

momentum  
METROPOLITAN

2021

Investor Conference

24



momentum

momentum  
*multiply*

METROPOLITAN

GUARDRISK

ERIS

# CONTENTS

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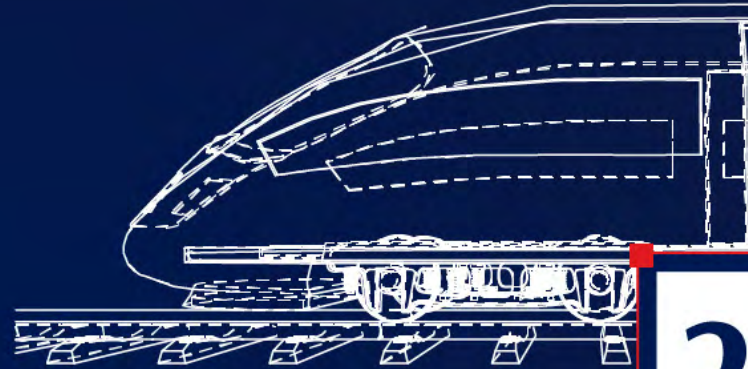
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167 Momentum retail: Enabling digital-led distribution

179 **SPEAKER BIOS**

# PROGRAMME

Welcome and introduction	8:30 - 8:35	Charlene Lackay
Group strategy overview	8:35 - 9:15	Hillie Meyer
Capital management to shift gears	9:15 - 9:55	Risto Ketola
Metropolitan Life: A turnaround tale to growth	9:55 - 10:40	Peter Tshiguvho
Q&A	10:40 - 11:00	Charlene Lackay
Break	11:00 - 11:25	
Momentum Metropolitan Non-life Insurance: Short-term insurance with a long-term growth strategy	11:25 - 12:10	Herman Schoeman / Brand Pretorius / Lourens Botha
Momentum Corporate: Engagement, the future of Employee Benefits	12:10 - 12:50	Dumo Mbethe
Q&A	12:50 - 1:10	Charlene Lackay
Lunch	1:10 - 1:55	
Momentum Metropolitan Health Solutions: More health for more people for less	1:55 - 2:25	Hannes Viljoen / Damian McHugh
Momentum retail: Embracing advice-led distribution	2:25 - 3:10	Jeanette Marais
Momentum retail: Enabling digital-led distribution	3:10 - 3:50	Johann le Roux
Q&A	3:50 - 4:10	Charlene Lackay
Closing	4:10 - 4:15	Charlene Lackay
Drinks and light snacks	4:15 PM AM	



# Group strategy overview

Hillie Meyer  
Group Chief Executive Officer



# RESET AND GROW



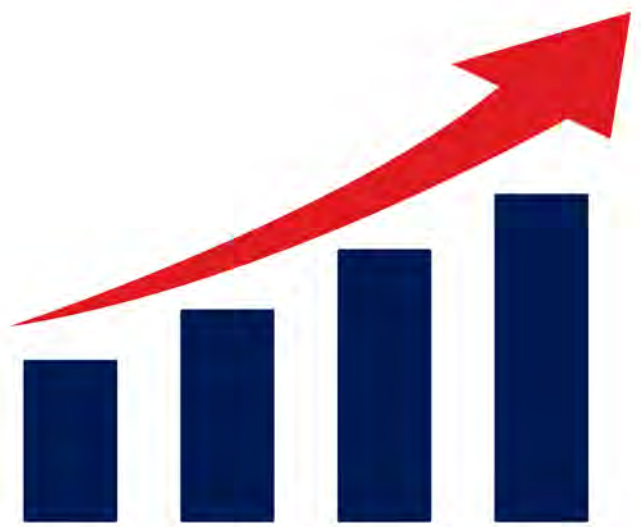
## Reset and Grow

2019 – 2021

Fix the basics  
Address the cost base

Re-establish external focus  
Increase and improve footprint

# RESET AND GROW



# REINVENT AND GROW



# REINVENT AND GROW



## Reinvent and Grow



2022 – 2024

Reposition for the future

Digital transformation

Product and service leadership

Transform existing channels

Establish new channels

Grow market share



# This overview

1

Reset and Grow

2

Strategic context

3

Reinvent and Grow

# This overview

1

Reset and Grow

2

Strategic context

3

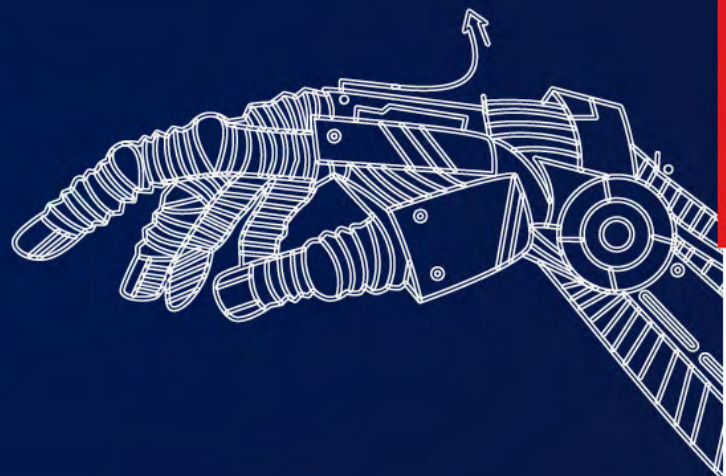
Reinvent and Grow

## Rest of the day

1. **Risto**: Capital management to shift gears
2. **Peter**: Metropolitan back in the race, with fuel in the tank
3. **Herman**: Short-term business – long-term growth strategy
4. **Dumo**: The future of Employee Benefits
5. **Hannes / Damian**: Reinvent healthcare to stay relevant
6. **Jeanette**: Embracing advice-led distribution
7. **Johann**: Enabling digital-led distribution

1

Reset and Grow



# RESET AND GROW

## RESET



Fix the basics



Address cost base

## GROW



Distribution



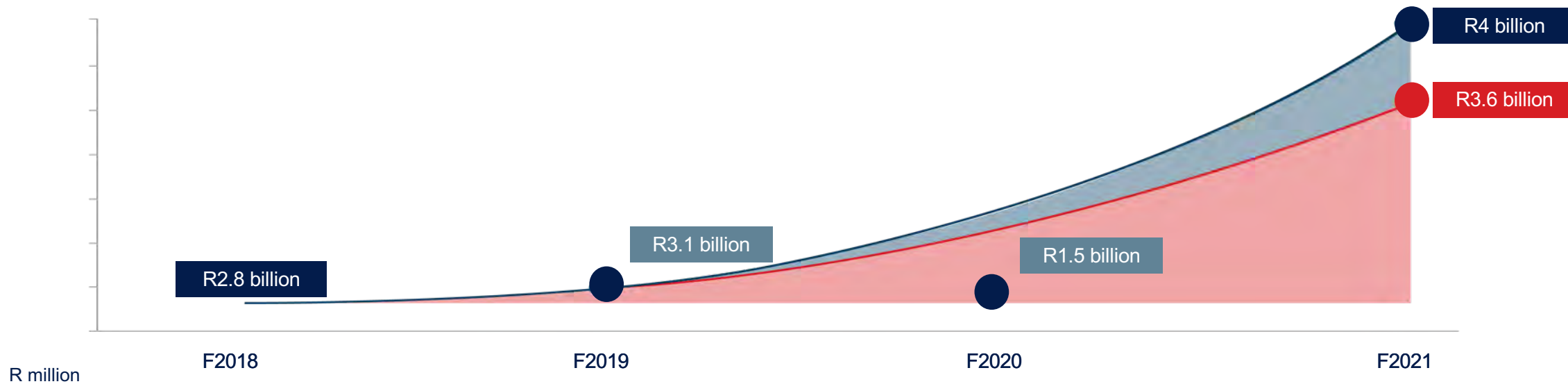
Service



Products



Marketing



# RESET AND GROW ACHIEVEMENTS

## RESET



- Staff buy-in and energy unlock
- Re-established external focus
- Return of competitive spirit
- Focused on delivery
- Financial discipline and accountability
- Improved BEE positioning
- Increased brand visibility
- Exited five non-core African countries

## GROW

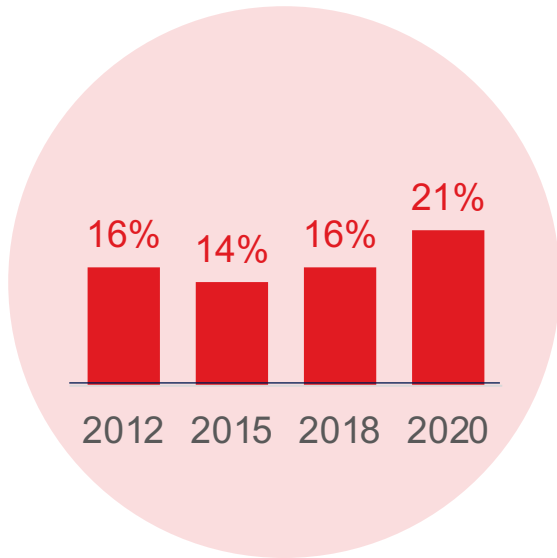


- Increased sales footprint
- Improved IFA support and engagement
- Metropolitan Life sales force turnaround
- Health winning business
- Guardrisk continued on growth path
- Momentum Insurance future secured
- India tracking ambitious plans
- Africa stabilised and grew earnings

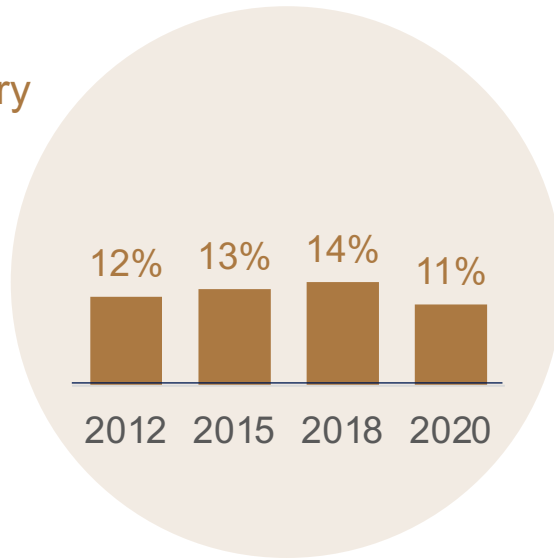
# MARKET SHARES

## Retail affluent APE

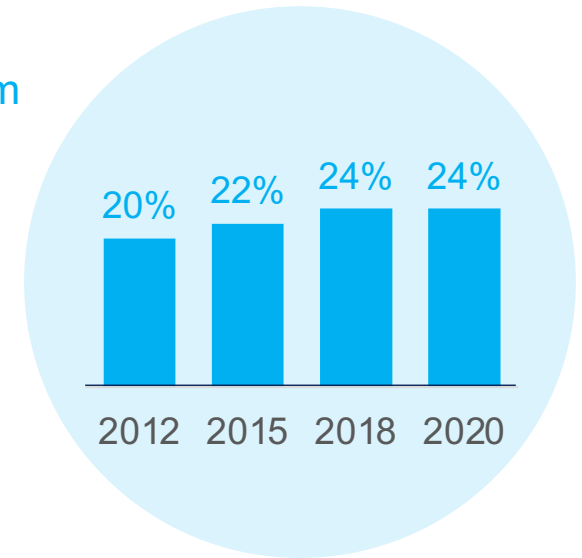
MMH



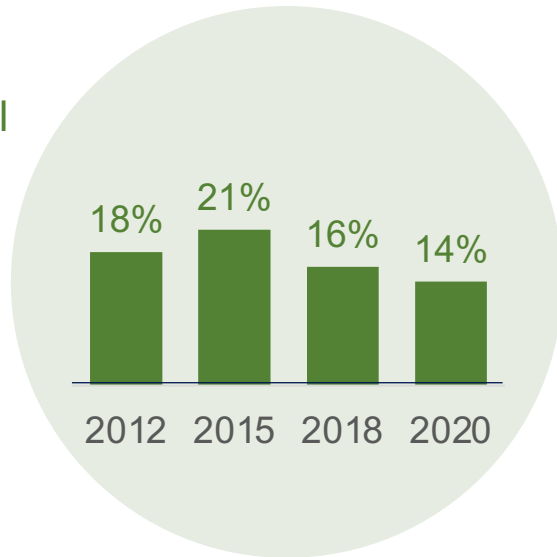
Discovery



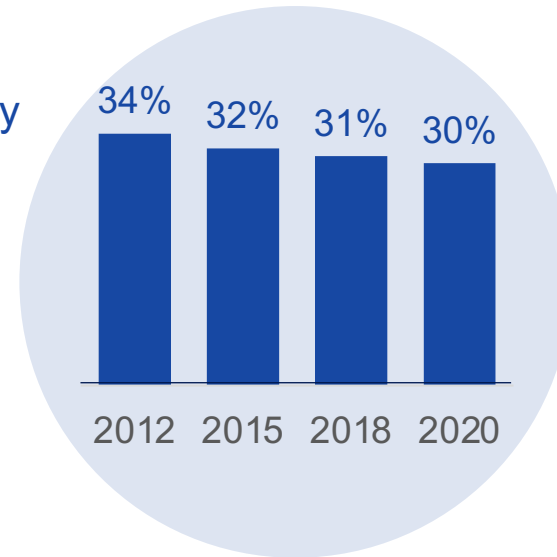
Sanlam



Old Mutual



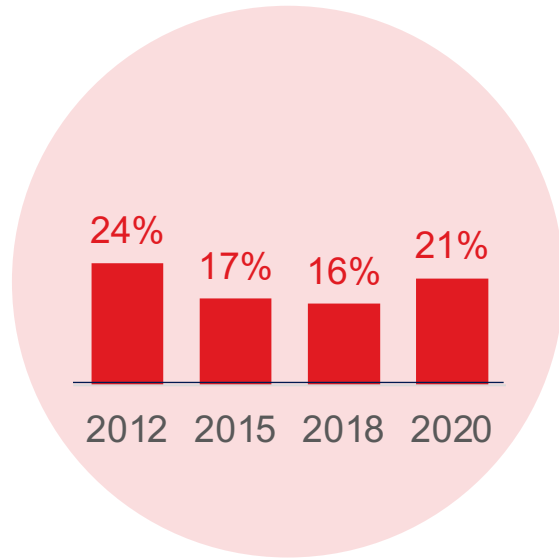
Liberty



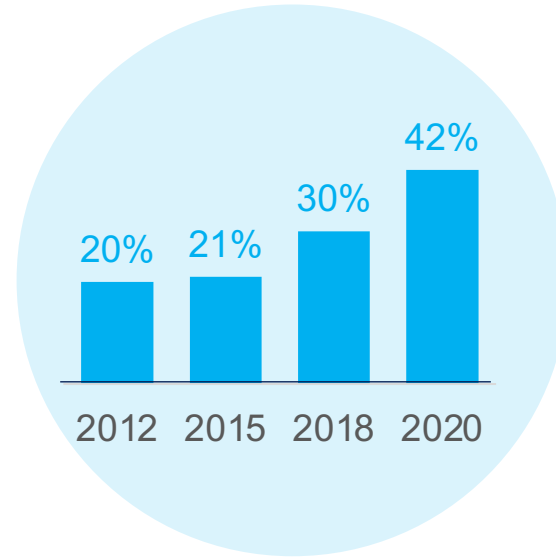
# MARKET SHARES

Low income market

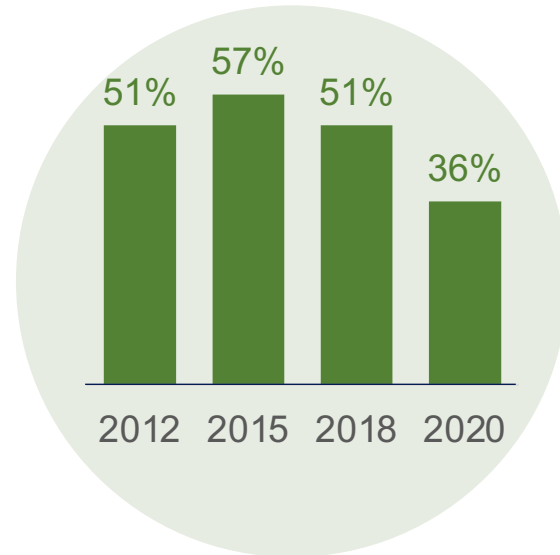
MMH



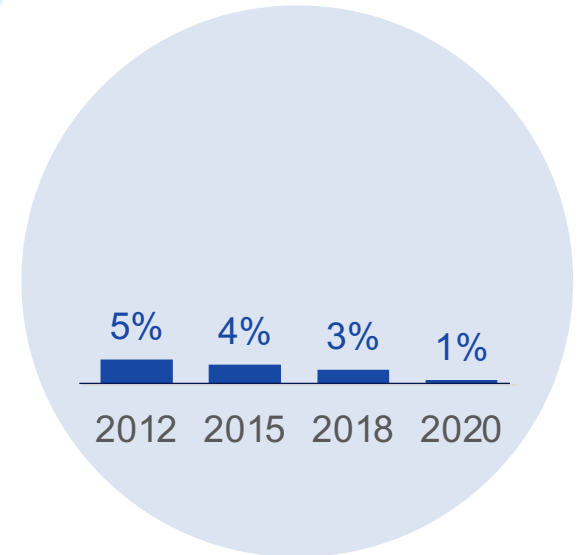
Sanlam



Old Mutual



Liberty



# 2

## Strategic context





# MOMENTUM METROPOLITAN STRATEGY

## Our purpose

We enable clients to achieve their financial goals and aspirations

## Strategic DNA

Our business is about **Protection** (Life and Non-Life), **Investments** and **Long-term savings**

Our primary focus is **South Africa**, complemented with carefully selected other markets where we are confident we can be successful

We execute through a **federation** of specialised, **empowered** businesses

## Our approach

Our group portfolio strategy is to build a synergistic **portfolio of high-performing financial services businesses** that are strategically aligned, value-creating and managed for sustainability

We aim to generate **superior shareholder returns** through a focus on:

- Product and service **leadership**
- Distribution **partnerships** that recognise the value of advice
- Optimal application of **digital** opportunities

# PORTFOLIO APPROACH TO GROUP STRATEGY

## Corporate portfolio strategy

### Strategic alignment

- Market leadership
- Competitively positioned
- Capital optimisation
- Leveraging of strengths
- Contributing to brand strength

### Value creation

- Real earnings growth
- Dynamic capital management
- Superior risk selection and pricing
- Clear performance targets
- Reward good performance

### Sustainability

- Diversified portfolio
- Pipeline of new initiatives
- Culture of ownership and accountability
- Proudly South African, authentically transformed
- Digitally transformed

# KEY MARKET TRENDS

 Advances in digital and data analytics

What can be automated, will be

---

 Evolving consumer landscape

Financial services companies will behave more like consumer technology companies

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 New revenue streams emerging

Successful innovation and digital transformation have become prerequisites for outperformance

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 Fintech as a catalyst for innovation

End-to-end digital value chains fundamentally change economics

 Risk selection and pricing sophistication

# KEY MARKET TRENDS

 Advice will remain a key differentiator

Technology is enabling new distribution models

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 Weak economy amplified by Covid

Ways in which advice is dispensed will change

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 Regulatory burden will not subside

Powerful hybrid advice models likely to emerge

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 Pressure to transform will continue

