consistency.
Consistent and fair practices	Our Group's remuneration practices prioritise fairness and equity while allowing for differentiation where justified, considering factors such as scarce skills, experience levels and performance. We are committed to providing our people with fair opportunities for career growth and advancement through skills development. We ensure that our remuneration aligns with changes in work intensity and evolving skills.
Risk-taking versus fiduciary roles	Distinction is drawn between employees who operate in a risk-taking capacity and those who fulfil fiduciary roles (such as heads of control functions) when variable incentive payments are awarded. To ensure that the independence of employees who act in a fiduciary capacity is not unduly compromised and conflicts of interest are minimised, variable incentives for employees in fiduciary roles are determined primarily with reference to the performance of the individual.
Talent retention	Remuneration and benefits are considered a key lever in ensuring that top talent is attracted, motivated and retained to ensure the achievement of the Group's strategic objectives.
Benchmarking and competitiveness	Roles are benchmarked based on a job grading process and compared with market benchmarks in the financial services sector.

REMUNERATION STRUCTURE AND DESIGN

To foster a culture of excellence, our remuneration structure comprises three key components, namely total guaranteed pay (TGP), STIs for management and general staff employee levels, and LTIs. These elements collectively support the Group's need to offer employees an appropriate mix of fixed and variable remuneration, depending on their employment level and the complexity of a specific role. They are intended to incentivise and reward exceptional performance among our employees.

Remuneration element	Purpose and link to strategy	Eligibility	Policy	Performance conditions
1 TGP – Cash salary plus benefits	To attract and retain talent by providing the core guaranteed element of remuneration for the role	All employees employed by the Group	TGPs are benchmarked against the financial services market, targeting the 50th percentile.	Meet the requirements of the role
2 STIs for general staff-level employees	To reward individual performance at a general staff level	All permanent staff who are not management STI pool participants	STIs are discretionary and are awarded as a percentage of TGP, which varies according to the level and complexity of the role. The actual award is based on individual performance relative to objectives.	Individual performance that at least meets the agreed objectives set for the period
3 STIs for management-level employees	To support a high-performance culture within the organisation through reward for performance, and to aid retention through the deferral of STIs above a threshold	Executives, senior managers and upper-middle managers	STIs are discretionary and are awarded as a percentage of TGP, which varies according to the level and complexity of the role. The actual award is based on a weighted mix of the level of performance achieved by the Group, the division and the individual that is weighted towards financial outcomes. Above a certain value threshold, management STIs are deferred to enhance retention and improve alignment with shareholders.	The Group performance relative to targets determines the size of the management STI pool
4 LTIs	To incentivise executive and senior management to achieve performance targets that align with shareholder interests	Executives and senior managers	LTI awards are discretionary and are awarded based on a percentage of TGP required to meet a targeted portfolio size. LTIs are subject to performance criteria that are approved by the Remuneration Committee.	Performance units issued out of either the LTIP or SAR schemes are subject to the performance conditions set out in Part 3 of the ***Implementation Report***

Total Guaranteed Pay (TGP)

We ensure that our TGP remains competitive by benchmarking it regularly against peers in the financial services sector. Typically, TGP aligns with the market median (50th percentile) for employees who meet role requirements. However, exceptions are made for key positions requiring scarce or specialised skills, exceptional performance or critical skills retention, where TGP may be set at or above the upper quartile (75th percentile).

The Group employs a recognised job grading system and conducts job evaluations and grading whenever there are organisational changes. This practice ensures that positions are appropriately remunerated based on their roles and responsibilities.

TGP increases are awarded annually from 1 October each year.

Variable incentives (STI and LTI)

The STI pool is determined as a percentage of the pre-tax pre-incentive NHE for the relevant year. The LTI pool is determined using a benchmark of targeted LTI portfolio data specific to the participants in this pool.

Short-term incentives

Our STIs operate as a discretionary profit-sharing pool that involves participation from management. The size of this pool is determined by the achievement of the targeted pre-tax pre-incentive NHE.

Employees outside the management layers mentioned participate in a general employee STI pool where rewards are based on individual performance.

Eligibility for the management STI pool extends to executive, senior and middle management employees who are not already on pay-for-performance contracts. Participation in the STI programme hinges on their individual performance and contributions to their business unit, Group function and the overall performance of the Group. The discretionary nature of the STI provides flexibility in acknowledging exceptional performance and serves as an incentive for employees to work towards achieving targeted performance outcomes.

The determination of the STI pool is based on the following approach:

1. The overall on-target STI pool is calculated on a bottom-up basis, by adding the benchmark on-target STIs for all participants, based on the industry where the business operates.

2. This bottom-up STI pool is then tested for affordability using a top-down calculation, being a percentage of the Group on-target pre-tax pre-incentive NHE as approved by the Remuneration Committee. The overall on-target STI pool is therefore the level of STIs that can be funded by achieving the targeted NHE.

3. The top-down calculation is then applied to the actual NHE for the year, subject to the approval of the calculated STI pool by the Remuneration Committee.

4. The allocation of the Remuneration Committee-approved STI pool to business units takes place as follows:
   - The on-target STI pool per business unit is subject to financial and non-financial performance modifiers.
   - The financial performance modifier is primarily the business unit NHE versus target, supplemented by sales targets for distribution teams.
   - The non-financial performance modifier relates to meeting employment equity targets.
   - The business unit performance-modified on-target STI pools are then calibrated to the actual Group incentive pool as approved for the year by the Remuneration Committee.

5. Individual STIs are then calculated based on the individual's performance-adjusted on-target incentive as a proportion of the business unit pool. Management discretion may be applied where appropriate to make adjustments for factors not taken into account in the calculation, such as talent retention.

Group targets undergo review and approval by the Board, while business unit targets are approved by the Exco. Individual objectives are agreed upon with the employee's line manager or team leader. For Exco members, objectives are set in consultation with the Group CEO.

The determination of STI awards for executive directors

For all executive directors, the performance targets comprise financial and non-financial targets. The non-financial targets are further broken down into strategic enablers and ESG positive impact targets. The targets are reviewed and approved annually by Group Remco to align with the strategic focus areas in a particular period.

Performance metric

Financial aspiration
NHE ambition (pre-tax, minorities and incentives)

Non-financial aspirations

Strategic enablers

ESG positive impact

ASSESSED PERFORMANCE (% OF ON-TARGET)

Other considerations – Group CEO and Remuneration Committee discretion

The Remuneration Committee considers the following in approving the final STI allocations for executive directors:

- Alignment to shareholders' returns
- Sustainability of and quality of underlying financial performance
- Absolute quantum of the award relative to industry peer benchmarks
- Total reward mix against targeted mix for on-target and stretched performance target scenarios
- Fair and responsible pay principles
- Maximum STI awards

ALLOCATED STI (% OF ON-TARGET)

For executive director F2024 performance targets, please refer to the ***variable pay*** section on pages 132 and 133.

The maximum STI award opportunity for executive directors

The maximum STI opportunity at award date for executive directors is as follows:

- CEO: 250% of the TGP relating to the year of award.
- Executive directors: 200% of the TGP relating to the year of award.

Details regarding the actual management STI pool for F2024 is set out in ***Part 3 of the Implementation Report.***

Deferral of STI

The management STI pool has a compulsory deferral component, which provides for 50% of all STIs above a minimum threshold to be paid in cash with the remaining 50% of the STI being deferred. The following STI deferral policy applies:

Quantum of STI	Deferral terms
Below R300 000	No deferral and STI is paid in cash
Above R300 000	The first R300 000, plus 50% of the amount above R300 000, is paid in cash with the remainder being deferred, vesting in three equal tranches at the end of years one, two and three

The Remuneration Committee has the discretion to increase the deferred portion of the STI where the deferred units are linked to share price.

The deferred portion of the STIs is converted to phantom share units that are linked to the Momentum Group share price for the duration of the deferral period. The deferred units are also eligible for dividend allocation, if and when the dividends are declared to ordinary shareholders.