New battle lines are being drawn

 Continued consolidation opportunities

# 3

## Reinvent and Grow



# REINVENT AND GROW STRATEGY



## REINVENT AND GROW

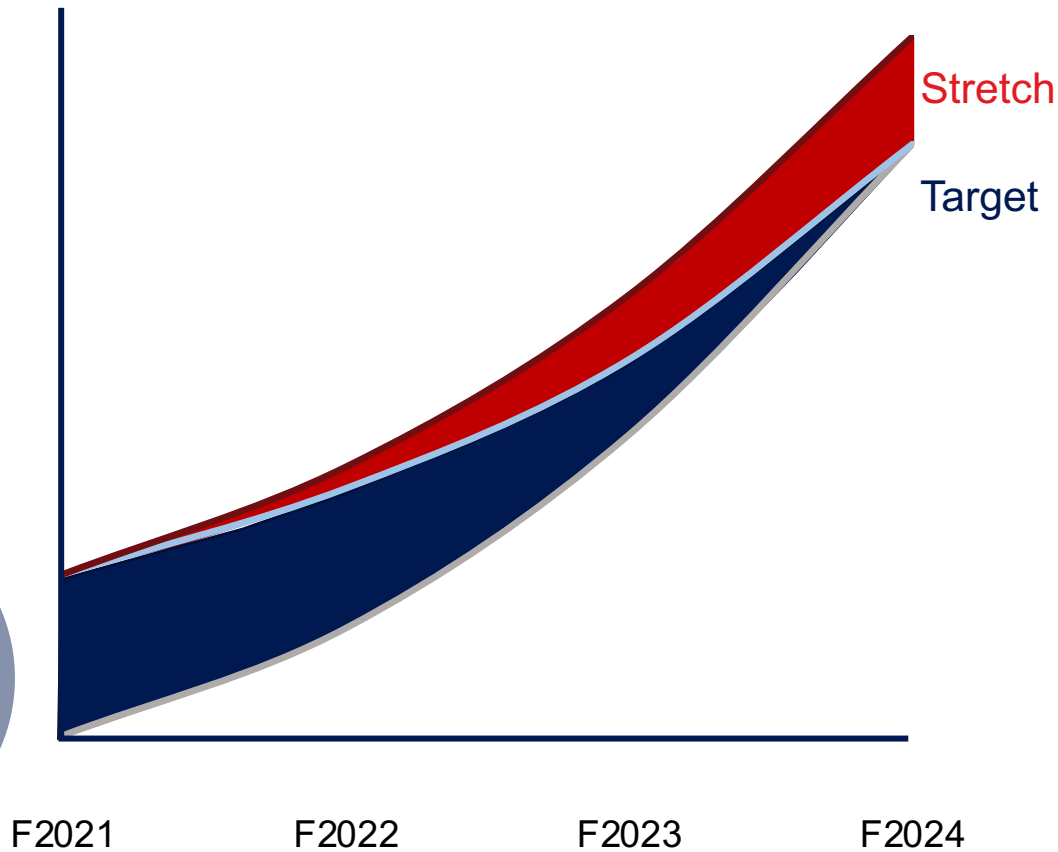


Grow existing channels

Establish new channels

Accelerate digital

Product and service leadership



NHE R5 billion

>R500 million cost efficiencies

Non-life insurance contributes 20% of NHE

Market share +1% to +6%

ROE 20%

# REINVENT



## Grow existing channels

Digital channel enablement a common theme

Retailisation to change from enabling service to revenue generating distribution

- Restructure MFP into distinct divisions
  - Employed (new to industry)
  - Contracted (experienced)
  - Franchises
- MDS re-organised to align with specialisation evident amongst AFIs
- Broaden MC product range and value proposition

Grow Momentum retail footprint

- MFP from 900 to 1 400
- MC from 300 to 400
- Supporting IFAs from 2 250 to 3 000
- MI tied agents from 135 to 235

Metropolitan Life can show double digit growth for each of next 3 years

- Grow agency force from 3 300 to 4 000
- Improve sales-force stability
- Improve sales-force productivity
- Grow broker and direct distribution
- Improve brand visibility

# REINVENT

## Establish new channels

Momentum well advanced digitising retail client and adviser engagement, which forms the foundation for broadening service and distribution options

Momentum Corporate combining MRA (large administered pensions schemes) and MCA (Momentum Consultants and Actuaries) into a holistic direct proposition

### Momentum Life

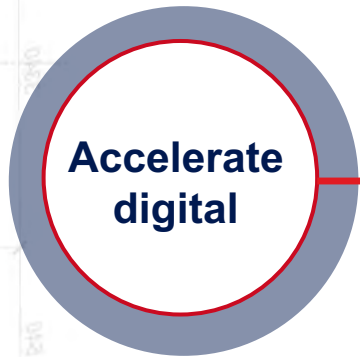
- Broaden Momentum Life market reach through Velocity Club
- Myriad targets 7.5% of new business API (for 2024) from direct-to-consumer client acquisition initiatives

Broaden Metropolitan Life market reach through GetUp (a direct offering)

Momentum Metropolitan Health views labour partnerships as a new channel



# REINVENT



Better use of data, analytics and insights to improve and manage sales processes

FundsAtWork member engagement through digital solutions to increase from 50 000 to 250 000 in F2024

Health will use digital platforms to

- Improve access to care
- Improve accuracy of care

Momentum Life will

- Change from centralised contact centres to decentralised digital service
- Do Mobi-underwriting and risk selection

Momentum Retail making good progress towards an open API platform to enable

- Value chain integration
- Service digitalisation and automation - simple, frictionless and efficient
- Decommissioning of legacy Momentum Retail channel systems

Through digital transformation Guardrisk plans to

- Unlock efficiencies
- Uncover new revenue streams
- Offer holistic value propositions that provide more than just cell-captive insurance solutions

# REINVENT



Continuous product innovation to become a habit

Advanced data analytics will be used to improve Group Risk pricing and efficiency

Momentum Investments plans to

- Use technology-enabled solutions to vertically integrate
- Increasingly integrate with advice networks and distribution partners
- Expand its alternative investment proposition

Guardrisk awarded first Micro-insurance cell-captive licence

Metropolitan Life has started to improve its client value proposition offering

Myriad objectives

- Apply modern (continuously evolving) risk selection methods
- Transform on-boarding through digital application process
- Perform flexible underwriting

Redesign and reposition Multiply loyalty and rewards programme

# GROW



## Current annual underlying NHE (R'm)

Momentum Life	900 – 950
Momentum Investments	700 – 750
Metropolitan Life	600 – 650
Momentum Corporate	450 – 500
Momentum Metropolitan Health	150 – 200
Momentum Metropolitan Africa	400 – 450
Non-Life	550 – 600
New Initiatives	(400) – (350)
Shareholders	(200) – (150)
<b>Group Total</b>	<b>3 200 – 3 600</b>

# GROW



Current annual underlying NHE (R'm)	
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Target F2024	% Increase
1 200	+26%
800	+7%
750	+15%
550	+10%
250	+25%
550	+22%
900	+50%
150	N/A
(150)	0%
<b>5 000</b>	<b>39%</b>

# GROW

**NHE  
R5 billion**

R million

5,000

4,000

3,000

2,000

1,000

0

F2016

F2017

F2018

F2019

F2020

F2021

F2022

F2023

F2024

2,646

2,407

2,003

3,074

1,521

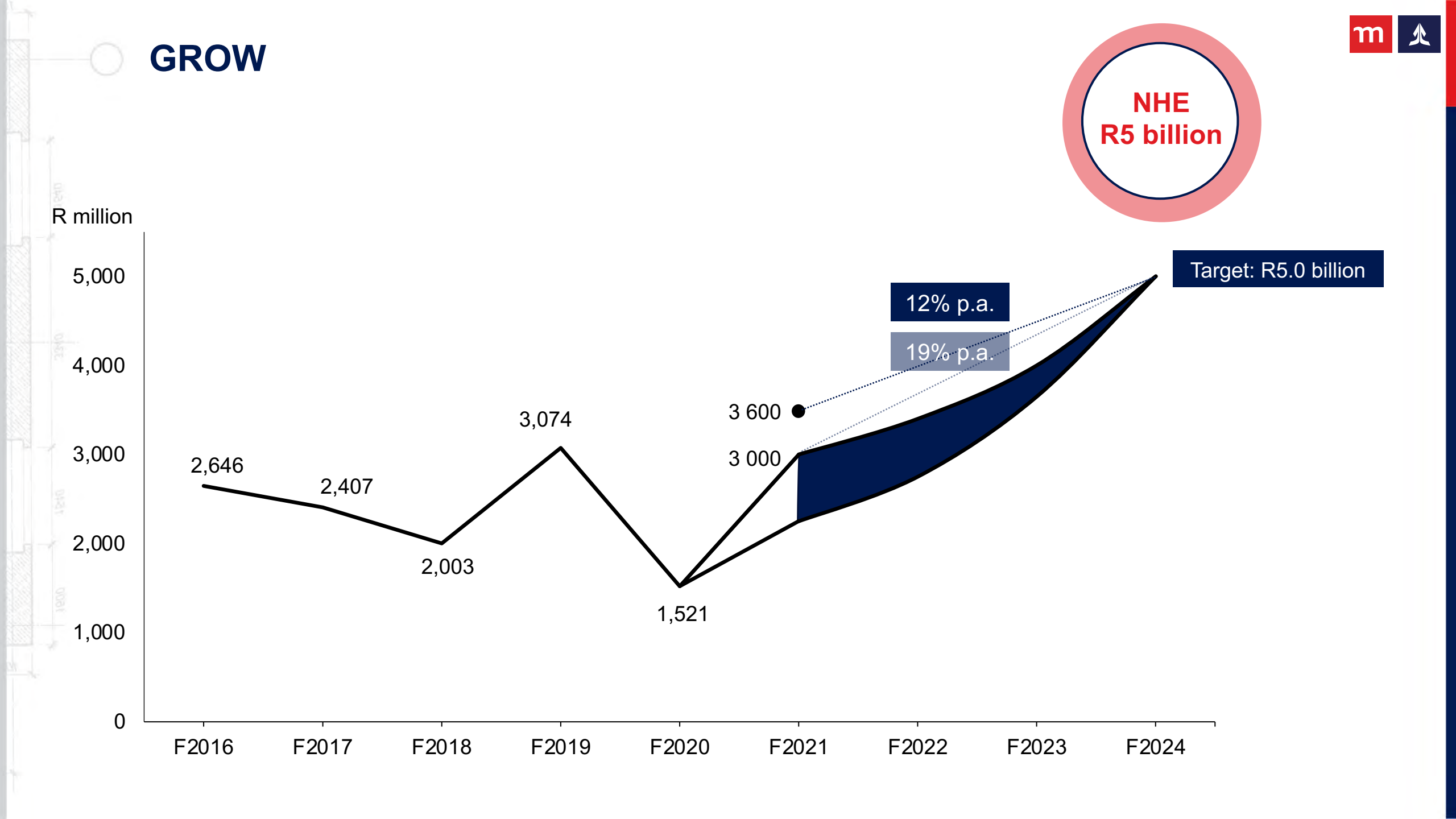
3,000

3,600

12% p.a.

19% p.a.

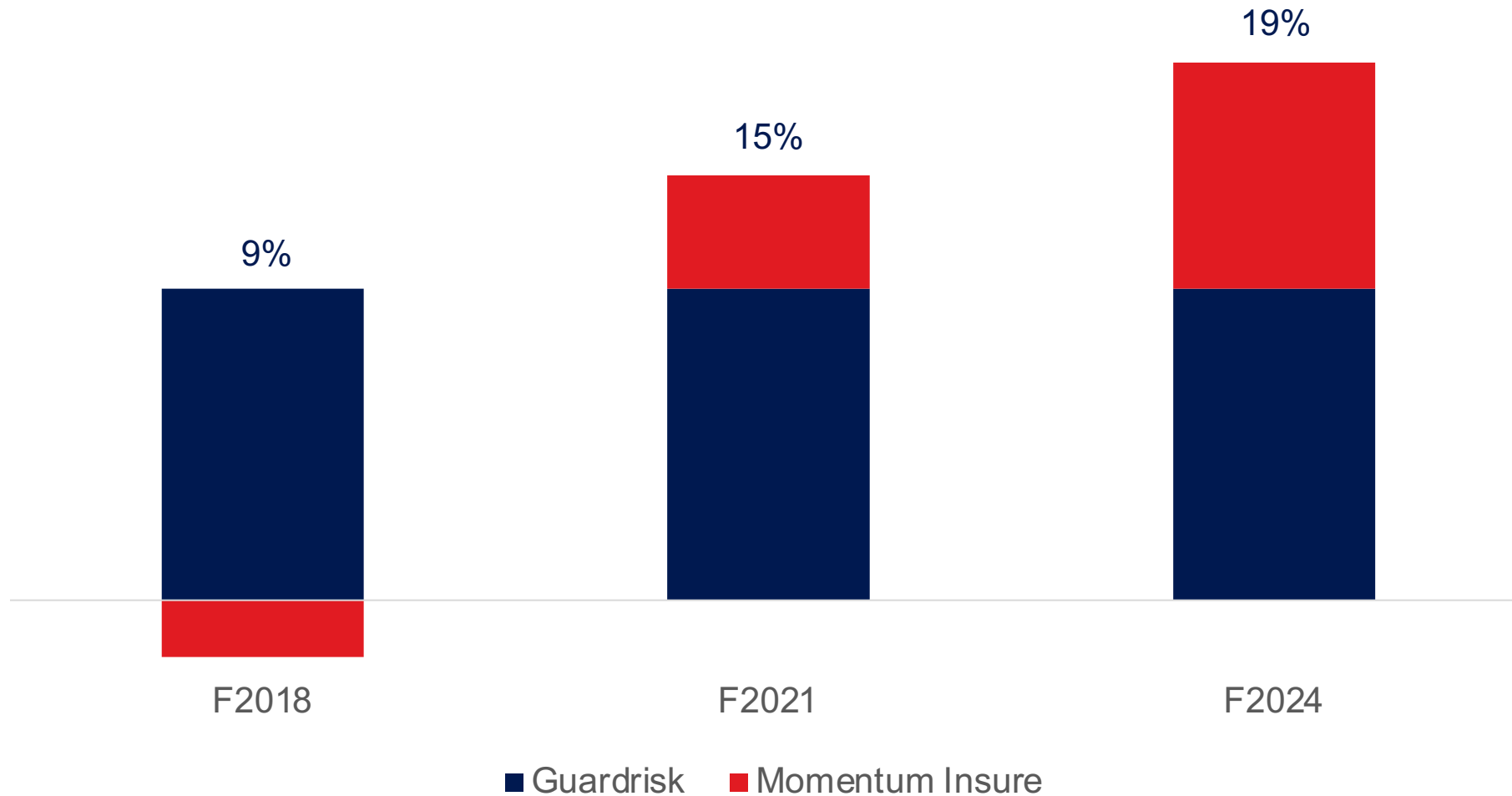
Target: R5.0 billion



# GROW

Non-life insurance contributes 20% of NHE

Non-life insurance as % of total NHE (excluding New Initiatives)

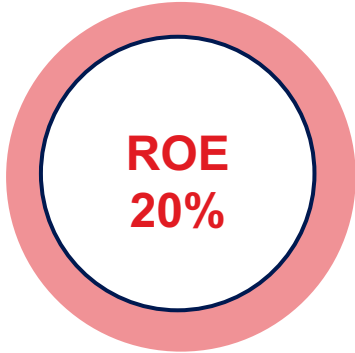


# GROW

**Market share +1% to +6%**

Business	Metric	Current share	Target gain	Target share
Myriad	New business APE	8%	+3%	11%
Wealth platform and DFM	New business	7%	+6%	13%
Guardrisk General Insurance	GWP	2%	+1%	3%
Momentum Insurance	GWP	2.5%	+1%	3.5%
Health (all business)	Members	28%	+2%	30%
Metropolitan Life	New business APE	15%	+4%	19%
Momentum FundsAtWork	AUM	15%	+3%	18%

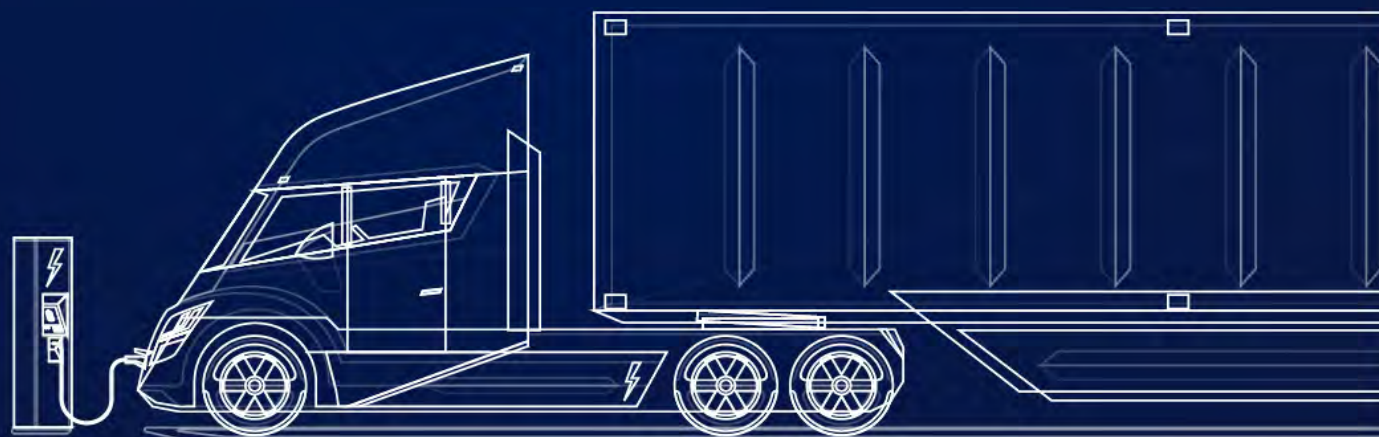
# GROW



	F2020 actual	F2021 base	F2024 target
NHE	R1.5 bn	R3.0 bn – R3.6 bn	R5 bn
NAV	R20.5 bn	R20 bn – R21 bn	R25 bn
ROE	7%	15% – 17%	20%



# 2022 – 2024: Reinvent the truck while adding load



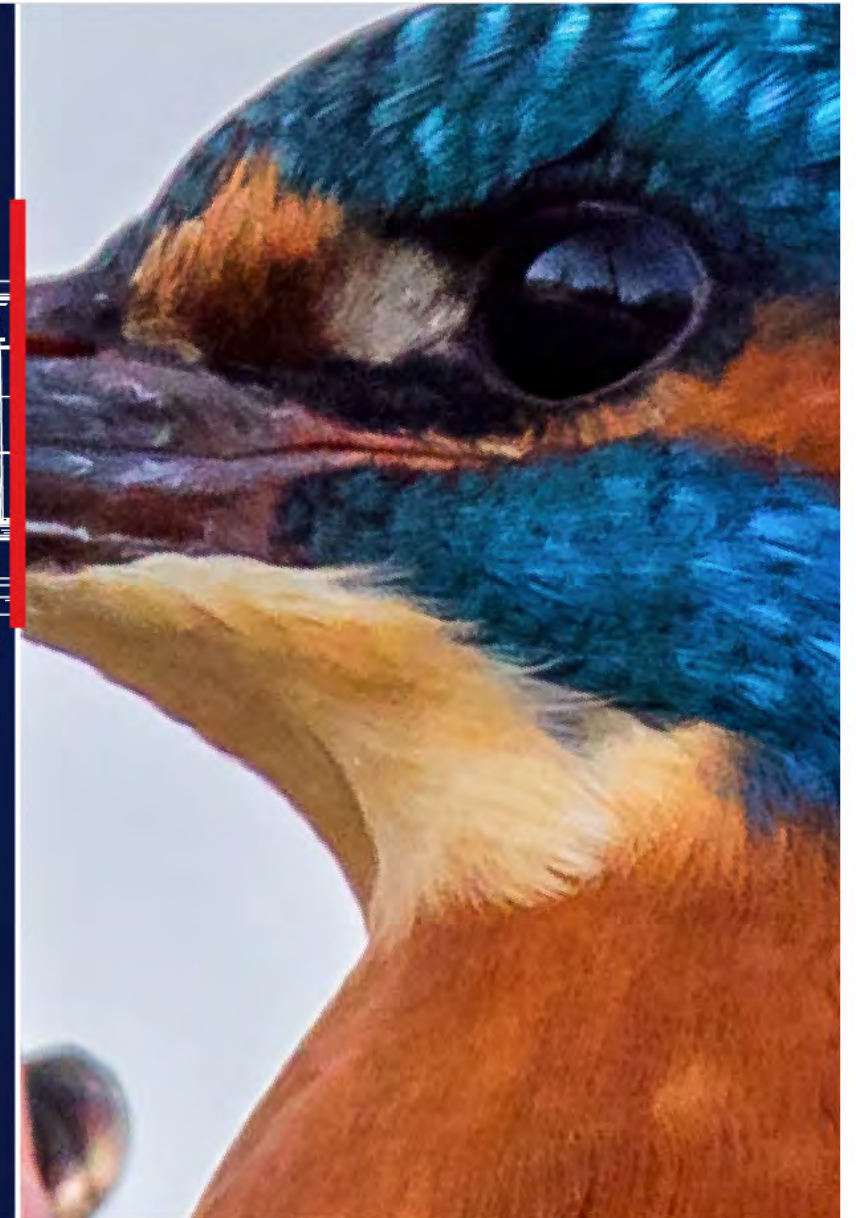
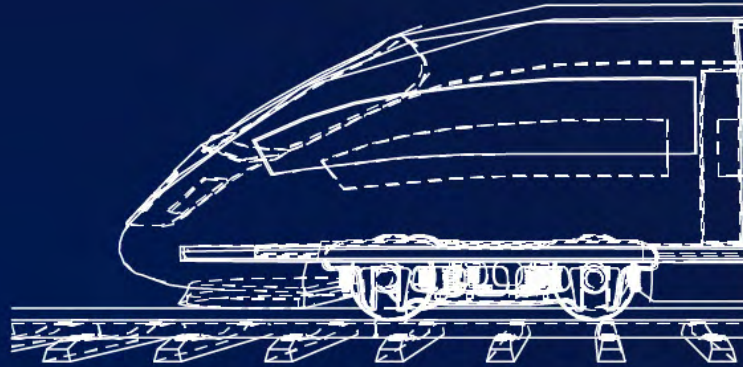
# Capital management to shift gears

Risto Ketola  
Group Financial Director

24

# Agenda

- 1** Recap: Reset and Grow
- 2** Earnings targets discussion
- 3** Cash generation
- 4** Approach to capital management



# 1

Recap: Reset and Grow



# RECAP: RESET AND GROW

**Normalised headline earnings**  
**R3.6 to R4 billion**



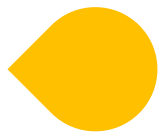
- Adjusting for direct Covid-19 impact would get towards the lower end of the target range
- Normalised headline earnings target to be achieved

**Cost efficiency**  
**R500 million saving**



- By March 21 achieved R900 million (after-tax) savings relative to F2018
- Comparable expense base increased by 2% p.a. over three years:
  - Distribution related expenses grew by 5% p.a.
  - Product & service related expenses grew by 1% p.a.
  - Head-office cost declined by 2% p.a.