The deferral component of the STI serves as a retention mechanism to retain key talent within the Group while giving the Remuneration Committee the right to invoke the pre-vesting forfeiture of STIs should the performance of the Group, division or individual deteriorate significantly, due to circumstances set out in the malus and clawback section. For further details regarding circumstances where pre-vesting forfeiture and clawback can be invoked, please see the ***malus and clawback*** section.

Long-term incentive plan (LTIP)

Objective

The Group's LTIP is primarily designed for executives and senior management who significantly contribute to long-term value creation. However, exceptionally high-performing upper and middle management employees with unique and essential skills may also participate. The size of these individual LTIP awards is determined using benchmarks from the financial services market.

Performance targets determination

The performance targets are initially aligned with the Impact Strategy financial and non-financial goals, adjusted for significant market, regulatory and organisational changes for the financial years beyond the three-year strategy period.

The LTI plan performance targets comprise financial and non-financial targets, with weightings of 80% and 20% respectively. The non-financial targets are broken down into strategic enabler(s) and ESG impact targets. While the overall weightings of the financial and non-financial targets are set at 80% and 20% respectively, the specific performance metrics, targets and allocation of the sub-weights within the financial and non-financial targets are reviewed and approved by Group Remco annually to align with the strategic focus areas in a particular period.

The framework for setting performance objectives is as follows:

Performance metrics

Performance metric	Threshold	Year 1 R'm	Year 2 R'm	Year 3 R'm/%/ Other	Total weighting	Annual weighting
NHE	Lower	target	target	target	25%	8.3%,8.3%,8.4%
	Upper	**target**	**target**	**target**		
VNB	Lower	target	target	target	25%	8.3%,8.3%,8.4%
	Upper	**target**	**target**	**target**		
ROE	Lower			target	15%	n/a
	Upper			**target**		
Momentum Group – TSR				Exceed peers	15%	n/a
Financial aspirations					80%	
Strategic enablers		–		target(s)		n/a
ESG positive impact				**target(s)**		**n/a**
Strategic enablers and ESG impact*					20%	–
Momentum Group total		–		target(s)	100%	–

**Internal targets as approved by Group Remco and aligned to the overall business strategy.*

Structural design

The LTIP is structured as a cash-settled phantom share plan featuring a three-year vesting period followed by a two-year holding period. If dividends are paid on ordinary shares, participants receive equivalent amounts credited as additional units, should the units meet the vesting conditions. These additional units vest alongside the LTIP units, contingent on meeting performance conditions.

LTIP scheme performance conditions | 2021, 2022 and 2023 in-flight awards

The LTIP is a cash-settled scheme consisting of retention and performance units which are tied to the Momentum Group share price. Since 2018, all LTIP allocations are performance units that vest after three years, contingent on meeting performance conditions set at the time of the award. These units are then subject to an additional two-year holding period.

Details of the LTIP performance vesting outcomes for the tranche vesting in October 2024 are provided in Part 3: Implementation Report.

F2021 LTIP
The performance conditions for the October 2021 award, which will be measured based on the June 2024 results, are outlined below:

Performance measure	% weighting	Target
Total shareholder return (TSR) vs equal-weighted peer index	100%	Exceed peer group TSR

The above performance condition is binary: the vesting outcome is zero if the performance condition is not met or 100% if it is met. This condition is established at the Momentum Group level and applies equally to all participants, including the Momentum Group executive directors, business unit and Group-wide services executives and senior managers.

F2022 LTIP
The performance condition related to the October 2022 award, which will be measured based on the June 2025 results, is outlined below:

Performance measure	% weighting	Target
TSR vs equal-weighted peer index	100%	Exceed peer group TSR

F2023 LTIP
The performance conditions related to the October 2023 award, to be measured on the June 2026 results, is set out below:

Performance targets

Performance metric	Threshold	F2024 R'm	F2025 R'm	F2026 R'm	Total weighting	Annual weighting
NHE*	Lower	R4 000	R4 250	R4 500	30.0%	10%,10%,10%
	Upper	**R4 500**	**R4 750**	**R5 000**		
VNB*	Lower	R600	R700	R800	30.0%	10%,10%,10%
	Upper	**R800**	**R900**	**R1 000**		
ROE**	Lower			16.00%	20.0%	n/a
	Upper			**18.00%**		
Momentum Group – TSR***					20.0%	n/a
Total		**Exceed peers**			**100.0%**	

For this LTIP tranche to vest in full, or partially in October 2026, the Momentum Group performance must meet the performance conditions as set out above and elaborated further below:
** NHE and VNB targets set for each of the financial years 2024 to 2026. Each year's target contributes 33.33% to the total three-year allocated weightings of 30%.*
*** ROE target to be set and measured for the end of the three-year measurement period (June 2026).*
**** TSR target to be set and measured against the peer group (Discovery, OM and Sanlam) over the three-year performance measurement period.*
*****The proposal includes lower and upper thresholds. Linear vesting will occur, with 50% of the vesting at lower thresholds, proportionately progressing to 100% at the upper threshold.*

The Momentum iSabelo Trust (iSabelo)

The iSabelo Trust is a broad-based, equity-settled Employee Share Ownership Trust, approved at a general meeting of shareholders on 26 November 2020. The initial allocation of units in this equity-settled scheme occurred on 22 April 2021, with allocations to new employees continuing until the scheme's fifth anniversary.

iSabelo

Our long-term empowerment strategy is anchored by the iSabelo Trust, a broad-based, equity-settled Employee Share Ownership Trust designed to support the Momentum Group's transformation objectives and meet South African B-BBEE requirements.

The trust allocates units to all permanent South African employees, prioritising black employees, with at least 85% of benefits directed to them, including 55% for black women.

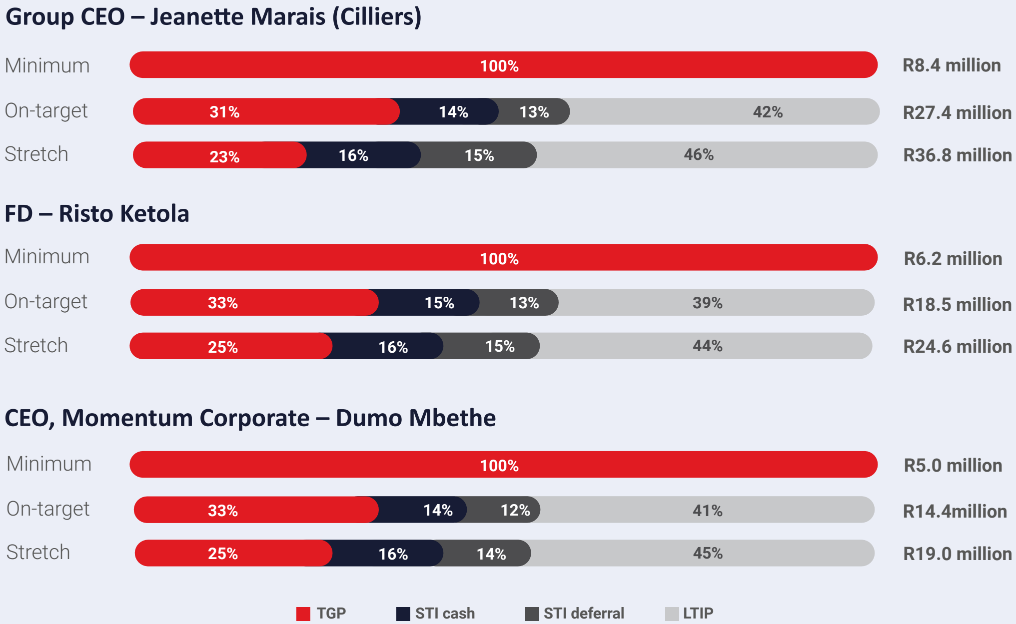
Initial share allocations began on 22 April 2021 and will continue until the scheme's fifth anniversary. Eligible employees receive units that vest over seven years, with unrestricted units converting into Momentum shares after 10 years, distributed according to the trust's net asset value.