**Non-life Insurance**  
**R300 million uplift**



- R300 million growth expected to be achieved
- Marginally behind when deducting contribution from Momentum Insurance acquisition, impacted by BI claims

**Losses on New Initiatives**  
**R100 million reduction**



- Losses on New Initiatives increased slightly from F2018
- India JV performing in line with plans
- Other new initiatives (aYo, Multiply Money, Lending) lagging original plans

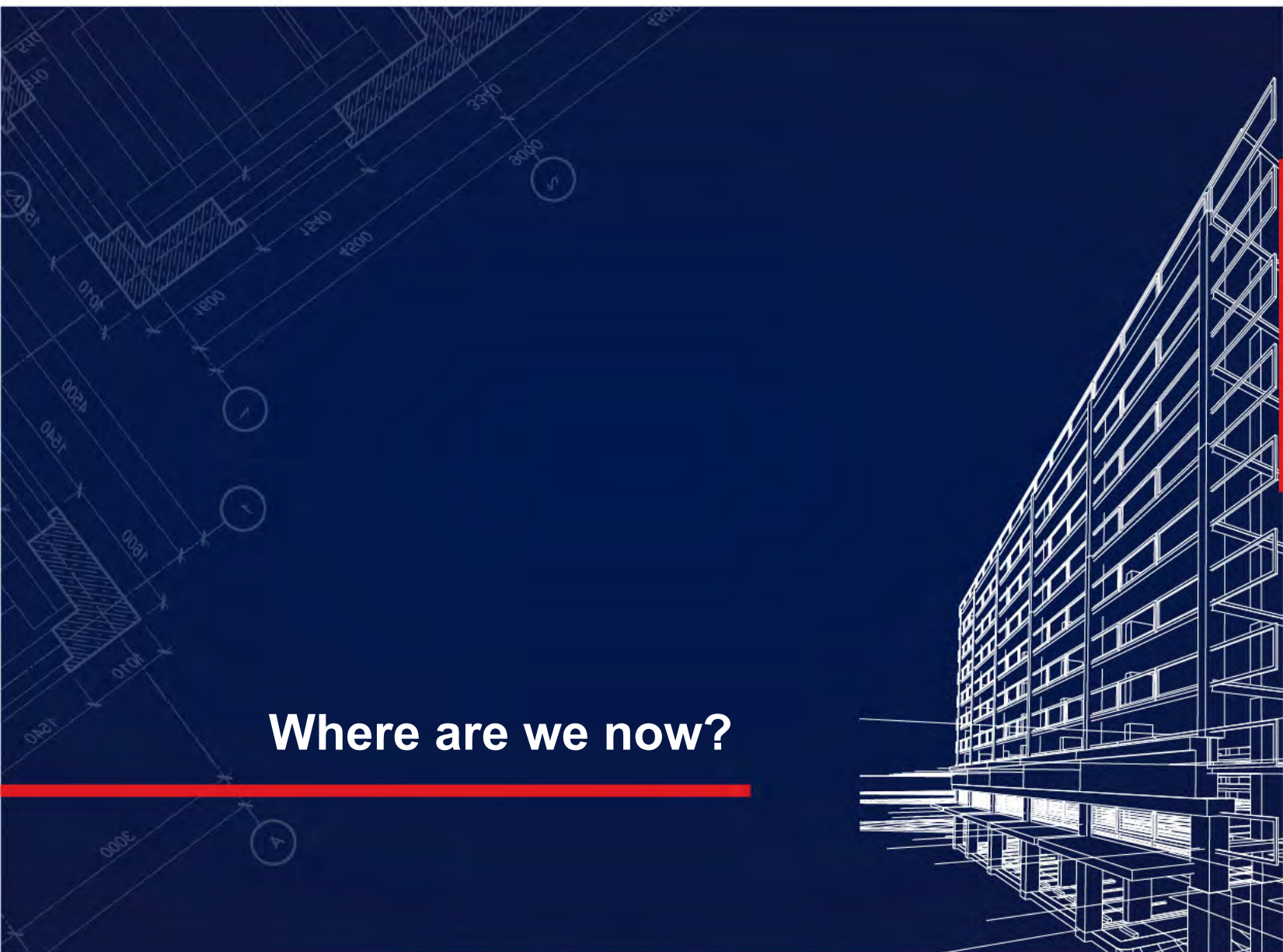
HOW DID WE DO ON OUR PREVIOUS TARGETS?

# 2

## Earnings targets discussion

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**Where are we now?**



# BASE NORMALISED HEADLINE EARNINGS

## Current annual underlying NHE (R' Million)

Momentum Life	900 – 950
Momentum Investments	700 – 750
Metropolitan Life	600 – 650
Momentum Corporate	450 – 500
Momentum Metropolitan Health	150 – 200
Momentum Metropolitan Africa	400 – 450
Non-Life Insurance	550 – 600
New Initiatives	(400) – (350)
Shareholders	(200) – (150)
<b>Group Total</b>	<b>3 200 – 3 600</b>

**70%** of earnings base driven by core Life Insurance businesses

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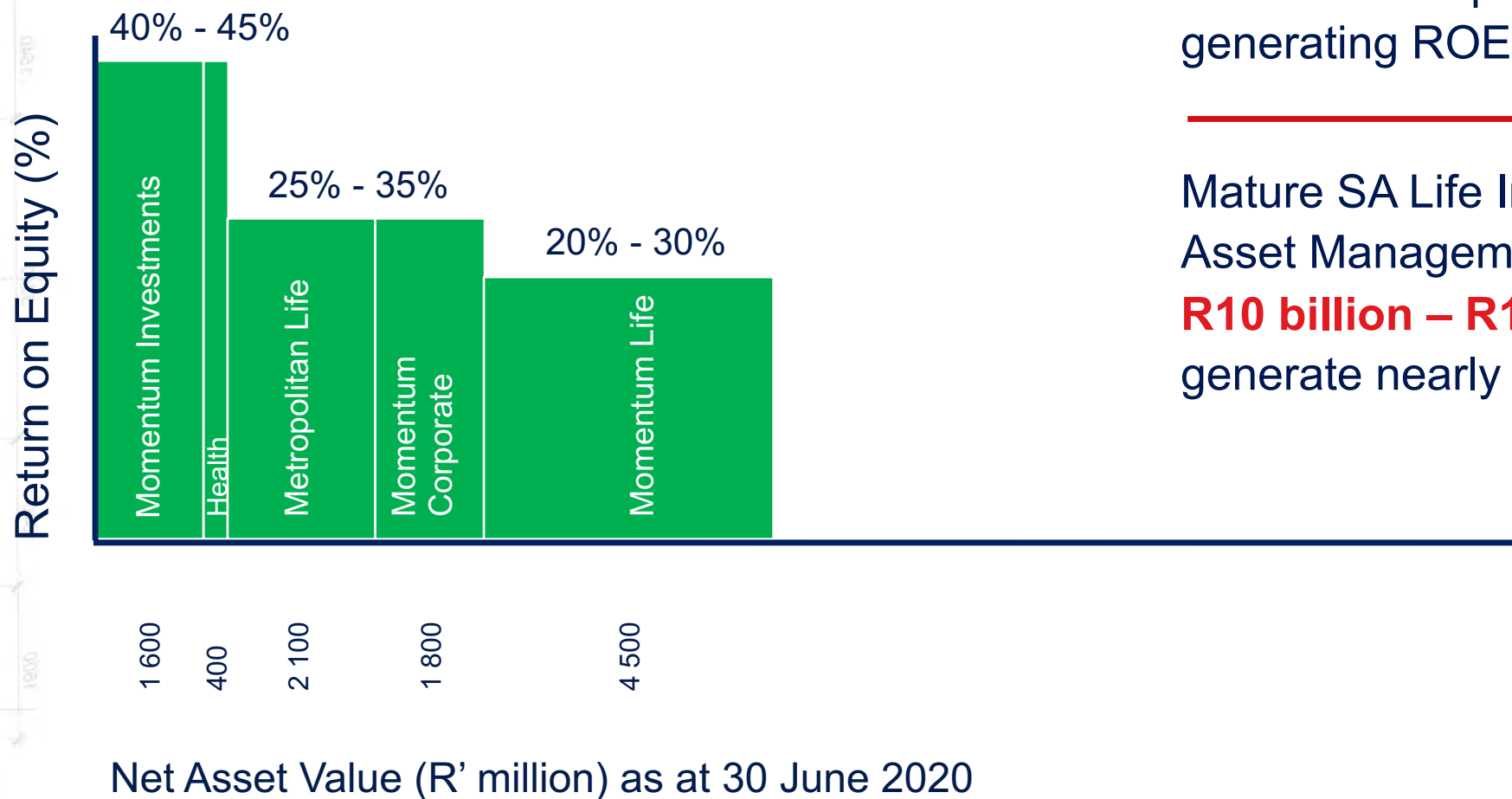
**15%** of earnings from Non-life Insurance activities

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Remaining **15%** of earnings spread across Asset Management and Health Administration operations.



# HIGHLY PROFITABLE MATURE OPERATIONS



Businesses representing **50%** of NAV generating ROE of **25%** to **30%**

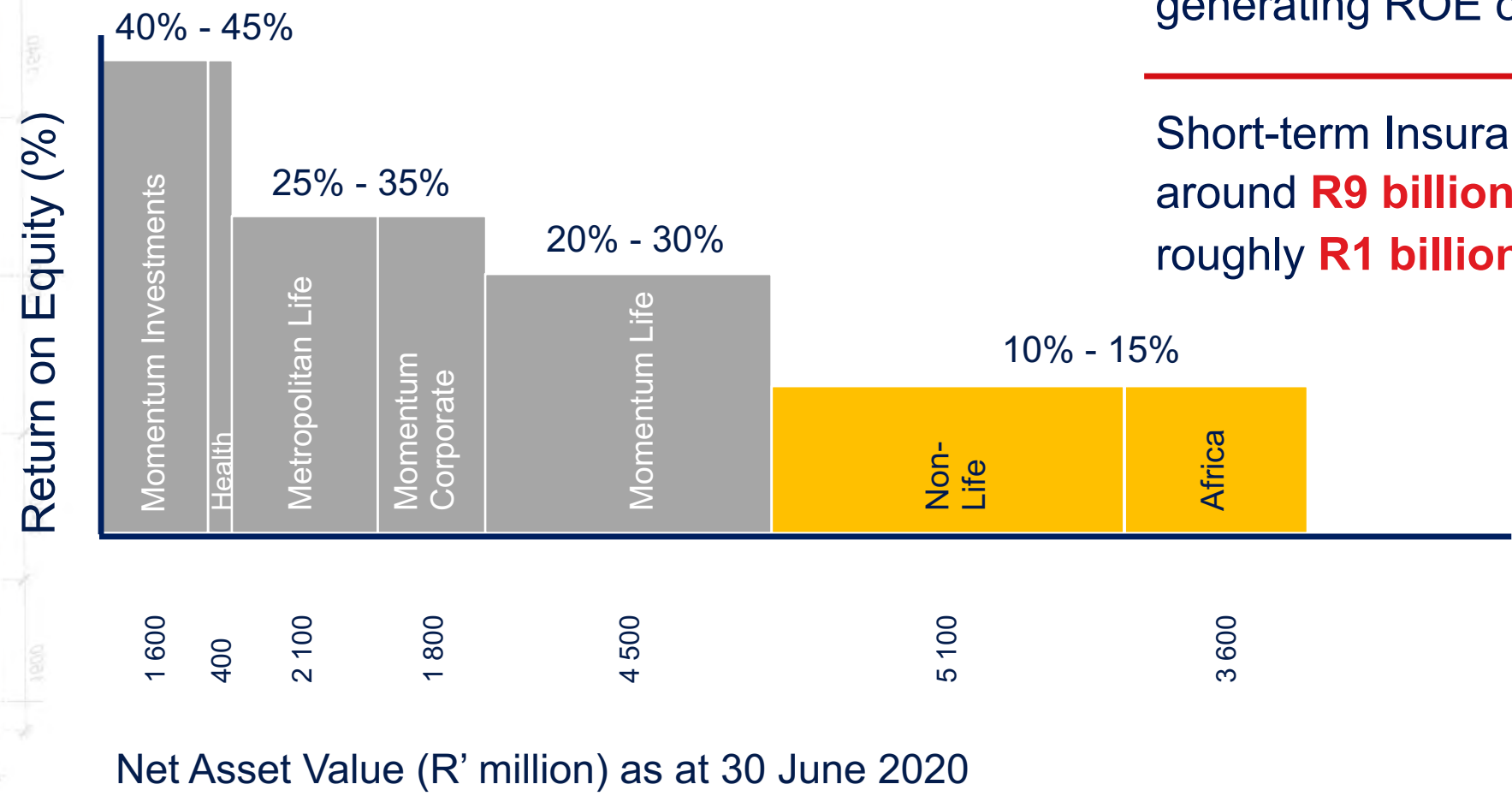
Mature SA Life Insurance, Health, and Asset Management operations utilise **R10 billion – R11 billion** of capital but generate nearly **R3 billion** of profit p.a.

HOW EFFICIENTLY ARE WE USING OUR CAPITAL?

# IMPROVING RETURNS FROM NON-LIFE INSURANCE AND AFRICA

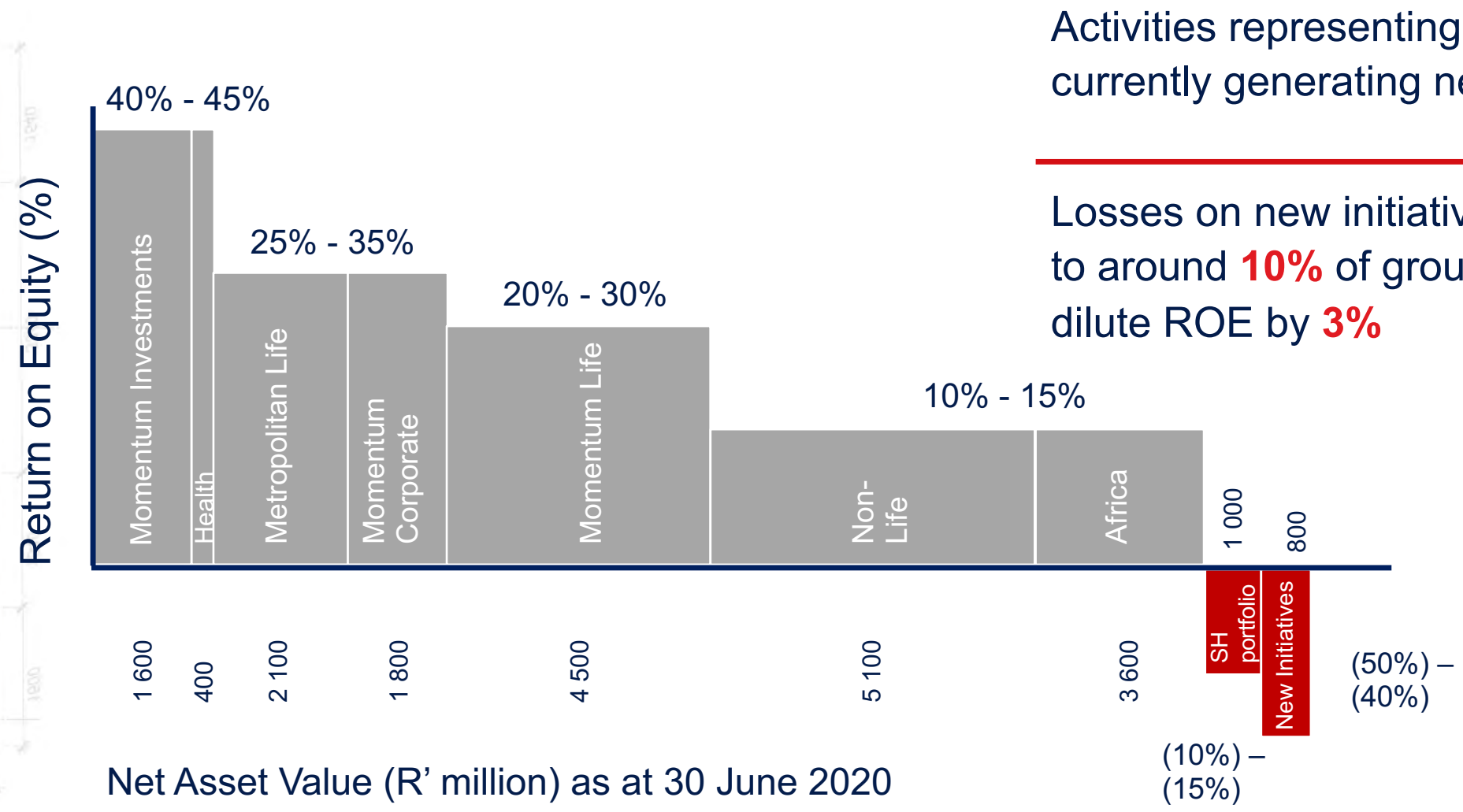
Businesses representing **40%** of NAV generating ROE of **10%** to **15%**

Short-term Insurance and Africa utilise around **R9 billion** of capital to generate roughly **R1 billion** of earnings



HOW EFFICIENTLY ARE WE USING OUR CAPITAL?

# INVESTING SIGNIFICANTLY IN NEW INITIATIVES

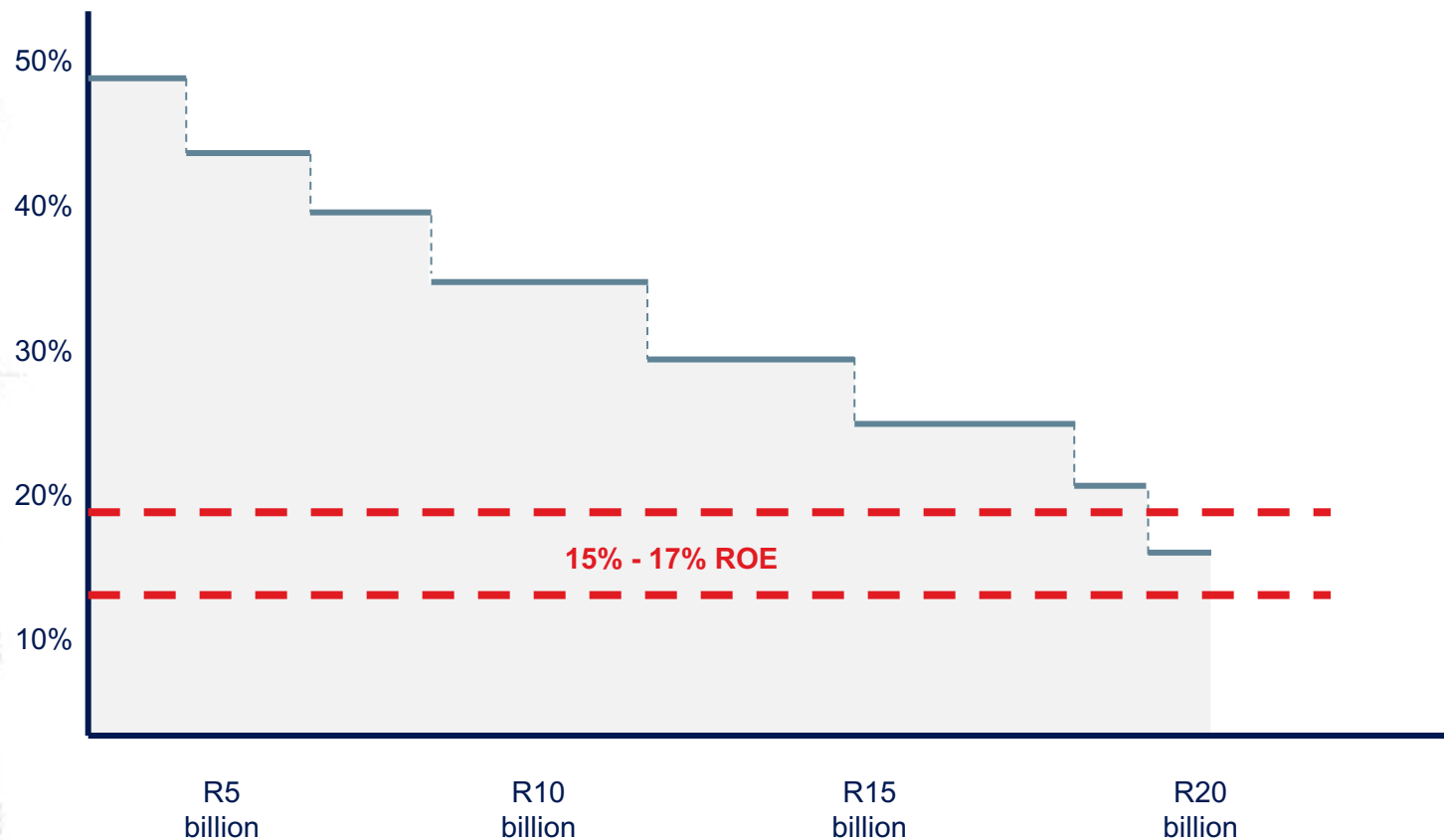


Activities representing **10%** of NAV currently generating negative ROE

Losses on new initiatives currently equate to around **10%** of group earnings and dilute ROE by **3%**

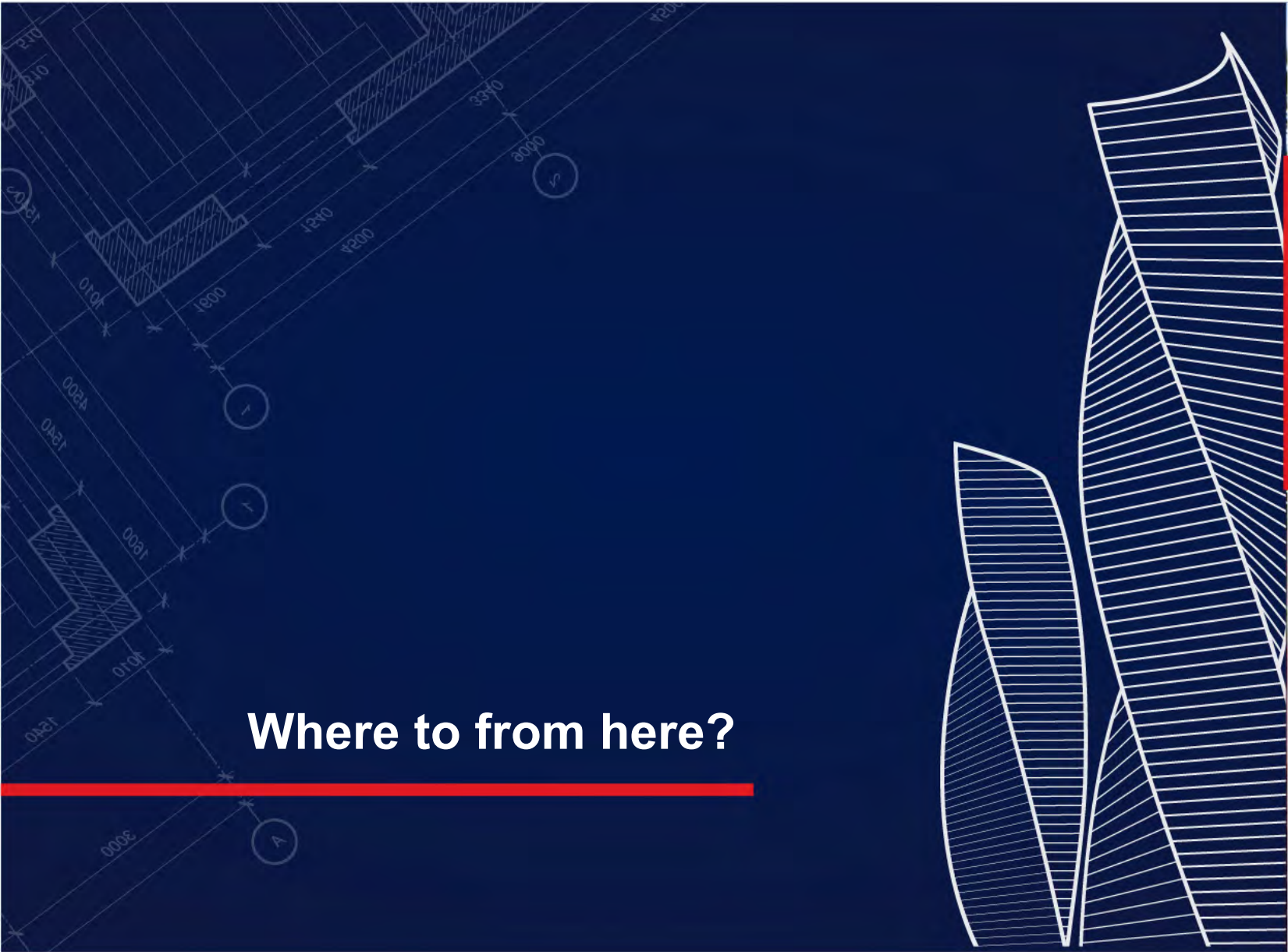
HOW EFFICIENTLY ARE WE USING OUR CAPITAL?

# CUMULATIVE ROE FOR MMH



Momentum Metropolitan  
 Delivering ROE of  
**15%-17%** on a NAV of  
**R21 billion** as at  
 30 June 2020

HOW EFFICIENTLY ARE WE USING OUR CAPITAL?



**Where to from here?**



# REINVENT AND GROW STRATEGY



## REINVENT AND GROW

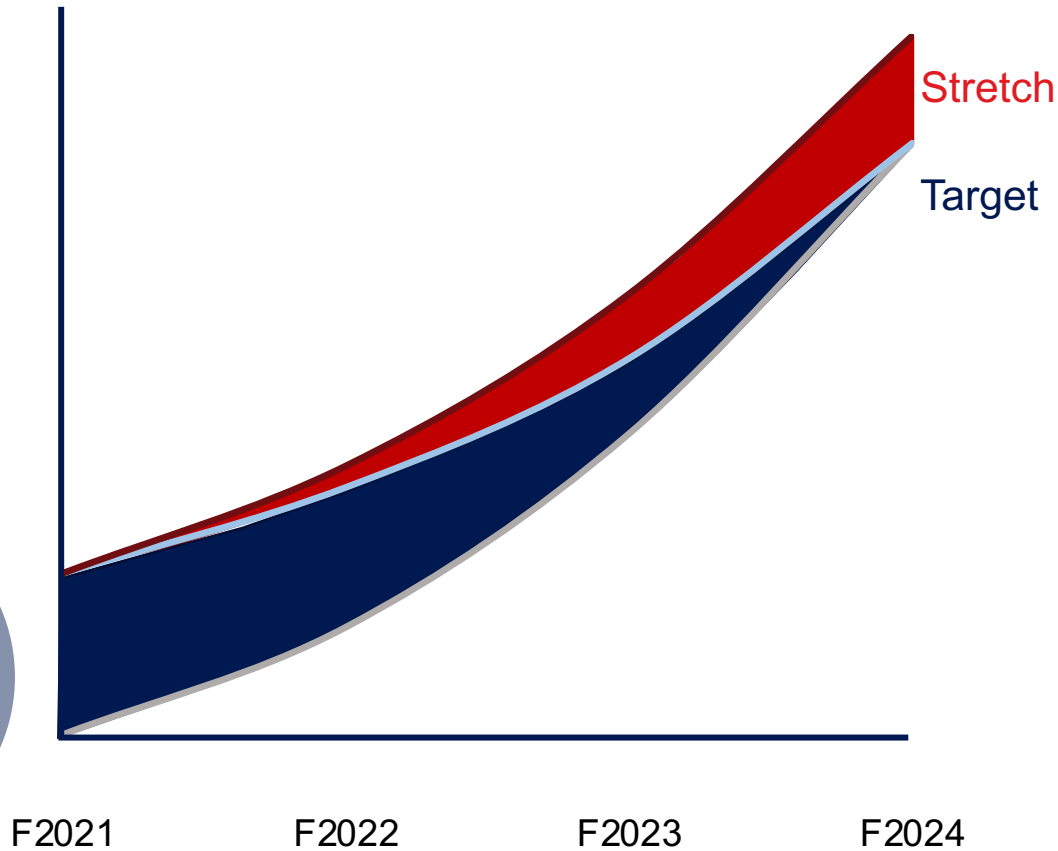


Grow existing channels

Establish new channels

Accelerate digital

Product and service leadership



NHE R5 billion

>R500 million cost efficiencies

Non-life insurance contributes 20% of NHE

Market share +1% to +6%

ROE 20%

# REINVENT AND GROW TARGETS

R'Million	Current		F24 target	Expected underlying growth
Momentum Life	900 – 950	➔	1 150 – 1 200	5 – 10% p.a.
Momentum Investments	700 – 750			
Metropolitan Life	600 – 650			
Momentum Corporate	450 – 500			
Health	150 – 200			
Africa	400 – 450			
Non-Life	550 – 600			
New Initiatives	(400) – (350)			
Shareholders	(200) – (150)			
<b>Total</b>	<b>3 200 – 3 600</b>			

EARNINGS TARGETS

# REINVENT AND GROW TARGETS

R'Million	Current	F24 target	Expected underlying growth
Momentum Life	900 – 950		
Momentum Investments	700 – 750 →	750 – 800	0 – 5% p.a.
Metropolitan Life	600 – 650		
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Non-Life	550 – 600		
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EARNINGS TARGETS



# REINVENT AND GROW TARGETS

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EARNINGS TARGETS

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EARNINGS TARGETS

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EARNINGS TARGETS

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EARNINGS TARGETS

# REINVENT AND GROW TARGETS

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Non-Life	550 – 600 	850 – 900	15 – 20% p.a.
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EARNINGS TARGETS

# REINVENT AND GROW TARGETS

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New Initiatives	(400) – (350) 	100 – 150	> 100%
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<b>Total</b>	<b>3 200 – 3 600</b>		

EARNINGS TARGETS

# REINVENT AND GROW TARGETS

R'Million	Current	F24 target	Expected underlying growth
Momentum Life	900 – 950		
Momentum Investments	700 – 750		
Metropolitan Life	600 – 650		
Momentum Corporate	450 – 500		
Health	150 – 200		
Africa	400 – 450		
Non-Life	550 – 600		
New Initiatives	(400) – (350)		
Shareholders	(200) – (150) →	(200) – (150)	±0% p.a.
<b>Total</b>	<b>3 200 – 3 600</b>		

EARNINGS TARGETS

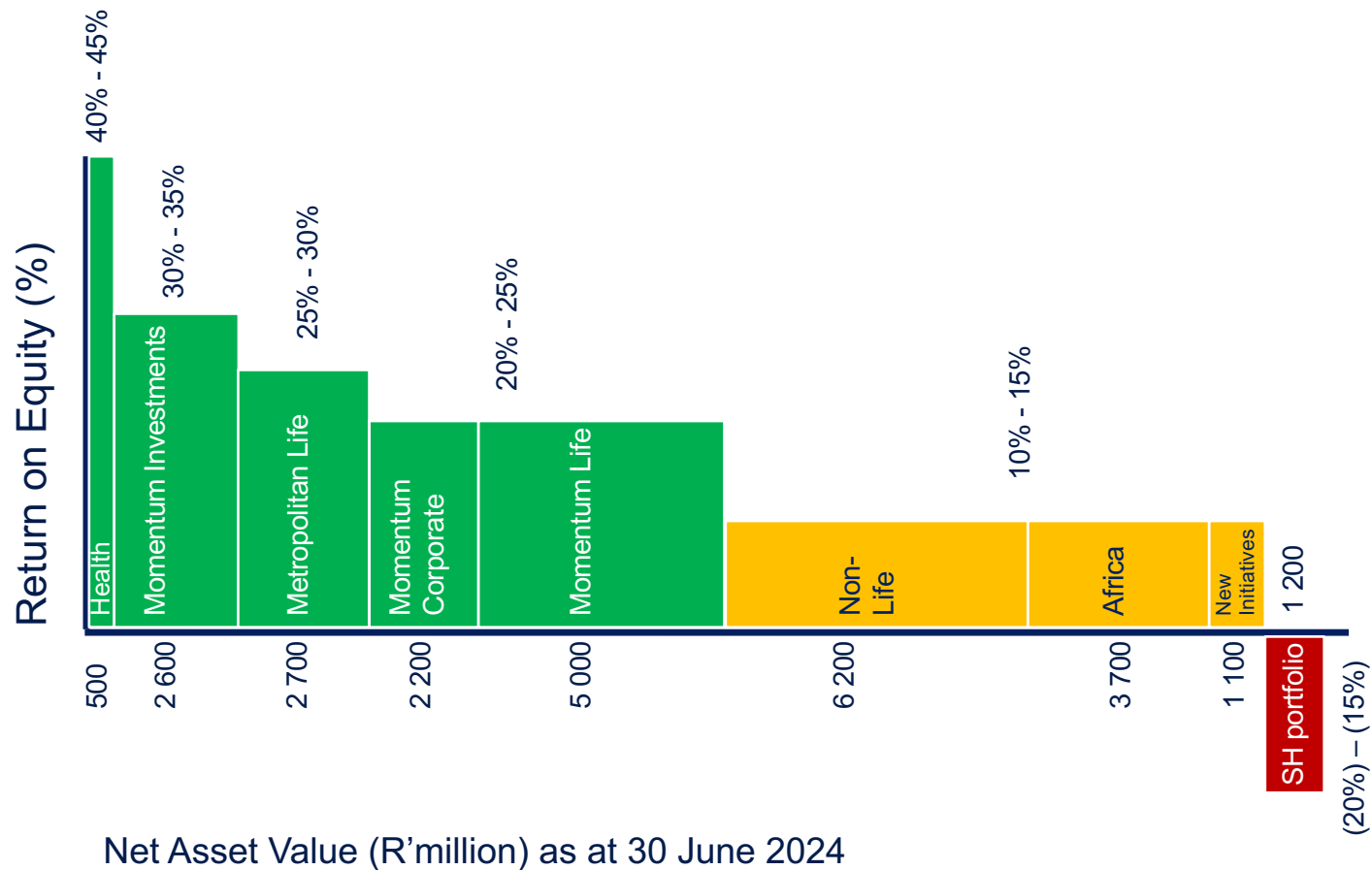
# REINVENT AND GROW TARGETS

R'Million	Current	F24 target	Expected underlying growth
Momentum Life	900 – 950	1 150 – 1 200	
Momentum Investments	700 – 750	750 – 800	
Metropolitan Life	600 – 650	700 – 750	
Momentum Corporate	450 – 500	500 – 550	
Health	150 – 200	200 – 250	
Africa	400 – 450	500 – 550	
Non-Life	550 – 600	850 – 900	
New Initiatives	(400) – (350)	100 – 150	
Shareholders	(200) – (150)	(200) – (150)	
<b>Total</b>	<b>3 200 – 3 600</b> →	<b>4 600 – 5 000</b>	<b>10 – 15% p.a.</b>

**EARNINGS TARGETS**



# REINVENT AND GROW TARGETS



Momentum Metropolitan targeting ROE of **18% – 20%** by 30 June 2024

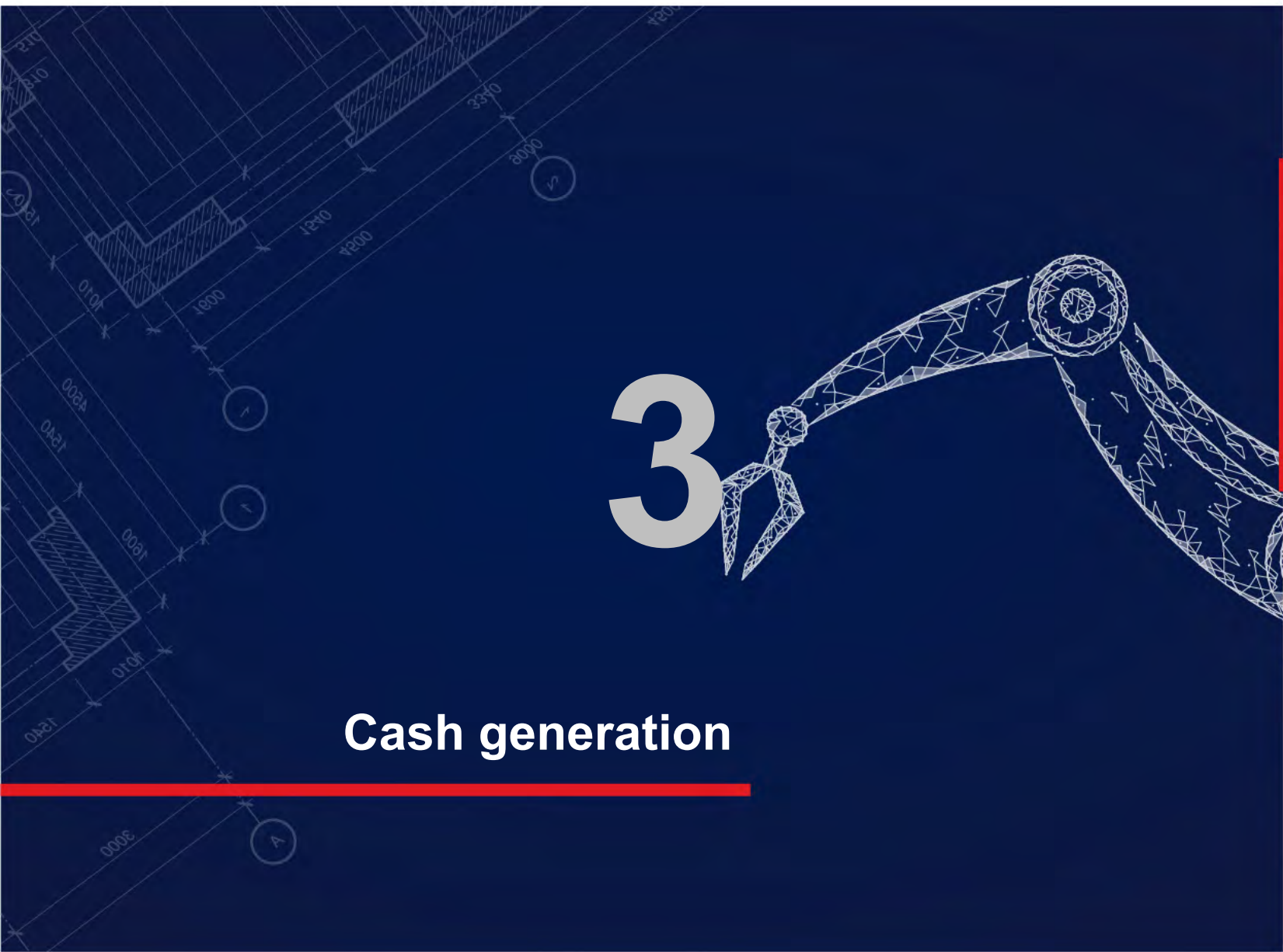
ROE TARGETS FOR F2024

# REINVENT AND GROW TARGETS

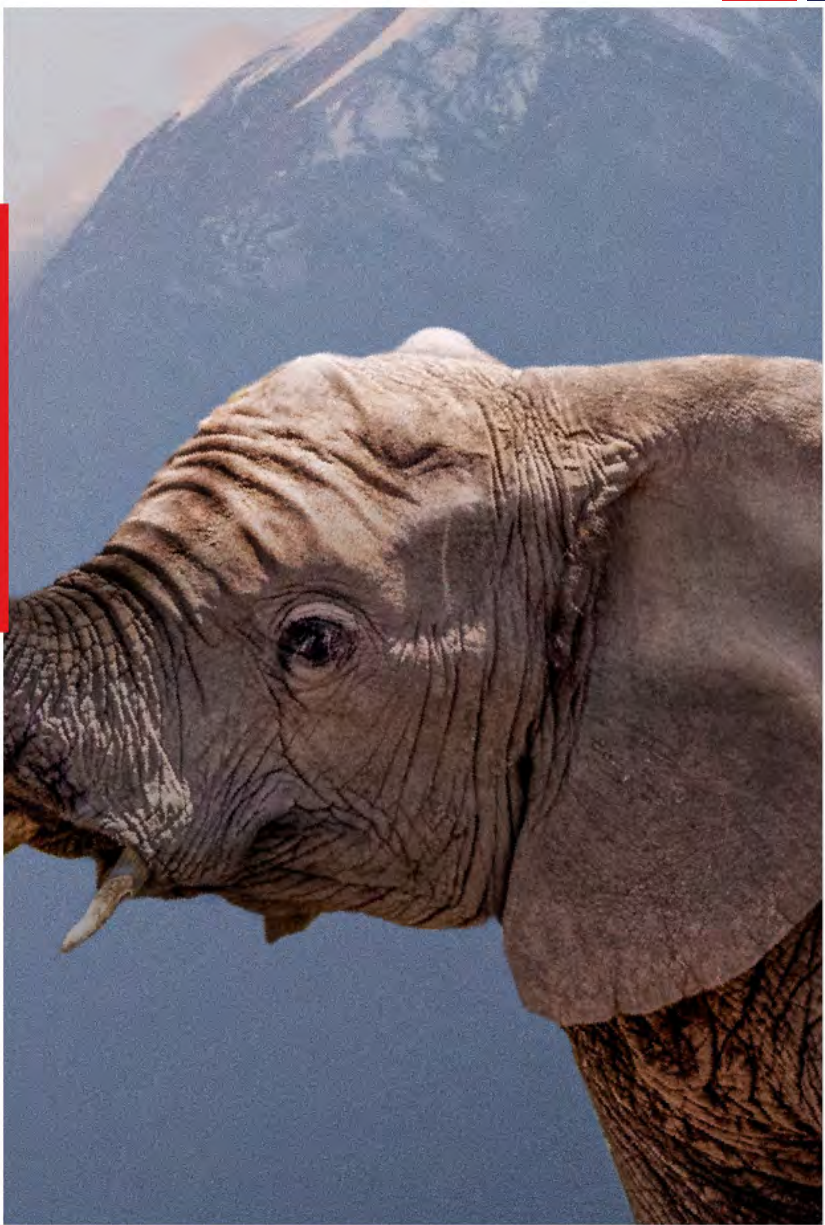
F2024	
<b>R4.6 billion – R5.0 billion</b>	<b>18% – 20%</b>
<b>NHE</b>	<b>ROE</b>
Profit from protection business to increase by R600 million	
Non-life profits to grow by R300 million	
New initiatives to improve by R500 million	