During the restricted period, any ordinary dividends declared by the Group will be used as follows: at least 80% will settle the debt raised by the trust to acquire the shares and up to 20% will be paid to participants. There are no performance conditions attached to the allocated shares.

EXECUTIVE DIRECTOR PAY MIX

At executive management level, the following graphs illustrate the pay mix for the Group CEO and executive directors across different performance levels – minimum, on-target and stretch. Emphasising variable pay tied to specific financial and strategic performance targets, the executive pay structure reflects a higher degree of "at-risk" compensation. The objective is to establish a balanced pay framework that aligns with each executive's job responsibilities and individual performance.

The graphs below illustrate the different possible remuneration mix scenarios for executive directors under the different performance outcomes.



The TGP is based on the amount approved effective 1 October 2024

The STI deferral and the LTIP amounts above will vest and be settled as follows:

- STI deferral – payment in equal tranches after one, two and three years.
- LTIP – vesting after a performance period of three years, with settlement taking place in three equal tranches after three, four and five years.

As can be seen from the graphs above, a significant proportion of the total executive remuneration represents variable performance-based remuneration that is deferred to between three and five years from the award date.

Minimum

In cases where the Group does not meet the threshold performance level for the year, the Remuneration Committee refrains from awarding any discretionary STI or LTIs. However, the TGP remains guaranteed.

On-target

The compensation structure is anchored on an on-target rating. For the Group CEO, the STI constitutes 90% of the TGP, while for executive directors, it ranges between 80% and 85% of TGP. Regarding the LTI, it assumes achievement of the equivalent of two-thirds of the approved performance targets (67% vesting). The LTI allocation is set at 150% of TGP for the Group CEO and 135% of TGP for the executive directors, with no consideration for share price growth.

Stretch

The compensation structure is contingent on achieving stretch targets. For the Group CEO, the STI amounts to 135% of TGP. For executive directors, the STI ranges from 121% to 128% of TGP. The LTI assumes full achievement of all performance criteria (100% vesting). It involves an LTIP allocation set at 150% of TGP for the Group CEO and between 120% to 135% of TGP for the executive directors, without considering share price growth.

ENSURING FAIR, EQUITABLE AND RESPONSIBLE REMUNERATION

Role levels

Every role undergoes a job evaluation process to determine its specific grade, which facilitates effective benchmarking against market standards. This evaluation entails assessing factors such as the level of responsibility, required skills and qualifications, and the complexity of the role.

Internal pay equity

Jobs within the Group are centrally benchmarked to ensure consistent assessment of their level compared to similar roles and relative to market standards. Salary benchmark surveys tailored to our operating markets are utilised across the Group to ensure comparability with peers and consistent benchmarking outcomes for jobs of equivalent value.

Pay comparisons are performed across areas where the potential exists for unfair pay discrimination. For example, pay equity is assessed by comparing the total remuneration relative to the job benchmark, across gender and race, to identify and address areas at risk of unfair discrimination.

Fair and responsible remuneration

Our primary focus is to foster a fair and inclusive working environment where every individual has an equal opportunity to excel and contribute their best. We recognise the importance of striving for equal pay, fairness and equality in our remuneration practices as a means to retain, attract and motivate top talent.

Reviewing and addressing race, gender and role-based pay differentials across job levels, role families and specific roles remains a crucial focus in our remuneration processes. When disparities in pay differentials are identified, we establish specific targets and agree on action items to gradually mitigate these gaps over time. This proactive approach ensures that our remuneration practices promote fairness and equity across the organisation.

The objective of fair remuneration principles is to achieve remuneration outcomes that are impartial and free from discrimination, prejudice and favouritism. The organisation is purposeful in addressing unfair and/or unjustifiable remuneration gaps.

Our responsible remuneration principles aim to establish governance frameworks which ensure that remuneration decisions are made within appropriate authority levels, with sufficient independent oversight, and are linked to performance and sustainable strategic outcomes.

As envisaged by the principles of fair and responsible remuneration, the Remuneration Committee considered the following:
- Applying the principle of "equal pay for work of equal value" (as set out under "internal pay equity") to identify possible areas of pay discrimination or bias.
- Identifying and addressing any unjustifiable remuneration disparities.
- Reviewing the minimum guaranteed package of employees at the basic skills level to ensure this is set at a level that offers employees a decent standard of living. The minimum guaranteed package effective from 1 October 2024 is R165 000 per annum, an increase of 6.5% from the previous minimum guaranteed package of R155 000.
- When considering increases, we consider factors including but not limited to inflation, affordability, market trends, competitor remuneration and scarcity of skills.
- Reviewing the level of variable remuneration paid, which is based on performance outcomes against targets and benchmarked against the financial services market.

To improve the analysis, review and tracking of wage pay gaps, a new reporting dashboard was implemented in F2024. This dashboard enables a more in-depth and analytical analysis of various pay ratios across the organisation. It facilitates the identification and monitoring of progress in addressing unfair pay differentials over time.

In light of the evolving regulatory environment, we enhanced our fair and responsible pay principles to include the following:
- Implementation of processes that enable continuous monitoring, tracking and reporting of the fair and responsible pay ratios.
- The fair pay ratios that are monitored include the highest- and lowest-paid employee, the ratio between the highest-paid 5% of employees and the lowest-paid 5%, and the average and median total remuneration.
- Where considered appropriate, the above ratios will be supplemented with additional ratios (e.g. the Palma) that provide additional context and relevant insights on the pay ratio differentials.

Our pay ratios analysis is based on South African-based employees who are on permanent full-time equivalent employment arrangements. This approach aims to remove distortions that could arise from variations in market conditions, remuneration rates and the effects of exchange rates across all jurisdictions where we operate. This ensures a more accurate assessment of pay differentials within the organisation.

MALUS AND CLAWBACK

We have a malus and clawback policy to address potential risks and ensure accountability in relation to deferred STI, LTIP and SAR amounts. This policy applies to executive directors, senior managers, heads of control functions and other material risk-takers within the Group.

Under the malus provision, unvested or deferred STI, LTIP and SAR amounts can be subject to forfeiture before their scheduled vesting. This means that if actual risk events occur, the Remuneration Committee has the authority to reduce or forfeit these unvested incentives in whole or in part. Through this policy, the Group promotes responsible behaviour and ensures that individuals are held accountable for their actions.

On the other hand, the clawback provision allows for the recovery of already vested deferred STI, LTIP and SAR amounts. In case of actual risk events, the Remuneration Committee can initiate the post-vesting recovery of these vested incentives, ensuring that appropriate consequences are applied. In terms of this policy, the Remuneration Committee may pursue the recovery of previously vested and paid STI or LTI amounts where:
- There is reasonable evidence of material error or employee misbehaviour.
- The Group suffers a material risk event that can be reasonably attributed to the actions of a specific individual or group of individuals.

EXECUTIVE AND SENIOR MANAGEMENT – SERVICE AGREEMENTS

Executive and senior management governance

The Remuneration Committee reviews the remuneration policy on an annual basis and considers its alignment to the Group's strategy, regulatory requirements and stakeholder expectations. We are confident that our remuneration policy is founded on well-defined principles and provides a solid basis for making fair and responsible remuneration decisions that establish a strong correlation between pay and performance. In rare instances where discretion is exercised, the Remuneration Committee relies on the articulated principles of the remuneration policy to guide its judgement.
The Board-approved delegations of authority provide for the following remuneration decision matrix:
- The Chair of the Remuneration Committee recommends the total remuneration proposal for the Group CEO to the Board for approval.
- The Group CEO recommends the total remuneration proposals for executive directors and Group Exco members to the Remuneration Committee for approval.
- During the annual review, business unit executives present total remuneration proposals for executives and senior management employees (typically the top 200 to 300 earners) through a Group Exco moderation process.
- Total remuneration proposals for executives heading control functions, including risk management, compliance, internal audit and governance functions, are presented by the Group Chief Risk Officer and approved by the Group Exco.
- Executive and senior management appointments, as well as termination pay-outs, are subject to governance approvals. The approval delegations are predetermined based on the level of estimated total reward including guaranteed pay, sign-on awards and on-target incentives estimates.