F2024 targeted annual underlying NHE	
Momentum Life	1 150 – 1 200
Momentum Investments	750 – 800
Metropolitan Life	700 – 750
Momentum Corporate	500 – 550
Momentum Metropolitan Health	200 – 250
Momentum Metropolitan Africa	500 – 550
Non-Life	850 – 900
New Initiatives	100 – 150
Shareholders	(200) – (150)
<b>Total</b>	<b>4 600 – 5 000</b>

## KEY EARNINGS DRIVERS



**Cash generation**



# HOW DO WE DEFINE CASH GENERATION

## We define cash generation as:

---

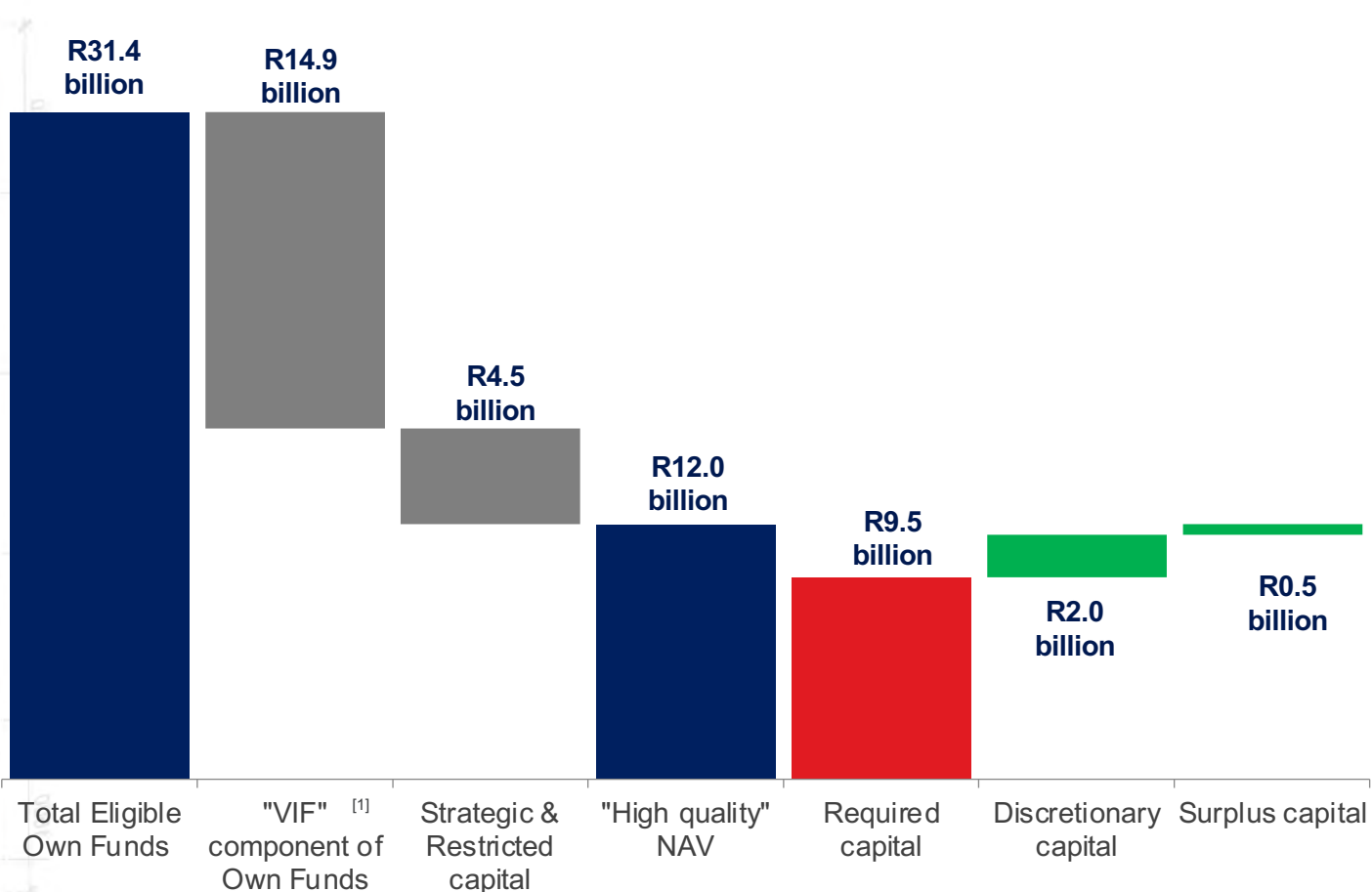
Dividends that can be paid up to Holdings after taking into account:

- Business unit earnings
- Business unit “business as usual” reinvestment needs
- Regulatory capital requirements
- Internal capital targets (**this is a critical item**)
- Liquidity position of the business unit

Less specific capital investments that need to be ultimately funded by Holdings

- India would be the biggest of these items
- Large planned projects (e.g. technology modernisation in some business units) are also specifically modelled as a reduction in cash generated

# UNDERSTANDING KEY LIFE CAPITAL TARGETS



New work on capital has resulted in some changes:

- Quantitative work suggests that MML can operate on slightly lower capital targets than previously assumed
- Qualitative review shows that we need to take quality of the available capital increasingly into account
- Have combined qualitative and quantitative views to set **Required Capital at R9.5 billion** and **Target Capital at R11.5 billion**
- "Capital" here refers to NAV after removal of illiquid / hard to access sources of capital

**NEW TARGET CAPITAL RANGE**

[1] VIF: Value of in-force

## CASH GENERATION FROM SA LIFE BUSINESS

We expect Target Capital Needed to grow slowly (less than R500 million p.a.) over the next three years

---

We need to retain less than R500 million p.a. of the earnings generated in the next few years

---

Maturity of the book, diversified mix of business, conservative negative reserves, and active liquidity management means there are minimal other constraints

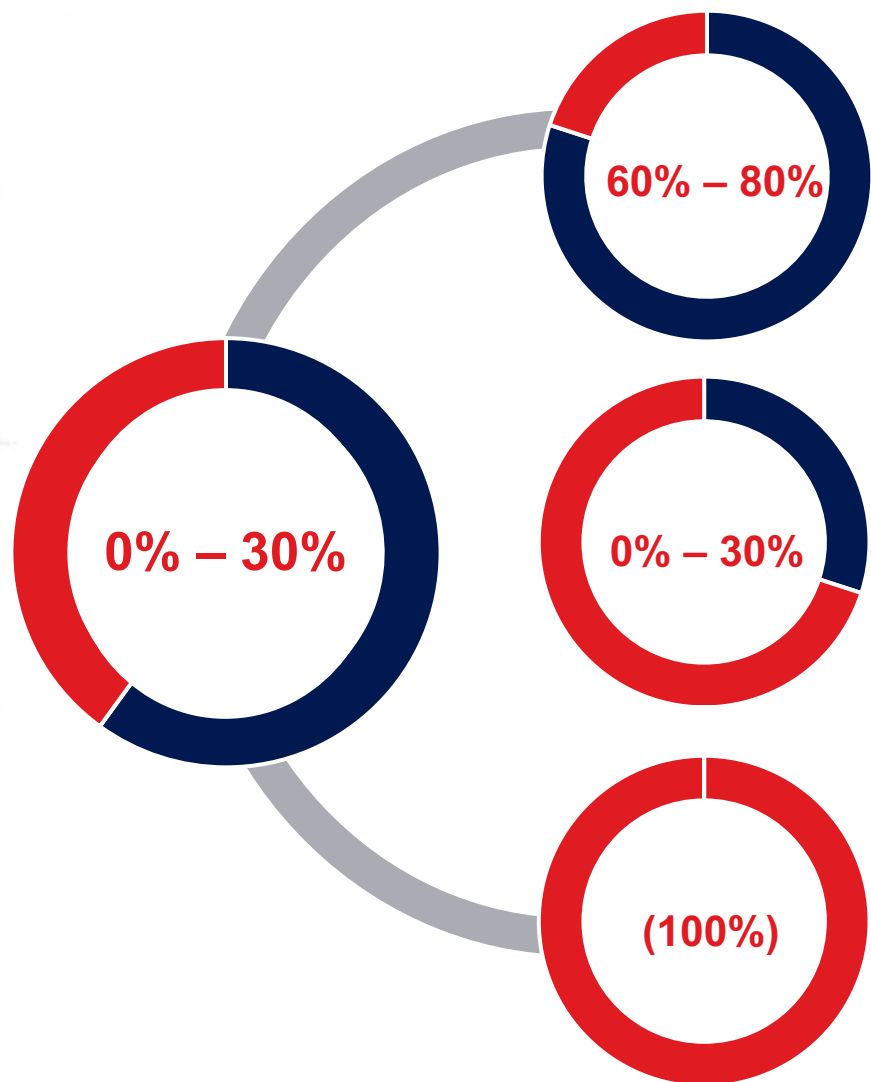
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The underlying annual earnings for MML should be in the region of R3 billion p.a.

---

**80% – 90%** pay-out ratio from SA Life Insurance businesses is realistic

# CASH GENERATION FROM OTHER OPERATIONS



Mature businesses converts **60% – 80%** of normalised headline earnings to cash

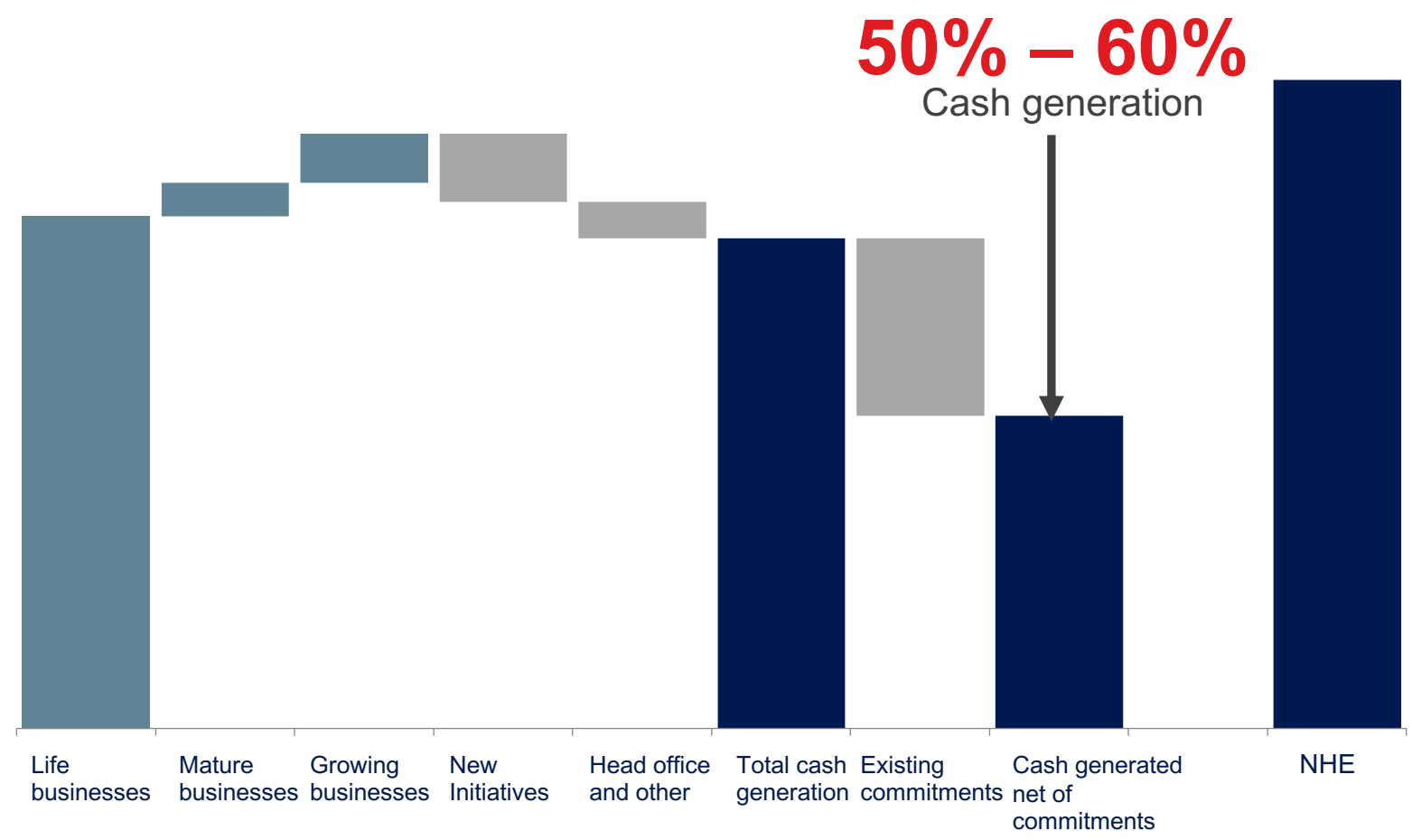
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Growing businesses converts **0% – 30%** of normalised headline earnings to cash

---

New initiatives are **100%** cash funded i.e. negative conversion

# GROUP CASH GENERATION



**50% – 60%**  
Cash generation

**33% – 50%** pay-out from dividend policy

Around **R500 million** surplus capital generation p.a. on current dividend policy

Dividend policy to be reconsidered once current New Initiatives become self-funding

**TOTAL CASH GENERATION**



# 4

**Approach to capital management**

---



# APPROACH TO CAPITAL MANAGEMENT

We will not hoard capital – will distribute surplus arising regularly

---

Any buybacks will be in addition to ordinary dividends rather than in lieu of ordinary dividends

---

Have adopted a more dynamic hurdle rate framework for capital allocation decisions

---

Have developed an internal framework for decision-making criteria between repurchases and special dividends

---

Have started to work on possible use of Iterative Risk Margin

HOW DO WE MANAGE OUR CAPITAL?

# Metropolitan Life: A turnaround tale to growth

Peter Tshiguvho  
CEO Metropolitan

24

# Agenda

1

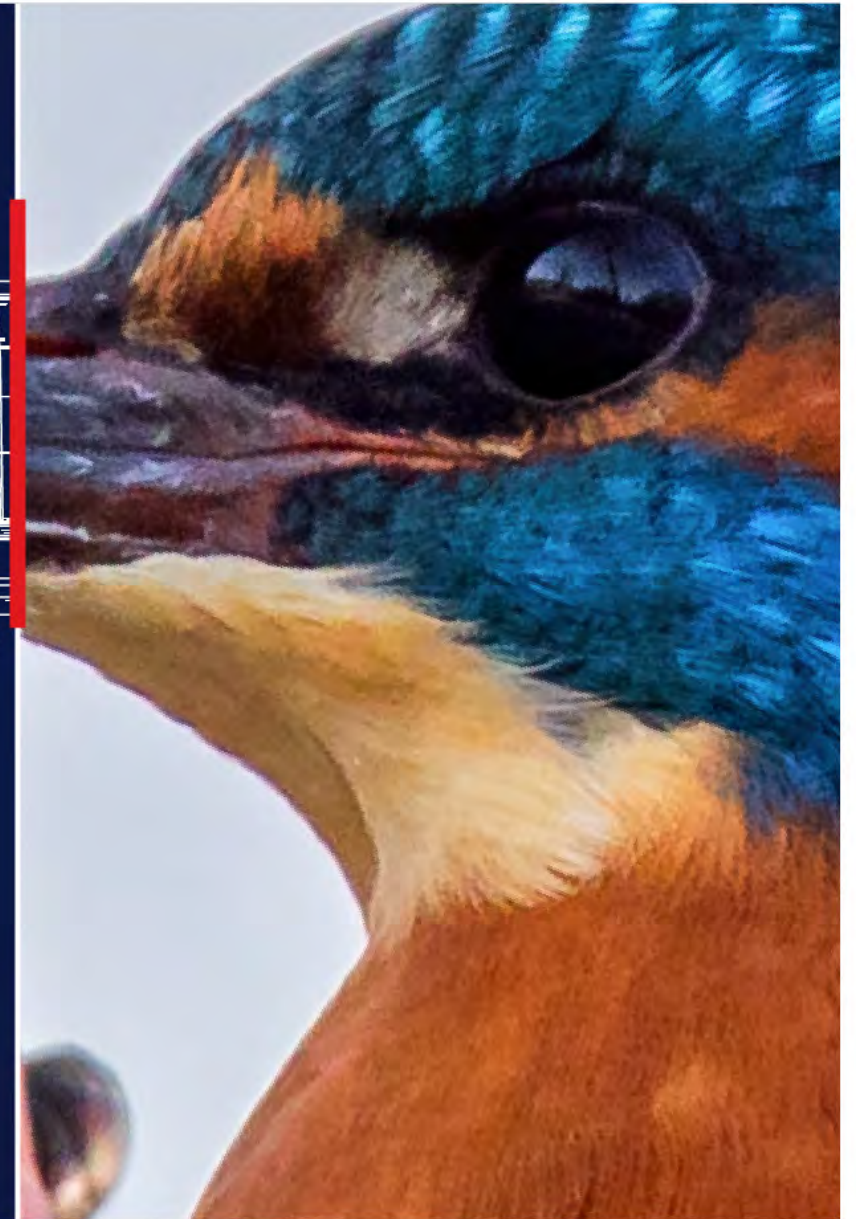
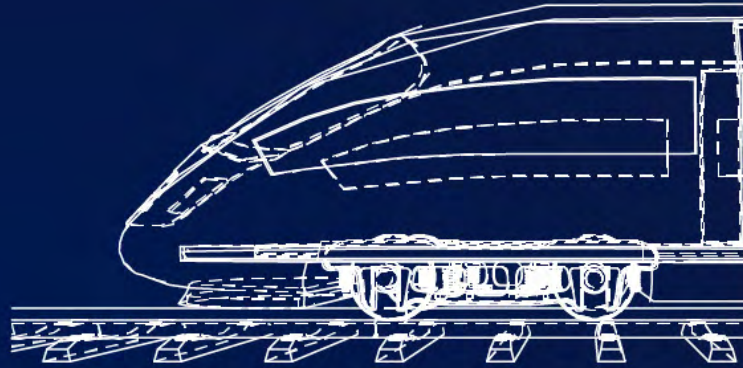
Our business

2

Our Reset and Grow journey

3

Our strategy





1

Our business



## Our vision:

To be a household name, with a product in every emerging market home.

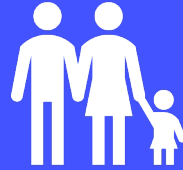
## Our purpose:

To help clients achieve their financial life goals.

To create value for all our stakeholders.



**Funeral**



**Life cover**



**Discretionary savings**



**Retirement savings**



**Annuities and capital  
protection**



**Hospital plan**



2

Our Reset and Grow journey





Where we started

**Operating model changes**

*Distribution channel restructure*

New sales remuneration model

**Productivity**

Less experienced advisers

*Under-investment in points of presence*

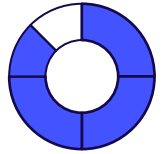
**Adviser churn**



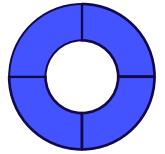
- Reputation for exceptional client service
- In-force clients > 2m
- Strong union relationships
- Committed and loyal staff



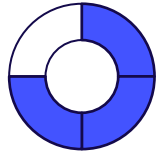
## Reset



Stabilise sales force

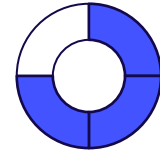


Upgrade points of presence

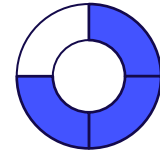


Legacy system migration

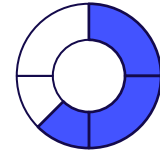
## Grow



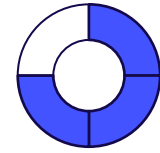
Improve adviser productivity



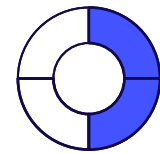
Improve market access



Improve client value proposition



Sales and service efficiencies



Metropolitan GetUp



**Present value of new  
business premiums**

**+1%**

to R2.6 billion

**Cost control**

**-1%**

year-on-year

**Value of new business**

**+70%**

to R117 million

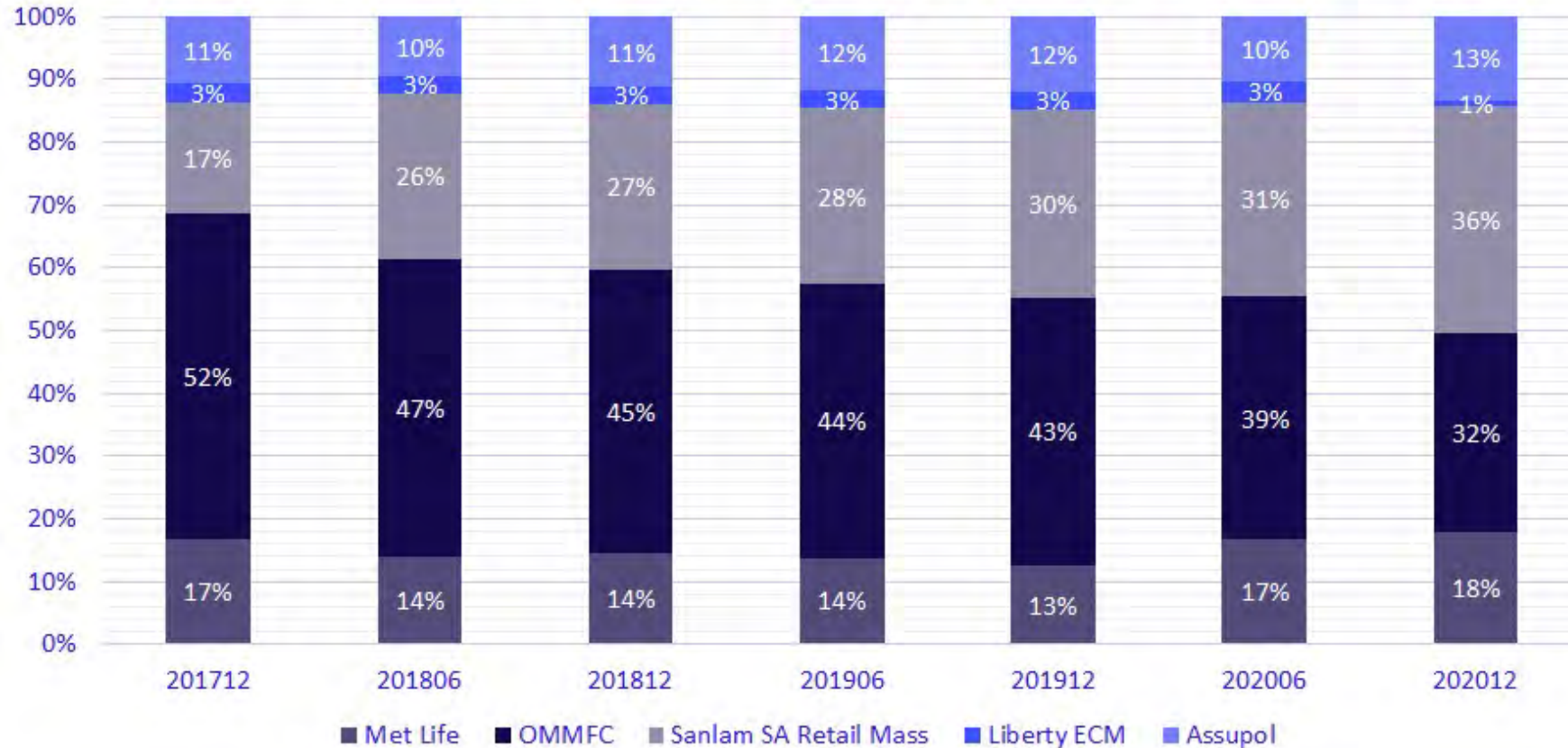
**Operating profit (excl. Covid-19 provision)**

**+9%**

to R382 million



## SA emerging half-yearly NB APE market share



**Clawing back market share in traditional insurance market over the last two halves | Sanlam strengthened by Capitec**

# Number of advisers



Tied agency number of advisers



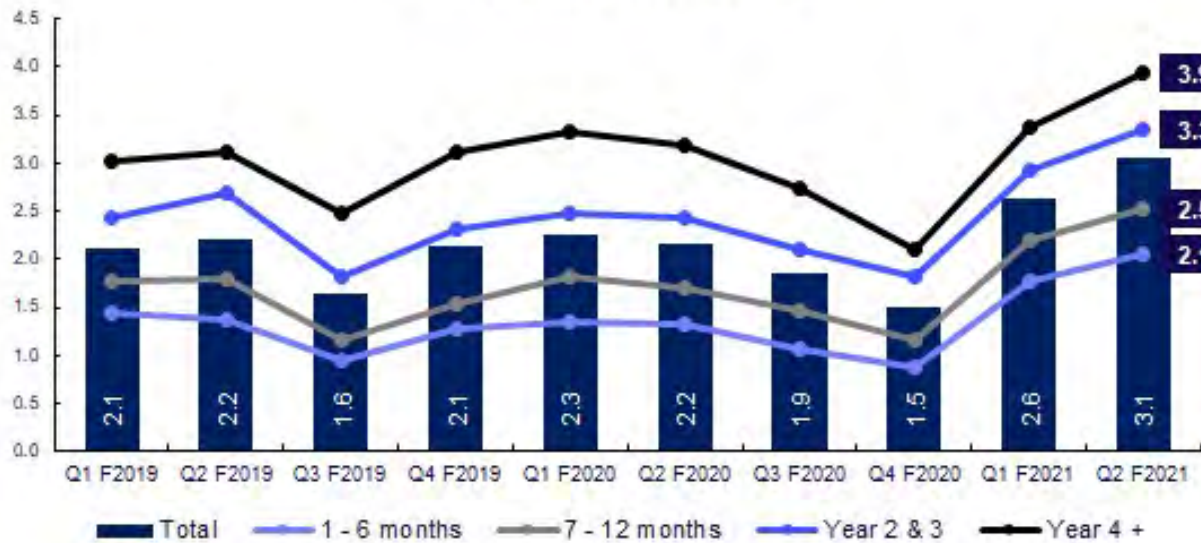
Tied-agency adviser retention



**Stabilisation of key management roles | Improved adviser recruitment criteria | Fit-for-purpose development programmes | Digital training | Enhanced debit order collection mechanisms**



### Tied agency productivity



### Tele-channel productivity



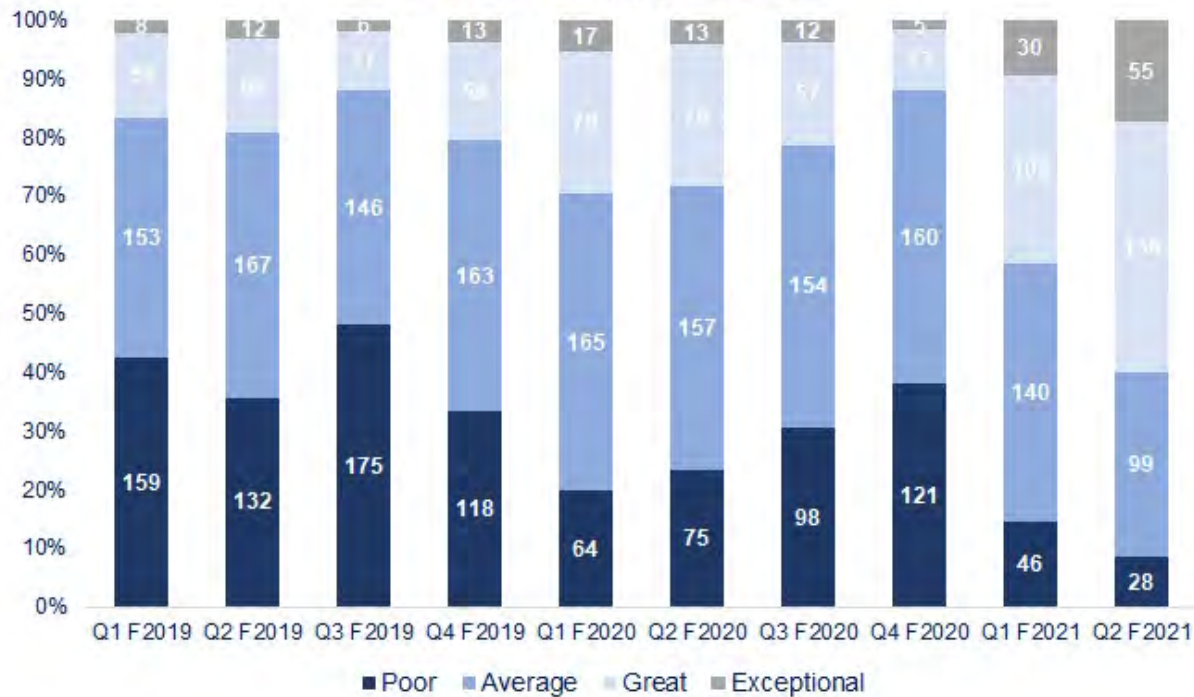
**Digital enablement and adoption | Daily cadence | Disciplined execution | Market access and long-standing partnerships with unions | New solution offerings**

# Improving profitability



The performance categories below take into account a combination of performance levers and look at a rating per branch. The improvement in the number of branches / teams in the top categories bears testimony that the disciplined execution of the Reset and Grow strategy is yielding the desired results.

Tied agency branch performance

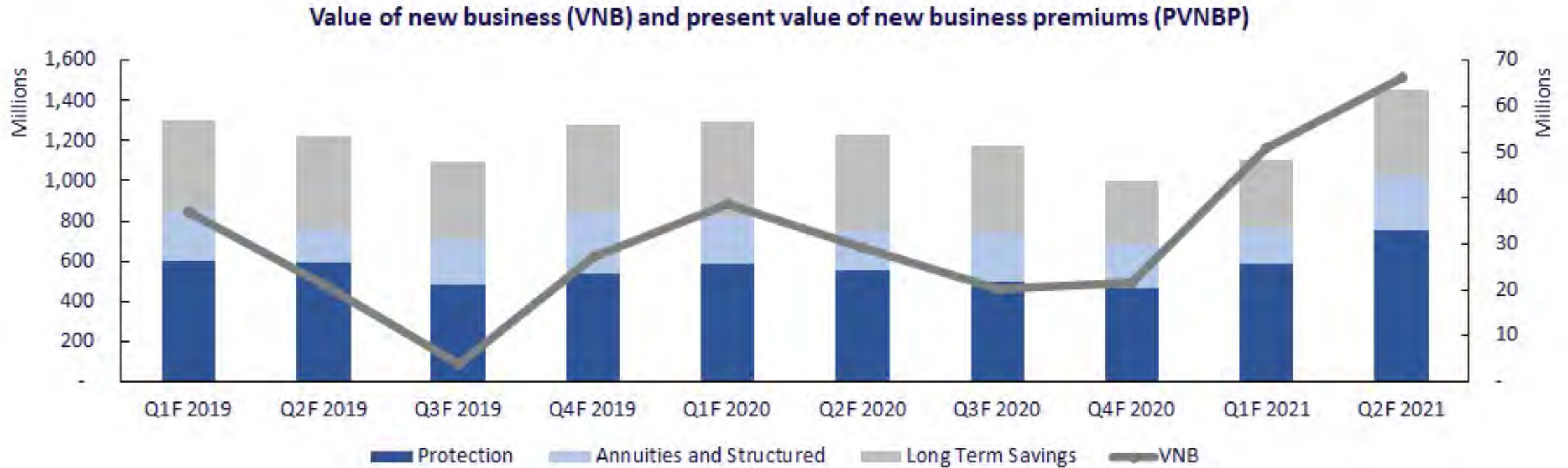


Tele-channel teams performance





Cumulatively doing the right things that make a big difference in terms of efficiently achieving higher volumes of more profitable products >> scale benefits



	Q1 F2019	Q2 F2019	Q3 F2019	Q4 F2019	Q1 F2020	Q2 F2020	Q3 F2020	Q4 F2020	Q1 F2021	Q2 F2021
<b>Salary deduction ratio of new business</b>	32.5%	34.6%	40.1%	43.2%	42.4%	42.2%	43.1%	38.7%	40.2%	43.3%





3

Our strategy



Metropolitan Life will deliver on its growth expectations through the implementation of a distribution-centric strategy:

1

**Metropolitan Core** entrenching its **current discipline, continued focus on market access**, supported by the business's full value chain

2

While pursuing new opportunities through its future-proofing arm, **Metropolitan GetUp**

## How?



### Reinvent

- Reduce acquisition cost per policy
- Talent management and transformation
- Migration and automation
- Metropolitan GetUp



### Grow

- Double-digit APE growth
- Policy retention
- Metropolitan GetUp
- Improved brand health

# Broker distribution



Create opportunity to achieve sustainable growth



Diversification of the channel mix to reduce reliance on tied agents



Diverse product offering supports broker value proposition



Increase single premiums through experienced brokers



Metropolitan brand affinity already exists in the broker community

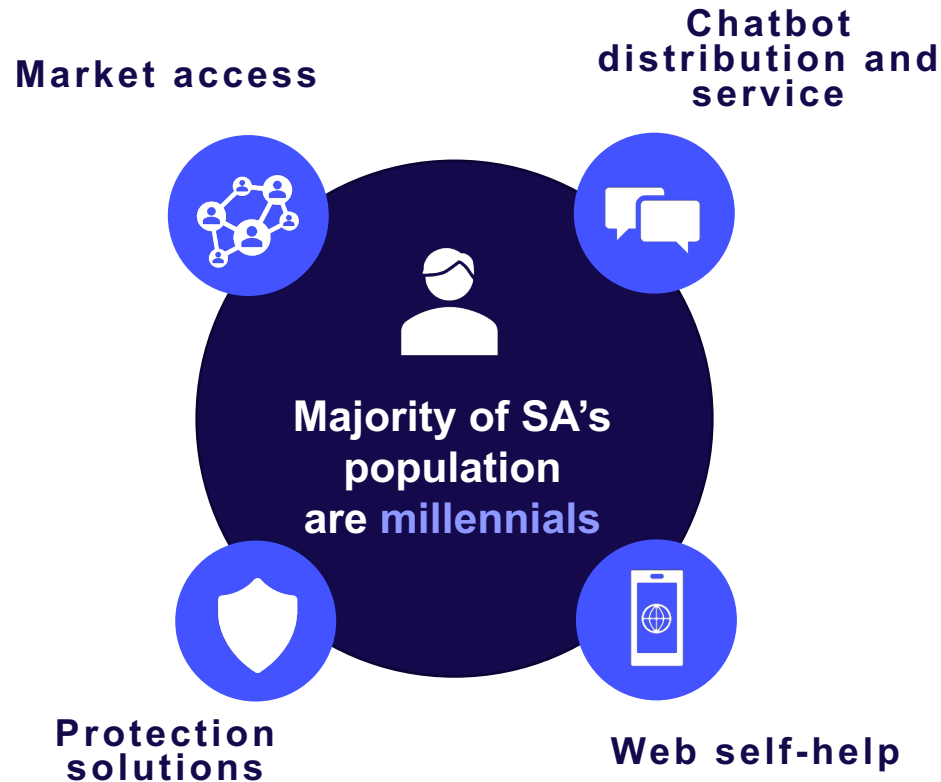
Broker distribution APE



% Contribution to Metropolitan Life Sales APE

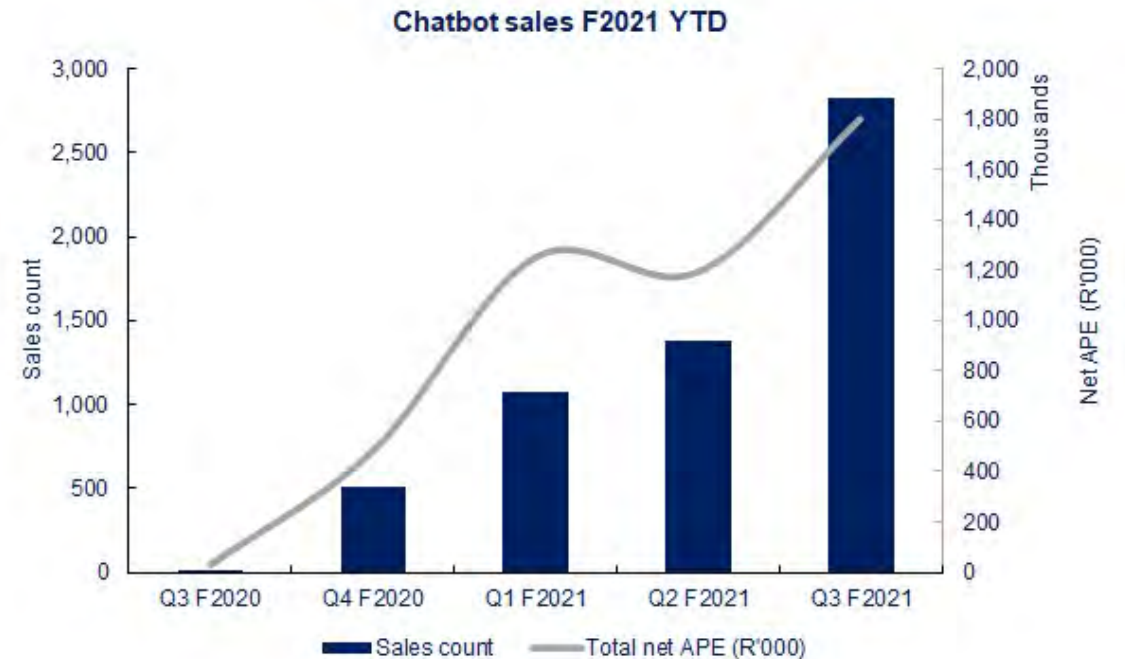


## Digital value chain



**78% of current sales are attributed to <40 years of age**

- Create “buyable” financial solutions that attract younger consumers within our target market
- Use digital technologies to personalise market access and engagement while keeping products simple and intuitive
- Be ahead of the curve, easily accessible and build trust with consumers during hard times
- Enables us to compete with banks and other start-ups in the digital market