Sign-on awards

In exceptional cases where the Group considers certain appointments critical to its business strategic and/or key operational requirements, sign-on awards (ordinarily in the form of LTIP, and on occasion, deferred cash awards) may be offered to secure executive management and other key appointments.

These awards are made on an exceptional basis to compensate for the loss of incentive awards from a previous employer that were forfeited or revoked due to their appointment to the Momentum Group, with the primary objective being to replace the estimated and verifiable value of forfeited prior employer awards.

Sign-on LTIP awards are awarded with the compulsory vesting period applicable to the respective Group incentive plans. The LTIP award is subject to forfeiture should the employee resign or be dismissed by the Group during the vesting period in accordance with the rules of the scheme. Any cash-based sign-on awards are subject to clawback, and employees will have to repay these awards should they resign from the Group within a specified period as regulated by their employment contracts.

No sign-on awards were made at the management level of the Group Exco in the current year.

Restraints of trade

The Remuneration Committee has the authority to enter into restraint of trade agreements with members of executive management when deemed necessary. Restraint of trade agreements take the form of contractual arrangements, with an appropriate payment attached to the period of restraint. Payments relating to restraint of trade agreements are limited to a contractual monthly guaranteed remuneration for the duration of the restraint period.

No restraint of trade payments were made during the F2025 financial period.

Payments on termination of employment

The employment contracts for executive management do not oblige the Remuneration Committee to make any specific payments in the event of employment termination due to failures on the part of the executive. Instead, any payments made upon termination will be in accordance with relevant legislation and regulations.

The consequences of unvested STIs, SARs and LTIPs are governed by the rules and provisions outlined in the respective incentive plans and the circumstances surrounding the termination of employment. The Remuneration Committee holds discretionary power in determining the terms and conditions of such agreements, with decisions made on a case-by-case basis. It is emphasised that no payments will be made due to termination solely based on a lack of performance and/or misconduct.

In the event of resignation or dismissal for just cause, all unvested incentives in the form of deferred STIs, LTIPs and SARs will be forfeited as per the relevant rules outlined in the incentive plans.

In the event of death, disability, retrenchment, retirement or early retirement, unvested incentives will vest pro rata based on the period of employment from the award date to the termination of service date and, if applicable, the extent to which performance conditions were met as at that date.

In the event of a no fault separation that is mutually negotiated and agreed between the executive and the Momentum Group, Momentum Group is not obliged to make any specific payments upon termination. Any payments made relating to a mutual separation event are negotiated on a case-by-case basis, based on the specific merits of the case under consideration. The specific case is considered in accordance with the relevant legislation, regulations and best practice applicable to such arrangements.

Reasons for termination

The following table sets out how payments under each element of remuneration are dealt with for the various reasons for termination:

	Voluntary resignation	Dismissal/ termination for just cause	Normal and early retirement, retrenchment and death	Mutual separation
TGP	Paid over the notice period or as a lump sum	No payment	No payment other than severance packages governed by labour laws	Paid over the agreed notice period or as a lump sum
STI – cash	Forfeited if not in the employ of the Group at the payment date of the STI	No payment	No payment	No payment
STI – deferral	Automatic forfeiture of unvested deferred STI amounts	Automatic forfeiture of unvested deferred STI amounts	All unvested deferred STI amounts vest on the date of termination (as these have already been subject to past performance criteria and are therefore earned)	Automatic forfeiture of unvested deferred STI amounts
LTI	All unvested awards shall be forfeited in their entirety and will lapse immediately upon the date of termination	All unvested awards shall be forfeited in their entirety and will lapse immediately upon the date of termination	In respect of LTIP units, the pro rata portion shall vest subject to the measurement of performance at the original vesting date, except on death or disability, in which case the Remuneration Committee will apply its discretion as near as is practical to the date of death or disability	All unvested awards shall be forfeited in their entirety and will lapse immediately upon the date of termination

Retention payments

The Remuneration Committee has the discretion to make retention payments to executives and key employees in exceptional circumstances. Such retention payments are subject to an appropriate clawback period and may be subject to certain minimum performance hurdles. Save for the retention element inherent in the deferral of STIs, no retention payments were made at executive level during the current year.

Minimum shareholding requirements

The minimum shareholding requirements introduced in 2015 are in line with global best practice. These requirements encourage executives to use their vesting STI and LTI benefits to buy Momentum Group shares and to be personally invested in the company, thus increasing executive ownership and alignment between executive and stakeholder interests. Executives are required to invest an agreed portion of their annual STI and LTI payouts in Momentum shares towards achieving the required level of exposure.

The Group CEO's required level of investment (expressed as a percentage of TGP) is 200% and for other executives 100%, to be achieved within a reasonable period of the introduction of the requirements of the individual being appointed to the Group Exco position.

The Remuneration Committee will, from time to time, set requirements for executives, such as the minimum required shareholding and the period over which it should be achieved, and monitor compliance with these requirements. The progress to date regarding the executive directors' achievement of these requirements is set out under ***Part 3 of the Implementation Report***.

NON-EXECUTIVE DIRECTOR FEES

The strategic purpose of the non-executive directors' fees is to attract and retain suitable expertise to constructively challenge the executives to deliver on strategy.

Non-executive directors in the Group receive an annual retainer fee for their services, without any additional fees per meeting attended. They do not receive performance incentive payments, share appreciation rights, pension fund benefits, loans on preferential terms, expense allowances, or any other form of financial assistance. The Group covers all travel and accommodation costs associated with the attendance of non-executive directors at Board meetings.

The fees for non-executive directors are reviewed annually and are presented to the Remuneration Committee for consideration. These fees are then submitted for approval at the AGM. In considering the non-executive directors' fees, various factors are taken into account, including a review of the market analysis related to non-executive directors' fees. Market benchmarking considers the size of the Group as well as the complexity of the work performed. The comparator group of companies included in the benchmarking exercise are Alexander Forbes, Discovery, Old Mutual, Sanlam, Santam and PSG, with OUTsurance included in F2024.

Non-executive directors may receive ad hoc supplementary fees if they undertake significant additional work during the financial year. These fees are calculated on an hourly basis and are not guaranteed. The payment of such fees is limited to ad hoc committee work requested from non-executive directors.

The details regarding the proposed non-executive director fees for F2024 are set out in the ***Notice of Annual General Meeting***.

VOTING STATEMENT (NON-BINDING ADVISORY VOTE ON THE REMUNERATION POLICY)

This remuneration policy is subject to an advisory vote by shareholders at the November 2024 AGM. Shareholders are requested to cast a non-binding advisory vote on Part 2 of this Remuneration Report as it appears above.

EXECUTIVE DIRECTORS – SINGLE-FIGURE DISCLOSURE

The South African Companies Act, 71 of 2008 (Companies Act) has defined the term "prescribed officer". The duties, responsibilities and reporting obligations of directors under the Companies Act also apply to "prescribed officers". The Remuneration Committee has considered the definition of "prescribed officer" and resolved that the executive directors are the prescribed officers of the Group.