**Managed growth of  
adviser force to 4000**

**Maturing adviser force  
will result in further  
productivity uptick**

**Enhanced client value  
proposition**

**Grow product mandate  
per adviser to enable  
more holistic advice**

**Expand market access  
opportunities**





**Momentum  
Metropolitan Non-life  
Insurance cluster  
Our long-term  
GROWTH story**

**Herman Schoeman**  
CEO Guardrisk

**Brand Pretorius**  
CEO MSTI & MI

**Lourens Botha**  
Financial Director, Guardrisk



# Agenda

1

## Momentum Metropolitan Non-life Insurance

- Key aspects | Guardrisk and Momentum

2

## Reinvent and grow

- Guardrisk | Reinvent and grow
- Guardrisk | Right to win

3

## Reinvent and grow

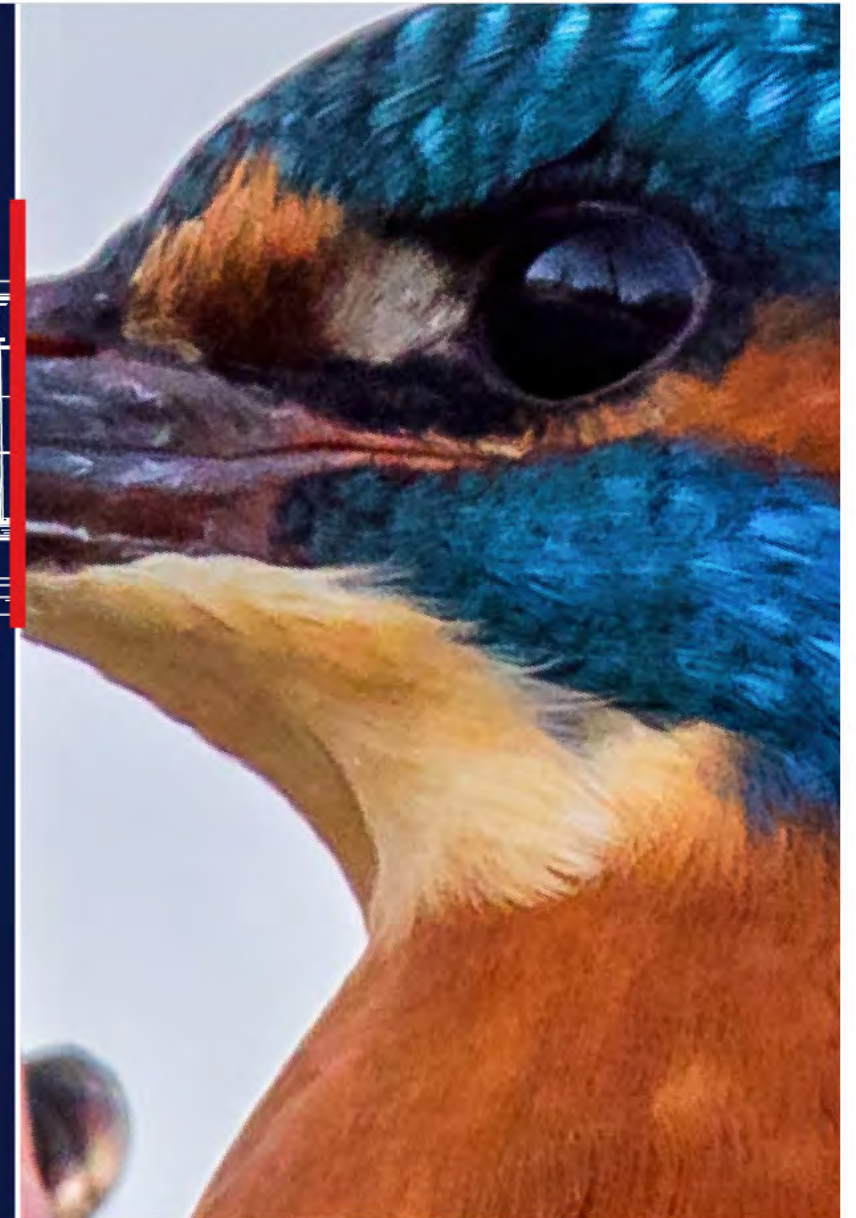
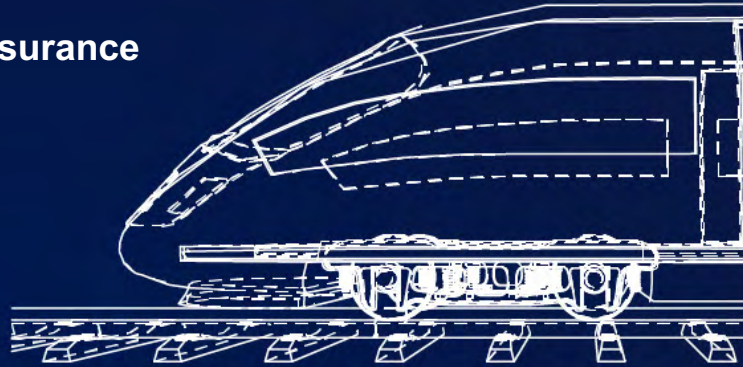
- Momentum Short-term Insurance
- Momentum Insurance (AFI)

4

## Financial projections

5

## Conclusion



Part  
01

# Momentum Metropolitan Non-life Insurance



# Momentum Metropolitan Non-life Insurance | June 2020

GWP | R27bn  
Earnings | R405m  
Market share | 10%  
Employees | 1280

## Momentum Metropolitan Non-life Insurance | At June 2020

### GUARDRISK

GWP | R24.5bn  
Earnings | R335m

### momentum

GWP | R2.8bn  
Earnings | R70m  
Policy count | 158k

**Cell  
Captive**  
Life & non-life

GWP | R21.8bn  
Earnings | R232m  
Cells | 276

**General |  
GGI**

GWP | R2.7bn  
Earnings | R103m  
Margin | 9%

**Micro**

New

**MSTI**

GWP | R982m  
Earnings | (R18m)

**Momentum  
Insurance  
(AFI)**

GWP | R1.8bn  
Earnings | R88m (5 months)

## How do we differ?

- Distribution & market segments
- Product range
- Governance structures
- Line of business systems
- Strategic drivers

## What is the same?

- Dynamic and innovative
- Organic and in-organic growth strategies
- Stretched growth objectives

## Synergies

- Limited
- Knowledge sharing
- Procurement
- Leadership

Part

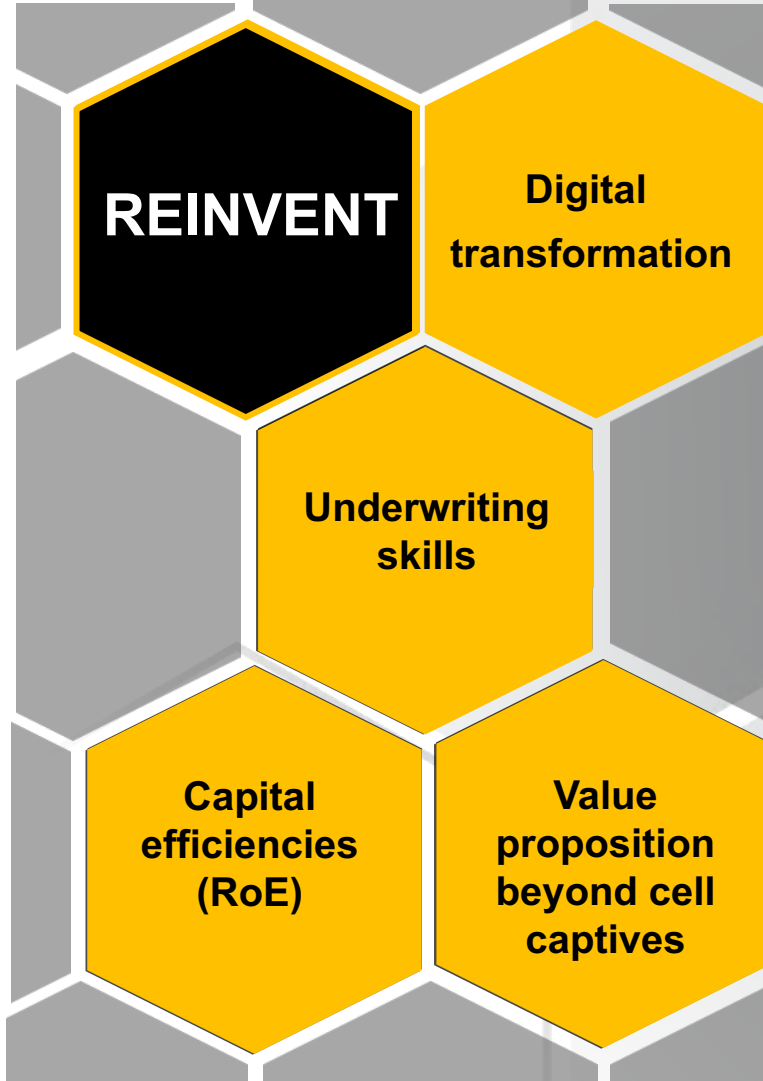
02

# Reinvent AND Grow

## Guardrisk

### Reinvent and Grow





Guardrisk | Right to win | **Differentiators**

Future competitive advantage | **Reinvent**



Capital efficiencies  
(RoE)



Holistic client value  
beyond cell captives  
(digital)



Monetise data assets  
through advanced analytics

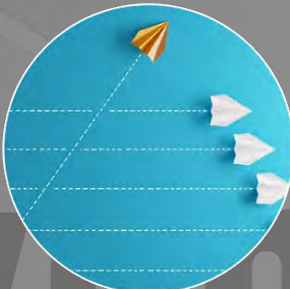


Improved technical  
underwriting skills

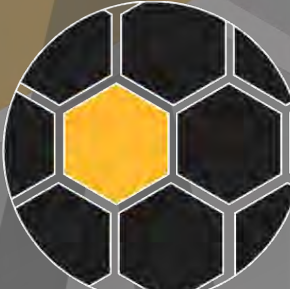
Current competitive advantage | **Grow**



Revenue  
diversification



Ability to  
innovate



Superior cell  
captive capabilities



Deep client and  
broker relationships

Momentum Short-term Insurance  
Momentum Insurance (AFI)

**Reinvent and Grow**

# Reinvent and Grow

Where have we come from?

## Momentum Short-term Insurance (MSTI)

- ✓ **Full** value chain
- ✓ **SA focus only**
- ✓ **Exit** unprofitable portfolios
- ✓ **Enhance** pricing & underwriting capability

*but*

- Sub-scale with muted growth prospects
- Sustainable profitability not yet achieved

Reset successfully concluded

But some challenges remain



## Momentum Insurance (MI) (formerly Alexander Forbes Insurance)

- ✓ **Profitable** business
- ✓ **Sizeable** in terms of premium income
- ✓ Excellent and complementary **products and personalised service offering**

*but*

- Old systems and manual processes
- No digital capabilities

# Reinvent and Grow

What does the reinvented business look like?

**A sustainably profitable insurer, leading the way in keeping South Africans safe, beyond insurance**

## One combined & integrated business – stronger together

Momentum brand, with clear & distinct positioning, with safety at its core

Broader set of product & service solutions, aimed at clearly defined client segments

Fully integrated, at scale, front and back office, utilising MSTI systems & digital capabilities

Diversified distribution and sales capabilities

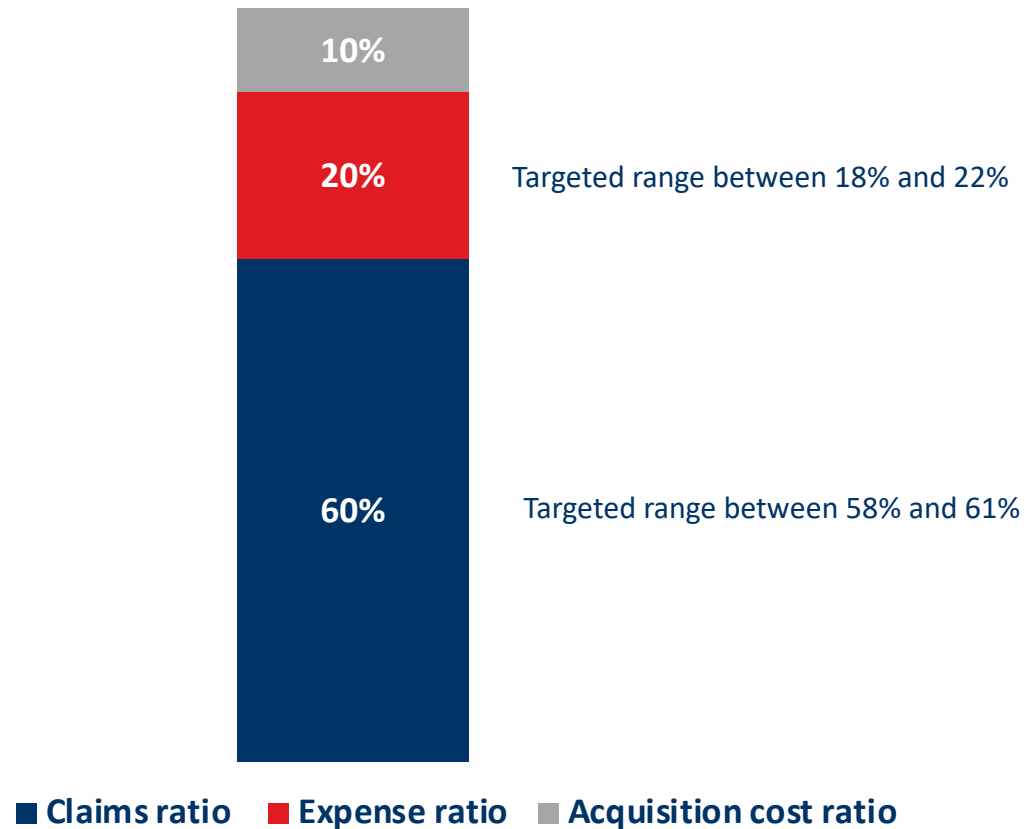




# Reinvent and Grow

What does the reinvented business look like?

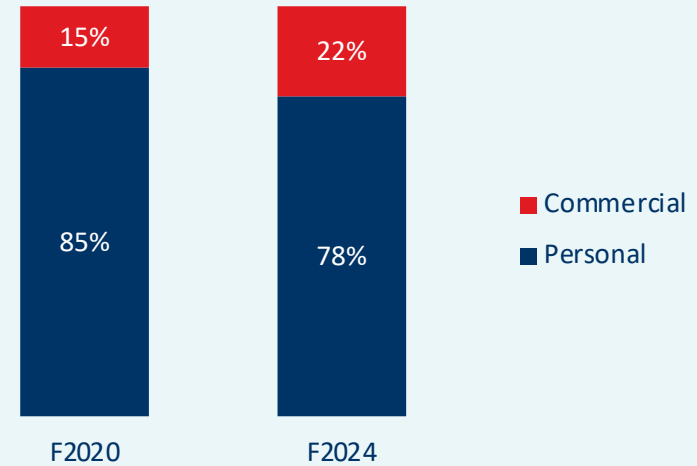
## Targeted medium-term combined ratio



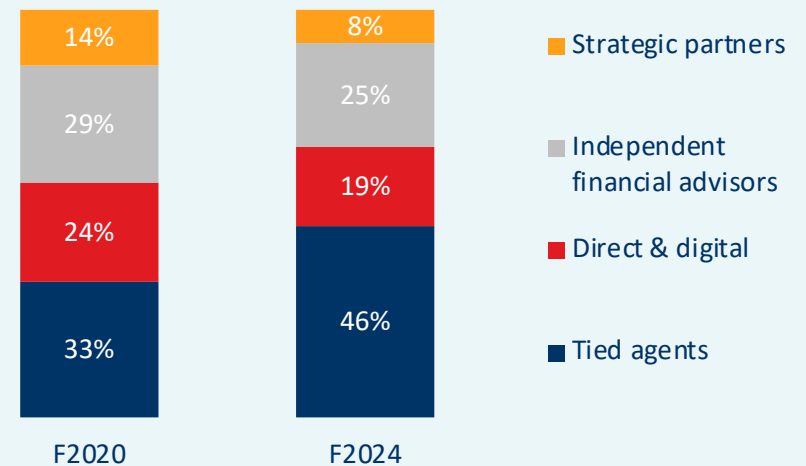
## Product and distribution channel mix Improved new business diversification



### By product



### By distribution channel

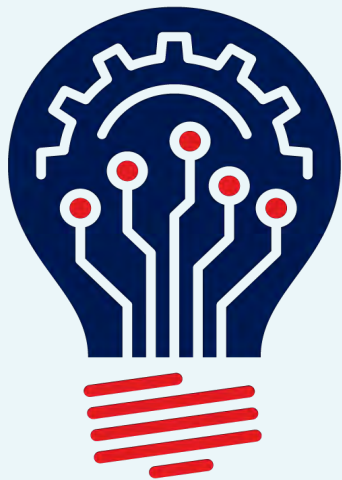


# Reinvent and Grow

Focus areas



## Sustainable profitability through scale and value beyond traditional insurance



**Reinvent**

- 1** Deliver integrated business by F2022
- 2** Own Safety as distinctive customer value proposition
- 3** Shift towards a market-led business, with leading product and service solutions for targeted segments
- 4** Focused digital transformation



**Grow**

- 1** Grow gross premium income to R3.6bn – R4bn by F2024
  - Tied agency force
  - Direct & digital
  - Commercial
- 2** Double earnings by F2024

## Sustainable profitability through scale and value beyond traditional insurance

1

**Deliver an integrated business by F2022**

- Implementation done in two phases, to be concluded by 30 June 2022
- Financial results tracking well against key business case metrics
- All key management, as well as sales & distribution staff retained
- Client lapses better than expected and in line with historical trends
- Strategic business partnerships remain in place

2

**Own Safety as a distinctive customer value proposition**

- Process to expose all clients to Safety value proposition commenced, uptake improving
  - Mobile panic button
  - Safe Dayz (telematics)
  - Safety Score
  - Safety bonus
- Engaged clients displaying improved behaviour
  - ✓ Claims frequency
  - ✓ Persistency

## Sustainable profitability through scale and value beyond traditional insurance

3

Shift towards a market-led business philosophy

- Enhanced, more comprehensive product and service offering in key targeted segments, based on deeper client insights

High net worth / Upper

Middle

Specific (women, retired)

Digital savvy

SMME

- New products and solutions in pipeline, with specific focus on digital and commercial lines

4

Digital transformation

- Utilisation of digital channels increased due to impact of Covid-19 pandemic

- Expose all clients to existing (MSTI) digital capabilities

Online quote

Online & web self service

Chatbot

Straight through claims processing

- Medium-term focus on enabling other strategic choices

# Reinvent and Grow

Growing the business

Focused solutions, providing more choice, across more channels

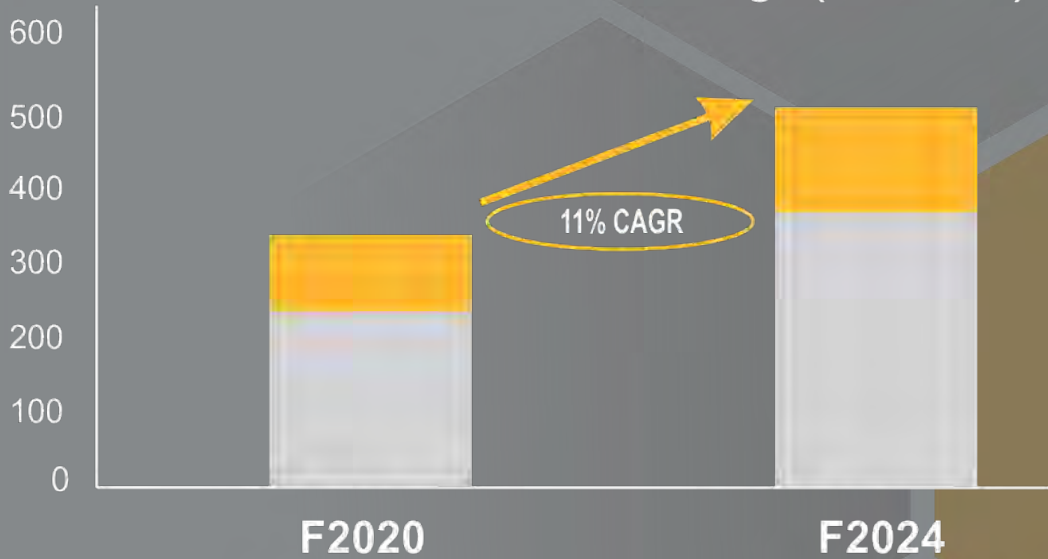
<b>Tied agents</b>	<ul style="list-style-type: none"><li>• Increase headcount</li><li>• Improve productivity</li><li>• Higher average premium values</li></ul>
<b>Direct &amp; Digital</b>	<ul style="list-style-type: none"><li>• Distinctive positioning</li><li>• Increased marketing investment</li><li>• Digitally native solutions</li></ul>
<b>Commercial</b>	<ul style="list-style-type: none"><li>• Improve ease of doing business</li><li>• Focused distribution</li><li>• Product enhancements</li></ul>
<b>Independent Financial Advisors &amp; Strategic partners</b>	<ul style="list-style-type: none"><li>• Combined distribution footprint</li><li>• Access to wider solution set</li><li>• Improved system integration</li></ul>