Remuneration earned by the executive directors in accordance with the single-figure remuneration disclosure guidance set out in King IV™ is set out below:

Single-figure remuneration: executive directors

	Hillie Meyer		Jeanette Marais (Cilliers)		Risto Ketola		Dumo Mbethe		Total	
R'000	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Guaranteed remuneration[1]	2 105	8 171[4]	7 875	5 523	5 771	5 337	4 565	–	20 316	19 031
Salary and allowances	2 105	8 171	7 399	5 177	5 432	4 996	4 196	–	19 132	18 344
Retirement contributions	–	–	405	283	268	278	326	–	999	560
Medical aid contributions	–	–	71	63	71	63	43	–	185	127
STIs[2]	–	13 000	9 500	8 000	7 400	7 000	7 200	–	24 100	28 000
Cash	–	6 650	4 900	4 150	3 850	3 650	3 750	–	12 500	14 450
Deferred	–	6 350	4 600	3 850	3 550	3 350	3 450	–	11 600	13 550
LTIs[3]	22 087	11 626	13 803	9 030	12 424	6 516	8 277	–	56 591	27 172
Total remuneration	**24 192**	**32 797**	**31 178**	**22 553**	**25 595**	**18 853**	**20 042**	–	**101 007**	**74 203**

[1] The total guaranteed package in the table above represents cash payments made during the financial years ending 30 June, whereas the remuneration set out in the TGP table on page 124 represents amounts granted as part of the annual remuneration review on 1 October annually. As a result, these amounts will not agree.
[2] The short-term incentive represents the approved performance bonus in the year to which it relates, split between the cash and deferred portions.
[3] The calculation basis for long-term incentives is:

2023:
- *For SAR units, the value is based on the number of October 2018 units that vested (67% of the performance conditions met) in vesting in October 2022, on the basis of performance conditions measured on 30 June 2022, multiplied by the option value on 30 June 2022, of R0.82. The units were converted to long-term incentive (LTIP) units. The final tranche (% of these units) will be settled in October 2024, using the value weighted average share price prior to the effective date of 01 October 2024.*
- *For LTIP performance units, the value is based on the value of the number of October 2020 performance units vesting in October 2023, on the basis of performance conditions measured on 30 June 2023, multiplied by the share price on 30 June 2023. In terms of these LTIP performance conditions, 70% of these units will vest in October 2023 for Hillie Meyer and Risto Ketola, and 85% for Jeanette Marais (Cilliers), due to her business unit performance vesting conditions being 100% achieved.*
- *No LTIP retention units were issued to executive directors in 2023, other than the deferred bonus units, which are included in the short-term incentive amounts above.*

[4] After the deduction of unpaid leave totalling R129 000.

2024:
- *For LTIP performance units, the value is based on the value of the number of October 2021 performance units vesting in October 2024, on the basis of performance conditions measured on 30 June 2024, multiplied by the share price on 30 June 2024. In terms of these LTIP performance conditions, 100% of these units will vest in October 2024 for all executive directors as the performance targets were set at a Group level.*
- *No LTIP retention units were issued to executive directors in 2024 other than the deferred bonus units, which are included in the short-term incentive amounts above.*

COMPANIES ACT DISCLOSURE – EXECUTIVE DIRECTORS

	Hillie Meyer		Jeanette Marais (Cilliers)		Risto Ketola		Dumo Mbethe		Total	
R'000	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Guaranteed remuneration	2 105	8 171	7 875	5 523	5 700	5 338	4 565	–	20 245	19 031
Salary and allowances	–	–	7 399	5 177	5 361	4 996	4 196	–	19 061	18 344
Retirement contributions	–	–	405	283	268	278	326	–	999	560
Medical aid contributions	–	–	71	63	71	63	43	–	185	127
STIs	6 650	4 475	4 150	3 175	3 650	3 050	3 600	–	18 050	10 700
LTIs	13 668	7 058	10 189	5 137	8 051	4 238	4 827	–	36 735	16 433
Total remuneration	**22 423**	**19 704**	**22 214**	**13 835**	**17 401**	**12 625**	**12 992**	–	**75 030**	**46 164**

The STI represents the cash bonus payment made in October, while the LTI represents the settlement of LTIs that vested during the year, including deferred bonus units.

- In both 2023 and 2024 the LTI payments represented the vested deferred bonus units and the LTIP performance units that vested during this period.

The table above sets out the remuneration of the executive directors in terms of the requirements of section 30(4)(4)(6) of the Companies Act, 2008 and includes all remuneration paid to executive directors during the year, whereas the single-figure remuneration disclosure is based on the King IV™ definition of executive remuneration.

GUARANTEED REMUNERATION ADJUSTMENTS

As set out in Part 1 above, for salaries to remain competitive, an annual salary increase is awarded. An average increase of 5.5% will be granted in October 2024.

VARIABLE REMUNERATION

The performance outcomes for the STI and LTI benefits for the current year are set out below:

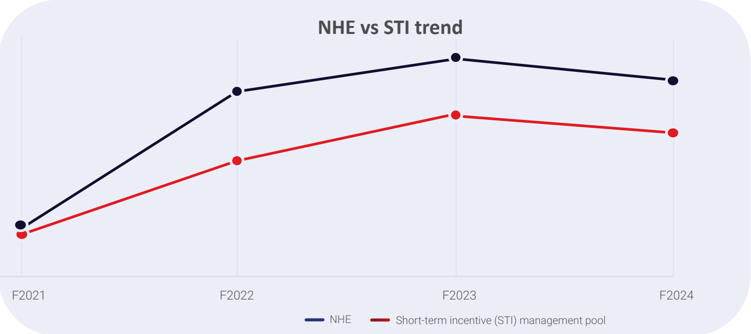
Short-term incentives

The Group's performance in terms of the key financial metrics was as follows:

- NHE of R4 438 million, which is higher than the restated F2024 NHE.
- New business volumes (on a PVNB basis) increased by 19% to R82 141 million.
- The ROE for the year was 15.5%, an increase from 12.7% in the prior year.

Taking into account the above metrics, and the fact that the NHE for F2024 of R4 438 billion slightly exceeded the IFRS 17 adjusted targeted NHE of R4.3 billion for the year, the Remuneration Committee approved a management STI pool for F2024 which is 106% of the on-target pool, in line with the earnings performance.

The graph below illustrates the change in the annual management STI pool since F2020, together with the NHE trend over the same period:



The prior years' figures used for the NHE vs STI graph have not been restated for IFRS17. For the Reinvent and Grow strategy period, the level of the STI pool has closely tracked our normalised headline earnings trend.

Total reward awarded to executive directors for F2024 | effective October 2024.

Based on the performance achieved against F2024 financial and non-financial targets, the TGP, STI and LTIP awards were determined as set out below

Group CEO: Jeanette Marais (Cilliers)

Financial performance

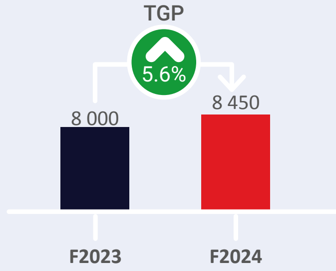
- The Group achieved the F2024 NHE target, which increased 27% to R4 438 million.
- Achieved ROE of 15.5%, at the upper end of the 14% to 16% target range
- Managed a strong capital solvency requirement position, which improved to 2.10 times from 2.07 times in 2023.

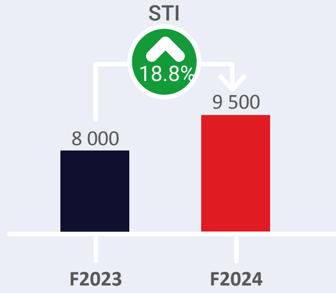
Strategic enablers

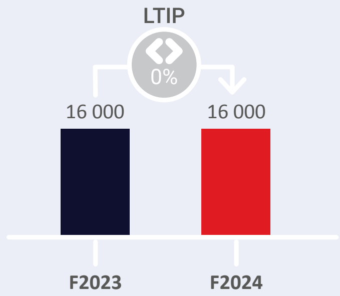
- Successful implementation of business turnaround strategies for Momentum Insure and Metropolitan Life, with both business achieving significant performance improvements in F2024.
- Achieved overwhelming stakeholder support and approval for the implementation of the Momentum Group brand change
- Completed the India and Africa business strategic review and formulation of the long-term implementation plans
- Completion and stakeholder approval of the Group's Impact Strategy plan.

ESG positive impact

- Formulation and implementation of the Momentum Group Purpose and Culture initiatives.





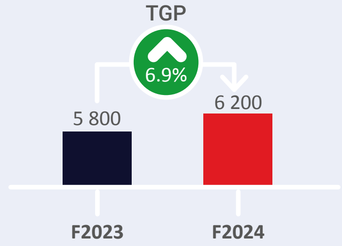


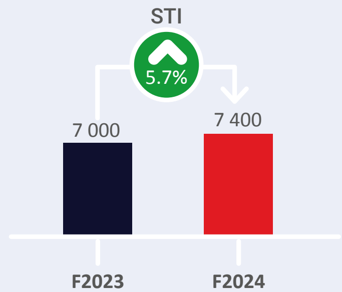
Group FD: Risto Ketola*

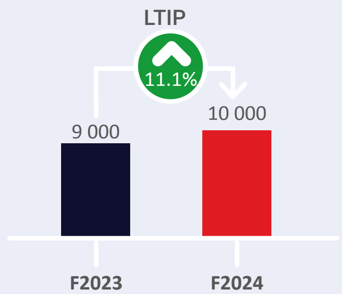
Financial performance
- The Group achieved the F2024 NHE target, which increased 27% to R4 438 million.
- Achieved ROE of 15.5%, at the upper end of the 14% to 16% target range.
- Managed a strong capital solvency requirement position, which improved to 2.10 times from 2.07 times in F2023.

Strategic enablers
- Successful implementation of the IFRS17 project.
- Quality of financial reporting and stakeholder engagement on the Group financial performance.
- Strong capital management, including the share repurchase programme and investment activities across the Group.
- Group-wide partnership and key internal and external stakeholder engagement on the Group's Impact strategy plan key performance targets.

ESG positive impact
- High levels of compliance with tax, statutory reporting requirements and solvency regimes across Group operations.







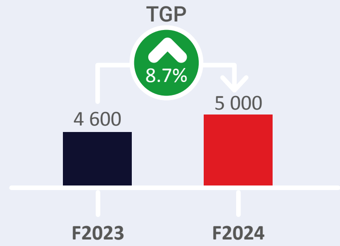
** The approved increase aligns the TGP to the respective role market benchmark*

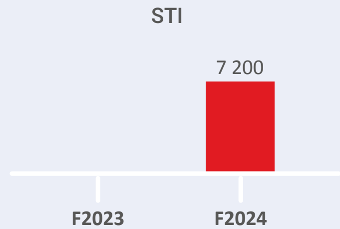
Executive Director and Momentum Corporate CEO: Dumo Mbethe* **

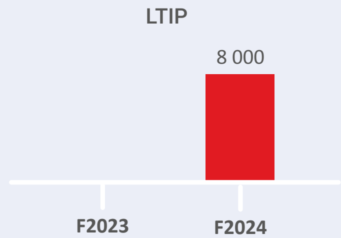
Financial performance
- Momentum Corporate achieved the F2024 NHE target, which increased 4% to R 1 182 million.
- Achieved ROE of 30.0%, at the upper end of the 20% to 25% target range.

Strategic enablers
- Achieved targeted client engagement through self-service digital platforms with over 2 million digital engagements.
- Delivery of the Momentum Grow digital end-to-end EB product.
- Successful progress towards two-pot system operational readiness.
- Continued improvement in brand spontaneous awareness levels.

ESG positive impact
- Achieved transformation objectives per the Mom Corporate employment equity plan.
- Progress on embedding the Culture initiatives.
- Successfully maintained an internal control environment rating in line with the approved risk and control appetite.



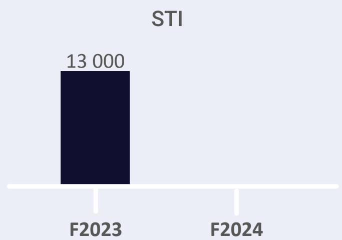




** The approved increase aligns the TGP to the respective role market benchmark.*
*** Appointed as executive director in November 2023.*

Hillie Meyer*

No incentives were awarded to Hillie in F2024 due to his retirement on 30 September 2023.



**Retired on 30 September 2023.*

The short-term incentives awarded to executive directors in F2024 (payable in F2025 and subject to the short-term incentive deferral rules as referred to in ***Part 2 of the Remuneration Report***) are set out below:

Executive director scorecards	Cash – October 2024 R'000	Deferred into LTIP R'000	Cash – October 2023 R'000
Hillie Meyer	–	–	6 650
Jeanette Marais (Cilliers)	4 900	3 550	4 150
Risto Ketola	3 850	3 550	3 650
Dumo Mbethe	3 750	3 450	–

The performance ratings for the executive directors are determined based on a mix between their achievement of individual objectives and the overall Group performance.

Long-term incentive vesting – LTIP scheme

For the October 2024 LTIP awards, the Remuneration Committee decided to apply performance conditions as set out in the table below:

F2024 LTIP performance targets

Performance metric	Threshold	Year 1 R'm	Year 2 R'm	Year 3 R'm/%/ Other	Total weighting	Annual weighting
NHE*	Lower	4 500	5 250	6 000	25%	8.3%,8.3%,8.4%
	Upper	**5 000**	**6 000**	**7 000**		
VNB*	Lower	600	800	1 000	25%	8.3%,8.3%,8.4%
	Upper	**800**	**1 000**	**1 200**		
ROE**	Lower			18%	15%	n/a
	Upper			**20%**		
Momentum Group – TSR***		**Exceed peers**			15%	n/a
Financial aspirations						
Strategic enablers					15%	n/a
		–		Growth and distribution	5.0%	-
				Client satisfaction	5.0%	
				People engagement	5.0%	
ESG positive impact					5%	n/a
				GHG own emissions	2.5%	
				MSCI ESG index	2.5%	
Strategic enablers and ESG impact*					20%	–
Momentum Group total		–			100%	–

Internal targets as approved by Group Remco and aligned to the overall business strategy.

For this LTIP tranche to vest in full, or partially in October 2027, the Momentum Group performance must meet the performance conditions as set out above, and elaborated further below:

- NHE and VNB targets set for each of the financial years F2025 to F2027. Each year's target contributes 33.33% to the total three-year allocated weightings of 25%. The proposal includes lower and upper thresholds. Linear vesting will occur, with 50% of the vesting at lower thresholds, proportionately progressing to 100% at the upper threshold.
- ROE target to be set and measured for the end of the three-year measurement period (June 2027).
- TSR target to be set and measured against the peer group (Discovery, Old Mutual and Sanlam) as an average over the three-year performance measurement period.
- The proposal includes lower and upper thresholds. Linear vesting will occur, with 50% of the vesting at lower thresholds, proportionately progressing to 100% at the upper threshold.

The performance conditions for the October 2021 award, along with the actual performance measured at the performance vesting date of 30 June 2024, are set out below:

Performance measure	% weighting	Target	Actual
TSR vs equal-weighted peer index	100%	Exceed peer group TSR	11.5% ahead of the benchmark

The TSR performance outcome for Momentum Group is compared to the equal-weighted peer group index, which includes Discovery, Old Mutual and Sanlam. The measure of TSR metric ensures alignment of the long-term incentive plan performance with shareholder outcomes. For the period 1 July 2021 to 30 June 2024, the Momentum Group achieved a TSR of 137.08, versus the peer group equal weighted TSR of 125.61 for the same period.

The performance target (with the TSR being a sole metric) is set at Group level only with no Group vs business units weightings applied. The same performance target applies to all executives at the Group and business unit level.

As a result of the TSR performance conditions being met, 100% of the LTIP units will vest. These vested units will be settled in three equal tranches on 1 October 2024, 2025 and 2026, based on the Momentum Group 20-day volume-weighted average share price up to 1 October each year, including dividends declared and paid by the Momentum Group during the settlement period, in the form of additional dividend units.

Long-term incentive table of unvested awards – executive directors

The table below provides an overview of the LTIs awarded and forfeited during the year, and the indicative value of LTIs not yet vested (outstanding LTI) for the executive directors. It further illustrates the cash value of LTI delivered during the year.

Executive director	Opening number on 1 July 2022	Granted during 2023	Forfeited during 2023	Vested during 2023	Closing number on 30 June 2023[1]	Cash flow on settlements 2023[3]	Estimated fair value on 30 June 2023[4]	Granted during 2024[2]	Forfeited /Cancelled during 2024	Vested during 2024	Closing number on 30 June 2024	Cash flow on settlements 2024[3]	Estimated fair value on 30 June 2024
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Hillie Meyer	**5 284**	**1 662**	**(2 662)**	**(413)**	**3 872**	**7 058**	**47 976**	**530**	**(276)**	**(688)**	**3 438**	**13 669**	**72 318**
LTIP – performance units													
Award date – 9 April 2018[1]	–	–	–	–	–	–	–	–	–	–	–	–	–
Award date – 1 October 2019	989	32	(330)	(220)	471	3 755	8 512	15	–	(236)	251	4 691	5 758
Award date – 1 October 2020	858	62	–	–	920	–	8 969	28	(276)	(215)	457	4 265	10 470
Award date – 1 October 2021	844	61	–	–	905	–	6 048	59	–	–	964	–	22 087
Award date – 1 October 2022	–	1 056	–	–	1 056	–	15 061	69	–	–	1 125	–	19 323
Award date – 1 October 2023	–	–	–	–	–	–	–	–	–	–	–	–	–
LTIP — deferred bonus units													
Grant date – 1 October 2018	–	–	–		–	–	–	–	–	–	–	–	0
Grant date – 1 October 2019	58	3	–	(58)	–	989	–	–	–	–	–	–	–
Grant date – 1 October 2020	87	6	–	(43)	47	741	843	–	–	(46)	–	920	–
Grant date – 1 October 2021	116	274	–	(39)	83	660	1 498	3	–	(42)	44	827	1 012
Grant date – 1 October 2022	–	–	–	–	275	–	4 965	12	–	(92)	195	1 826	4 474
Grant date – 1 October 2023	–	–	–	–	–	–	–	340	–	–	340	–	7 794
SAR — performance units													
Award date – 1 October 2018	2 332	–	(2 332)	–	–	–	–	–	–	–	–	–	–
Converted to deferred retention units	–	168	–	(53)	115	913	2 080	4	–	(57)	62	1 140	1 400
Jeanette Marais (Cilliers)	**3 277**	**968**	**(1 488)**	**(301)**	**2 456**	**5 137**	**31 758**	**1 183**	**(88)**	**(512)**	**3 039**	**10 190**	**57 731**
LTIP – performance units													
Award date – 1 October 2019	535	21	(89)	(149)	319	2 535	5 756	10	–	(159)	170	3 167	3 895
Award date – 1 October 2020	549	40	–	–	588	–	6 906	22	(88)	(167)	355	3 315	8 133
Award date – 1 October 2021	528	38	–	–	566	–	3 781	37	–	–	603	–	13 803
Award date – 1 October 2022	–	566	–	–	566	–	8 073	37	–	–	603	–	10 351
Award date – 1 October 2023	–	–	–	–	–	–	–	858	–	–	858	–	11 586
LTIP – deferred bonus units													
Grant date – 1 October 2018	–	–	–	–	–	–	–	–	–	–	–	–	–
Grant date – 1 October 2019	38	–	–	(38)	–	659	–	–	–	–	–	–	–
Grant date – 1 October 2020	69	2	–	(34)	37	585	666	–	–	(37)	–	727	–
Grant date – 1 October 2021	142	7	–	(48)	102	810	1 839	3	–	(51)	54	1 013	1 243
Grant date – 1 October 2022	–	193	–	–	193	–	3 490	8	–	(64)	137	1 284	3 143
Grant date – 1 October 2023	–	–	–	–	–	–	–	206	–	–	206	–	4 726
SAR – performance units													
Award date – 1 October 2018	1 399	–	(1399)	–	–	–	–	–	–	–	–	–	–
Converted to deferred retention units	–	101	–	(32)	68	548	1 236	2	–	(34)	36	684	840
iSabelo B-BBEE Trust[5]	17	–	–	–	17	–	11	–	–	–	17	–	11

Long-term incentive table of unvested awards – executive directors continued

Executive director	Opening number on 1 July 2022	Granted during 2023	Forfeited during 2023	Vested during 2023	Closing number on 30 June 2023[1]	Cash flow on settlements 2023[3]	Estimated fair value on 30 June 2023[4]	Granted during 2024[2]	Forfeited /Cancelled during 2024	Vested during 2024	Closing number on 30 June 2024	Cash flow on settlements 2024[3]	Estimated fair value on 30 June 2024
Risto Ketola	**3 089**	**944**	**(1 577)**	**(249)**	**2 205**	**4 238**	**27 333**	**768**	**(154)**	**(405)**	**2 416**	**8 050**	**46 962**
LTIP – performance units													
Award date – 1 October 2019	534	17	(178)	(119)	255	2 029	4 598	8	–	(128)	135	2 535	3 101
Award date – 1 October 2020	481	35	–	–	515	–	5 026	16	(154)	(120)	257	2 388	5 878
Award date – 1 October 2021	475	34	–	–	509	–	3 402	33	–	–	543	–	12 424
Award date – 1 October 2022	–	566	–	–	566	–	8 070	37	–	–	603	–	10 351
Award date – 1 October 2023	–	–	–	–	–	–	–	482	–	–	482	–	6 518
LTIP – deferred bonus units													
Grant date – 1 October 2018	–	–	–	–	–	–	–	–	–	–	–	–	–
Grant date – 1 October 2019	41	–	–	(41)	–	689	–	–	–	–	–	–	–
Grant date – 1 October 2020	60	2	–	(30)	32	507	579	–	–	(32)	–	630	–
Grant date – 1 October 2021	82	4	–	(27)	58	465	1 063	2	–	(29)	31	582	713
Grant date – 1 October 2022	–	185	–	–	185	–	3 348	8	–	(62)	132	1 231	3 016
Grant date – 1 October 2023	–	–	–	–	–	–	–	180	–	–	180	–	4 111
SAR – performance units													
Award date – 1 October 2018	1 399	–	(1 399)	–	–	–	–	–	–	–	–	–	–
Converted to deferred retention units	–	101	–	(32)	68	548	1 236	2	–	(34)	36	684	839
Isabelo B-BBEE trust[5]	17	–	–	-	17	–	11	–	–	–	17	–	11
Dumo Mbethe	–	–	–	–	**1 527**	–	**17 994**	**622**	**(88)**	**(243)**	**1 798**	**4 826**	**32 694**
LTIP – performance units													
Award date – 1 October 2019					127		2 302	4	–	(64)	68	1 267	1 550
Award date – 1 October 2020					294		3 454	9	(88)	(69)	147	1 365	3 358
Award date – 1 October 2021					339		2 268	22	–	–	361	–	8 277
Award date – 1 October 2022					377		5 380	25	–	–	402	–	6 904
Award date – 1 October 2023					–		–	375	–	–	375	–	5 068
LTIP – deferred bonus units													
Grant date – 1 October 2019					22		–	-	–	–	–	–	–
Grant date – 1 October 2020					22		395	-	–	(22)	–	437	–
Grant date – 1 October 2021					40		721	1	–	(20)	21	395	469
Grant date – 1 October 2022					154		2 778	7	–	(51)	110	1 020	2 512
Grant date – 1 October 2023					–		–	178	–	–	178	–	4 064
SAR – performance units													
Award date – 1 October 2018					–		–	-	–	–	–	–	–
Converted to deferred retention units					34		621	1	–	(17)	18	342	417
Isabelo B-BBEE trust[5]					118		75	-	–	–	118	–	75

[1] *The CEO's initial LTIP award on 9 April 2018 has a vesting date of 31 October 2021, with a performance period from 1 July 2018 to 30 June 2021.*
[2] *Comprises new awards and grants during the year, dividend units on existing awards and grants, and deferred bonus units granted in terms of the STI deferral policy.*
[3] *Represents the cash settled on vesting date, including vested dividend units.*
[4] *Calculated as:*
- *LTIP retention units and deferred bonus units – the number of unvested units multiplied by the share price at the reporting date.*
- *LTIP performance units – the number of unvested units multiplied by the latest probability of future vesting at the reporting date, multiplied by the share price at the reporting date.*
- *SAR performance units – the number of unvested units multiplied by the latest probability of vesting at the reporting date, multiplied by the option valuation per unit as at the reporting date.*

[5] *Each unit granted by the iSabelo Trust represents 0.1 Momentum Group shares and is therefore not included in the total for each director in the table above.*

MINIMUM SHAREHOLDING REQUIREMENT MEASUREMENT

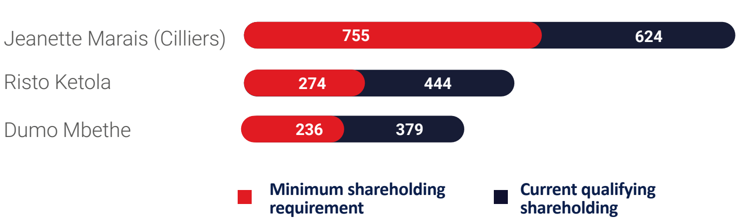
The following table reflects the current shareholding by executive directors in Momentum Metropolitan shares relative to the minimum shareholding requirement (MSR) as set out in the Group's remuneration policy.

The directors' shareholding comprises the shareholding in the table above together with the balance of deferred STI units in the LTIP, as this remains a relatively constant exposure through the replacement of vested tranches with new tranches.

Executive directors are expected to comply with all relevant policies and the minimum shareholding requirements within a reasonable period after appointment to the relevant role. This can be a period of up to five years from appointment provided there are specific arrangements in place with the executive directors that will ensure achievement of the policy requirements within the stipulated time frame.

Progress on minimum shareholding requirements as at 30 June 2024

The table below sets out the current status of executive directors shareholding versus the minimum shareholding requirements applicable to their respective roles.



The Remuneration Committee is satisfied that the executive directors and Group Exco members have either met the MSR requirements or are within the five year time frame from their date of appointment.

VOTING STATEMENT (NON-BINDING ADVISORY VOTE ON THE IMPLEMENTATION REPORT)

This report is subject to a non-binding vote by shareholders at the AGM on 23 November 2024.

Shareholders are requested to cast a non-binding advisory vote on the remuneration implementation report as contained in Part 3 of this report.

NON-EXECUTIVE DIRECTORS' FEES

The following table reflects the fees paid to non-executive directors during the year.

	Months service		Fees	
R'000	**F2024**	**F2023**	**F2024**	**F2023**
PB Baloyi	12	12	2 806	2 813
P Cooper	12	12	1 560	1 438
LM Chiume[1]	–	11	–	1 729
L de Beer[2]	12	12	1 986	1 876
NJ Dunkley[3]	12	12	3 120	3 002
T Gobalsamy	12	12	1 209	1 159
SC Jurisich	12	12	2 192	2 081
F Leautier	12	1	1 206	43
PJ Makosholo[7]	12	12	1 214	1 056
P Matlakala[4, 5]	12	1	2 018	1 516
SL McPherson[6]	–	6	–	655
HP Meyer[7]	3	–	277	–
V Nkonyeni[8]	–	5	–	821
DJ Park	12	12	1 752	1 794
S Rapeti[9]	1	–	92	–
DT Soondarjee[4]	12	1	1146	87
			20 578	**20 070**

[1] Resigned 31 May 2023.
[2] Resigned 24 November 2022.
[3] Includes fees from directorships in the UK (MGIM, CAIMS), Guernsey (MWI, MIIP) and Gibraltor (Euroguard).
[4] Appointed 1 June 2023.
[5] Includes fees from directorships for serving in the Kenya subsidiary companies.
[6] Resigned 31 December 2022.
[7] Appointed 1 April 2024.
[8] Resigned 24 November 2022.
[9] Appointed 1 June 2024.

INTEREST OF DIRECTORS IN SHARE CAPITAL

Directors' Momentum shareholding at 30 June 2024 – number of ordinary shares:

'000	**Direct beneficial**	**Indirect beneficial**	**F2024**	**F2023**
Jeanette Marais (Cilliers)	189	–	189	189
Risto Ketola	65	–	65	65
Dumo Mbethe	53	–	53	53
Peter Cooper	500	952	1 452	1 452
Nigel Dunkley	73	–	73	73
Stephen Jurisich*	–	–	–	–
Hillie Meyer	255	514	768	768
Total ordinary shares at 30 June	**1 135**	**1 466**	**2 600**	**2 600**

SHAREHOLDER PROFILE

Shareholder	Number of shareholders	% of issued share capital	Shares held (million)
Non-public			
Directors	7	0.2	3
Kagiso Tiso Holdings Proprietary Limited	1	8.1	114
Government Employees Pension Fund	1	14.4	203
Public			
Private investors	25 549	5.5	77
Pension funds	425	7.9	111
Collective investment schemes and mutual funds	1 793	55.2	774
Banks and insurance companies	38	8.7	123
Total	**27 814**	**100.0**	**1 405**

An estimated 362 million shares (2023: 328 million shares) representing 25.7% (2023: 22.6%) of total shares are held by foreign investors.

Size of shareholding	Number of shareholders	% of total shareholders	Shares held (million)	% of issued share capital
1 - 5 000	24 927	89.6	14	1.0
5 001 - 10 000	951	3.4	7	0.5
10 001 - 50 000	1 051	3.8	24	1.7
50 001 - 100 000	239	0.9	17	1.2
100 001 - 1 000 000	479	1.7	163	11.6
1 000 001 and more	167	0.6	1 180	84.0
Total	**27 814**	**100.0**	**1 405**	**100.0**

Beneficial owners	Shares held (million)	% of issued share capital
Government Employees Pension Fund	203	14.4
Kagiso Tiso Holdings Proprietary Limited	114	8.1
Total	**317**	**22.5**

Pursuant to the provisions of section 56(7)(b) of the South African Companies Act, 71 of 2008, as amended, beneficial shareholdings exceeding 5% in aggregate as at 30 June 2024 are disclosed.

CORPORATE INFORMATION

SHAREHOLDERS' DIARY

Financial year end: 30 June each year
Interim period end: 31 December each year

COMPANY REGISTERED OFFICE

Momentum Group Limited
Incorporated in the Republic of South Africa
Registration number: 2000/031756/06
268 West Avenue
Centurion
0157

JSE share code: MTM
A2X share code: MTM
NSX share code: MMT
ISIN code: ZAE000269890
(Momentum Group or the Group)
Momentum Metropolitan Life Limited
Incorporated in the Republic of South Africa
Registration number: 1904/002186/06
Company code: MMIG

COMPANY SECRETARY

Gcobisa Tyusha
Email: Gcobisa.Tyusha@mmltd.co.za
Telephone: 012 673 1931

INVESTOR RELATIONS

Email: investorrelations@mmltd.co.za

AUDITORS

Ernst & Young Inc.
102 Rivonia Road
Sandton
2194

TRANSFER SECRETARIES

South Africa

JSE Investor Services Proprietary Limited
One Exchange Square
2 Gwen Lane
Sandown
2196

Namibia

Transfer Secretaries Proprietary Limited
4 Robert Mugabe Avenue
Burg Street Entrance
Windhoek
Namibia

EQUITY SPONSOR

Merrill Lynch South Africa Proprietary Limited t/a BofA Securities
1 Sandton Drive
Sandhurst
2196

DEBT SPONSOR (MML)

Rand Merchant Bank (A division of FirstRand Bank Limited)
1 Merchant Place
Rivonia Road
Sandton
2196

NAMIBIA SPONSOR

Simonis Storm Securities Proprietary Limited
4 Koch Street
Klein Windhoek
Namibia