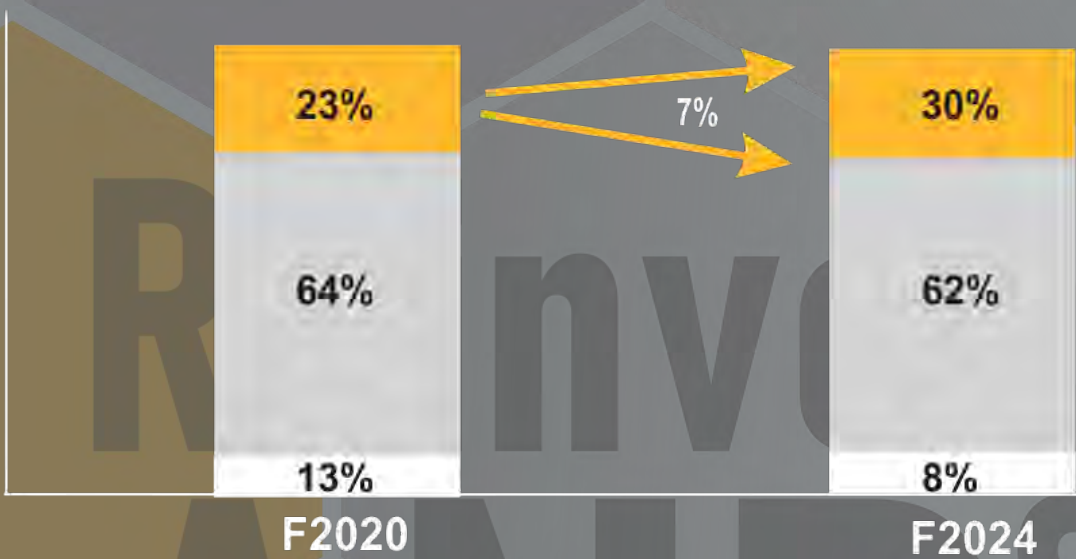
Part  
**04**

**Financial perspective**

### Normalised headline earnings (R Million)



### Revenue Composition



Guardrisk Cell Captive

GGI

Investment income

Fees

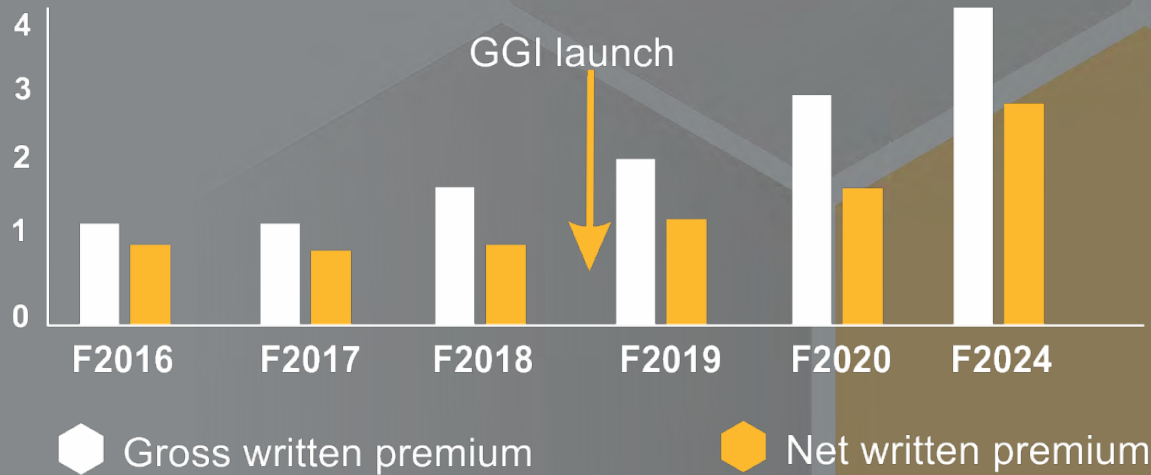
UW Profits



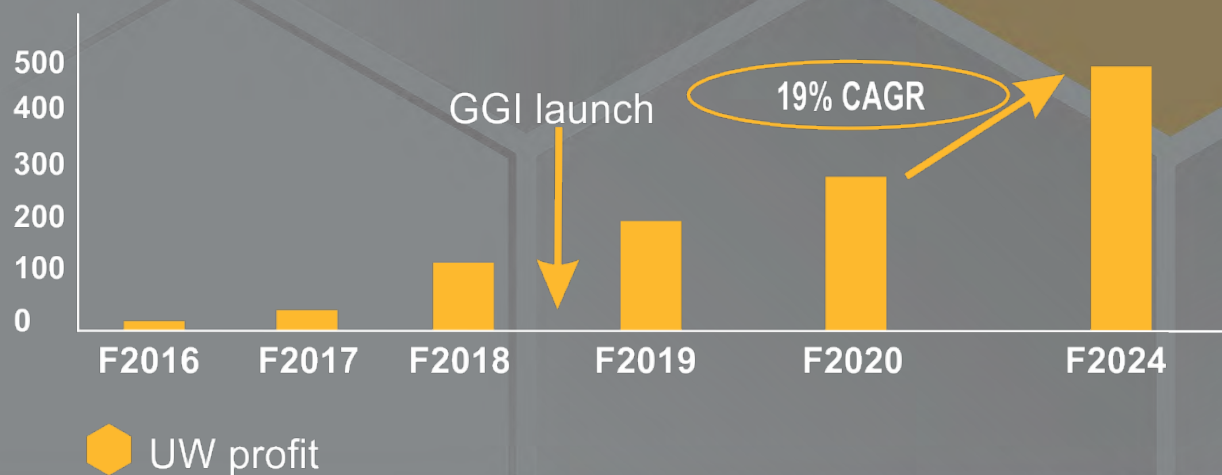
- Projected annual growth rate of 11% p.a.
- Biggest driver – increase in general insurance through GGI
- Foundation still earnings from cell captive management fees

# Guardrisk General Insurance

### GGI build up of results (R Billion)



### Underwriting profit (R Million)

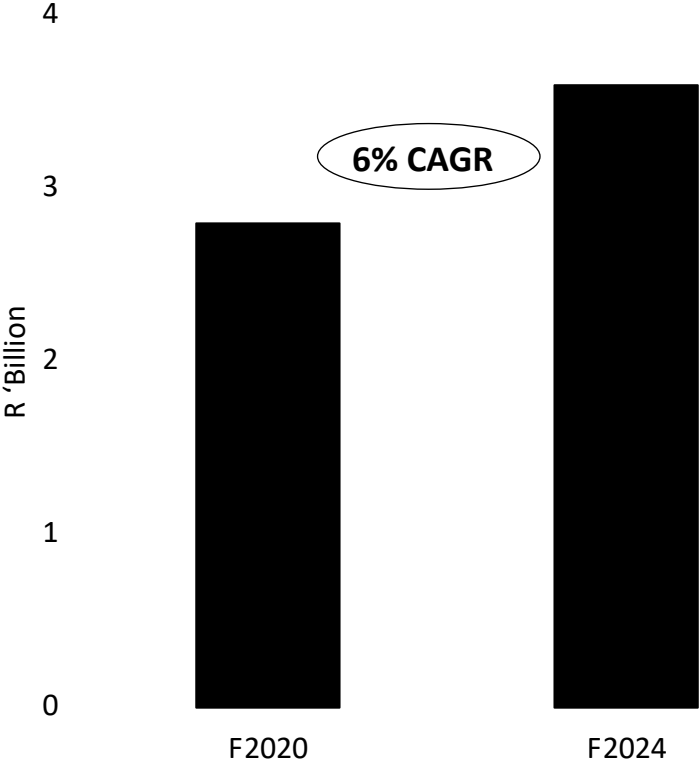


Underwriting profit contribution	
Medical (Gap cover)	37%
Assets	31%
Motor	11%
Construction & Engineering	10%
Marine	6%
Liability	2%
Personal Accident	2%
Miscellaneous	1%

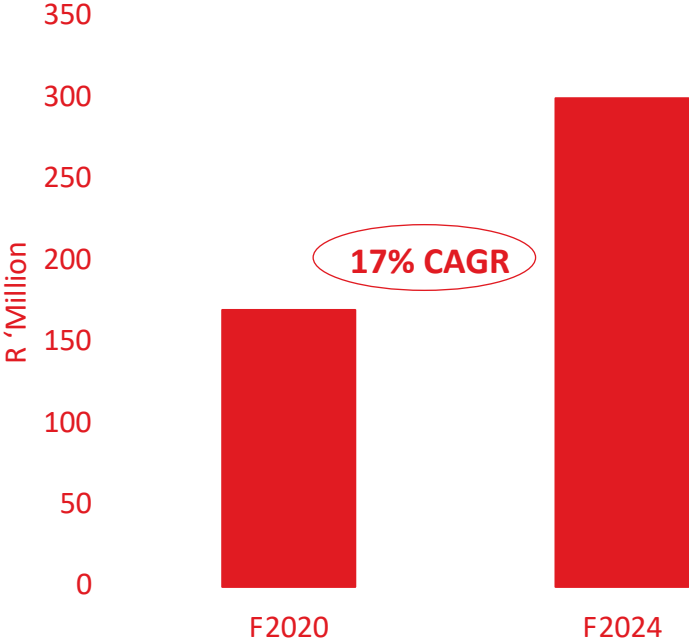


# MSTI & MI combined

Integrated financial perspective

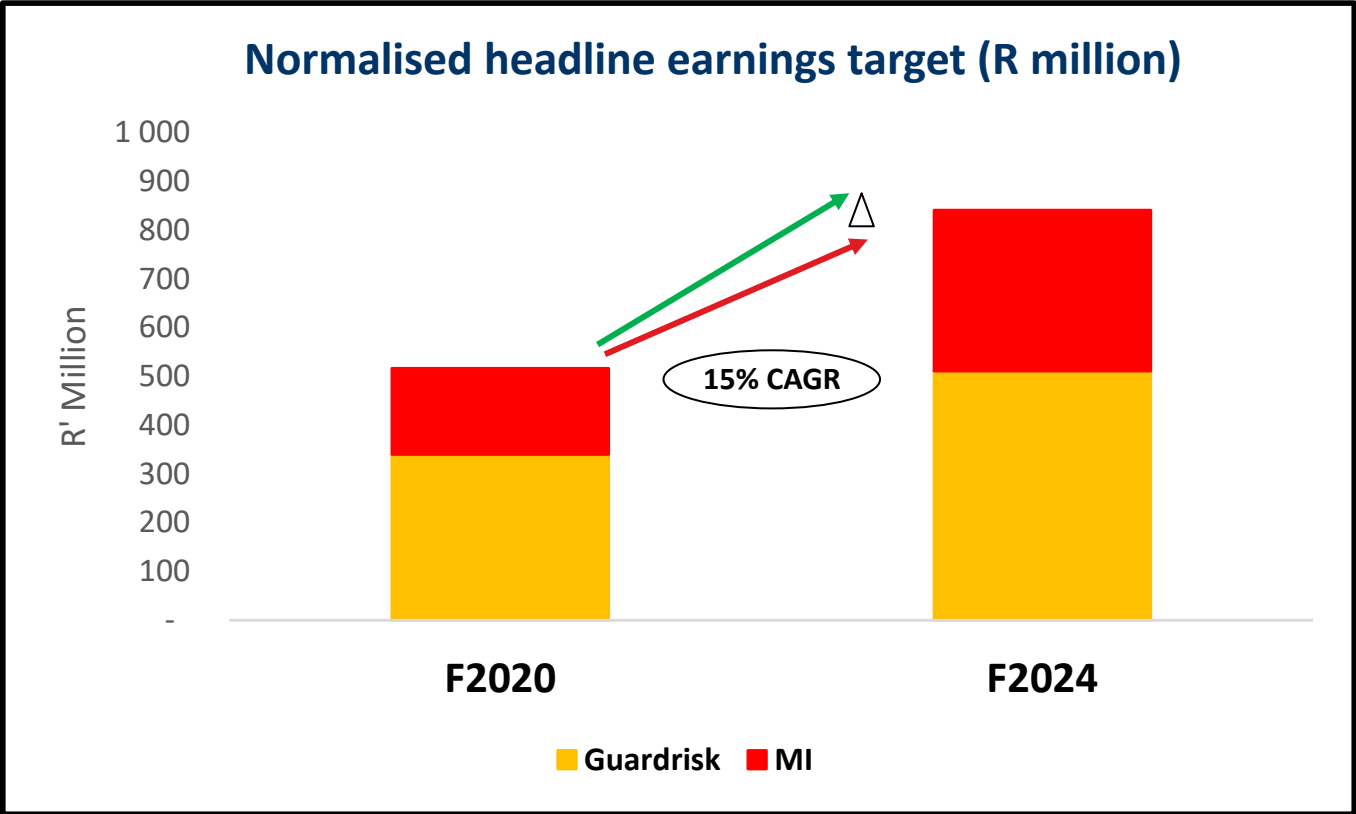


Gross written premium



Normalised headline earnings

# Momentum Metropolitan Non-life Insurance cluster



## High road

- Positive market growth
- Quick Covid-19 recovery
- Bolt-on transactions

## Low road

- Prolonged Covid-19 impact
- Macroeconomic impact
- New business not materialising

## Risks in achieving growth targets



Slow rate of economic recovery



Prolonged Covid-19 impact due to challenges with vaccination programme



Attraction, retention and cost associated with key talent / skills



Hardening reinsurance markets



New business targets not being met

# Conclusion

## Non-life insurance a growth area



Organic growth



Inorganic growth

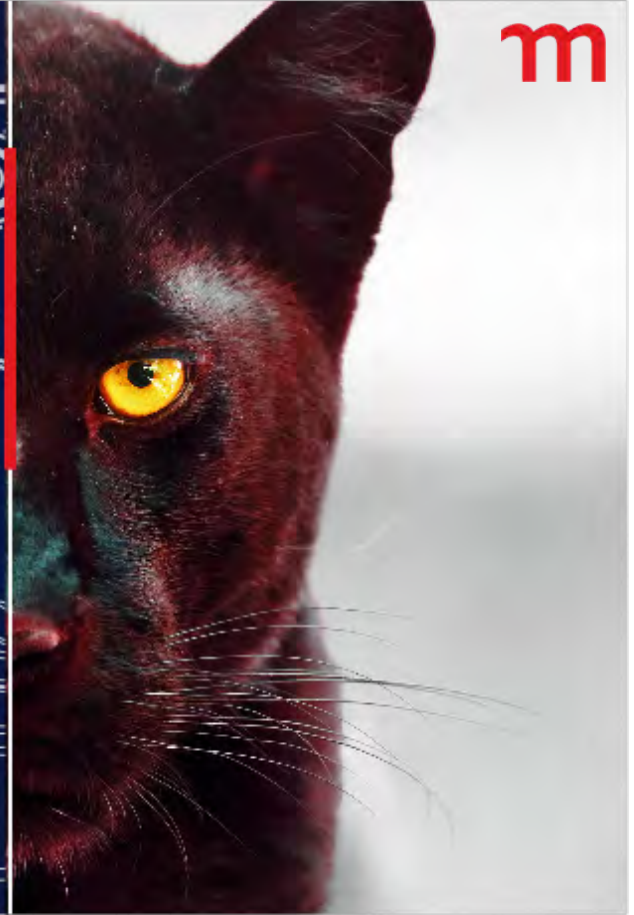
Business well positioned to achieve growth targets

Continue to improve risk and earnings diversification

# Momentum Corporate: Engagement, the future of Employee Benefits

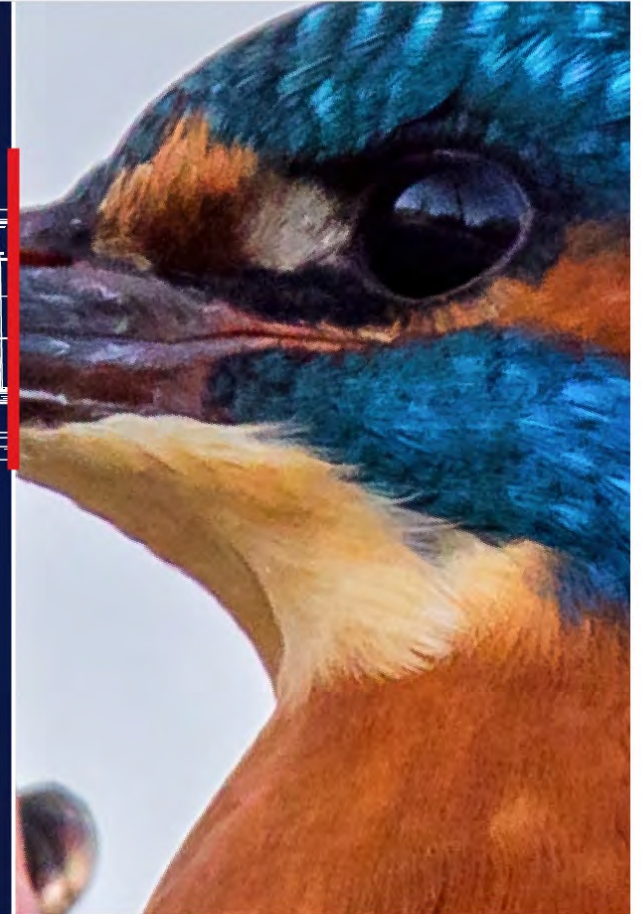
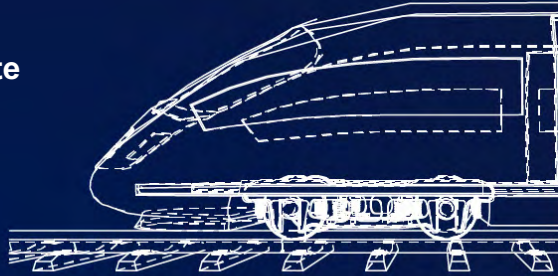
Dumo Mbethe

CEO Momentum Corporate



# Agenda

- 1 Overview of Momentum Corporate
- 2 Current strengths: FundsAtWork and Group Insurance
- 3 The future: delivering sustainable growth through engagement-rich solutions





## Overview of Momentum Corporate

# Momentum Corporate is a significant business in the employee benefits industry



We look after 6 600 employers and their 1.6 million employees



In F2020 we received ±R 5 billion in annual premium income for group insurance



In F2020 we paid R1.2 billion in income disability benefits and R350 million in lump sum disability benefits



In F2020 we paid R2.6 billion in death claims



Our standalone retirement administration business administers R220 billion in assets under administration with 440k members



R33 billion assets under management in Structured Investments and Annuities



R59 billion in asset under management in the FundsAtWork umbrella funds



58 worksites opened where members improved their financial journeys by investing R82 million in retirement solutions and preserved more than R143 million in retirement savings



Over 1 000 employers have joined Multiply for Corporates and earned R6.9 million in rewards which they can spend on Covid-19 initiatives



166k digital engagements with members, with a 4.4 out of 5 client experience rating



# Our solutions

We provide a wide range of solutions to organisations, **leading with our FundsAtWork umbrella funds and Group Insurance**



1

FundsAtWork umbrella funds

2

Group Insurance

3

Structured Investments & Annuities

4

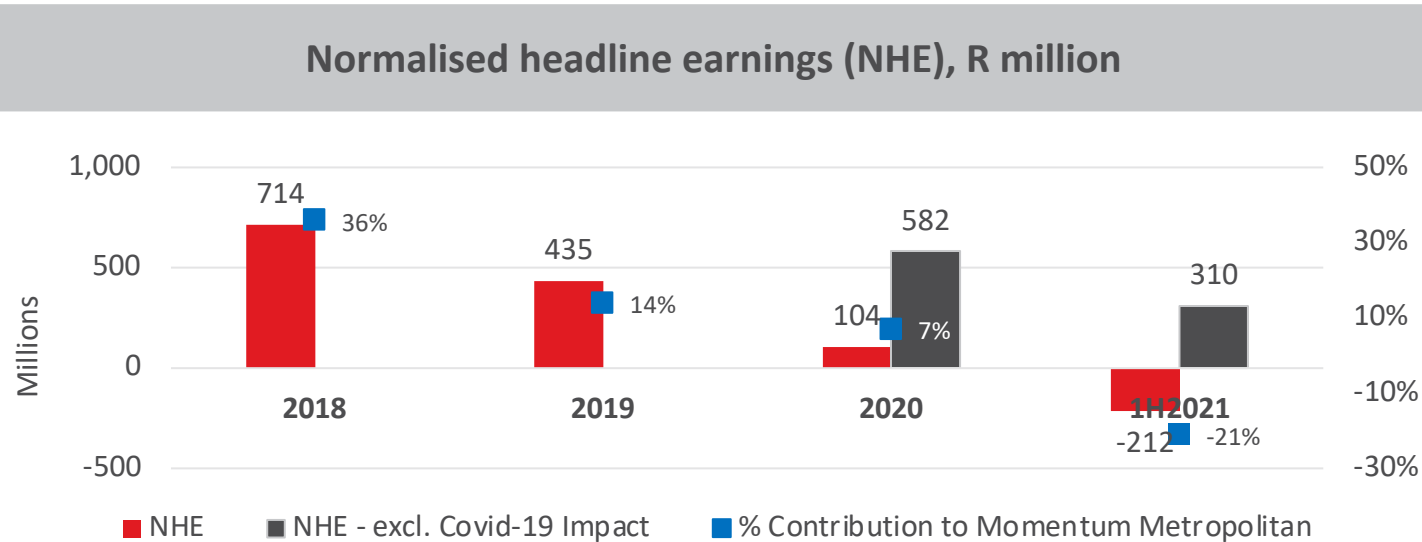
Momentum Corporate Advice & Administration

5

Member Solutions

# Normalised headline earnings

Our normalised headline earnings performance has been reasonably strong. F2020 was significantly impacted by Covid-19 reserving and a large increase in the investment guarantee reserve.



F2020 normalised headline earnings were impacted by:

- Covid-19 reserves of R346 million after tax
- An increase in the investment guarantee reserves of R130 million after tax

1H2021 normalised headline earnings were impacted by:

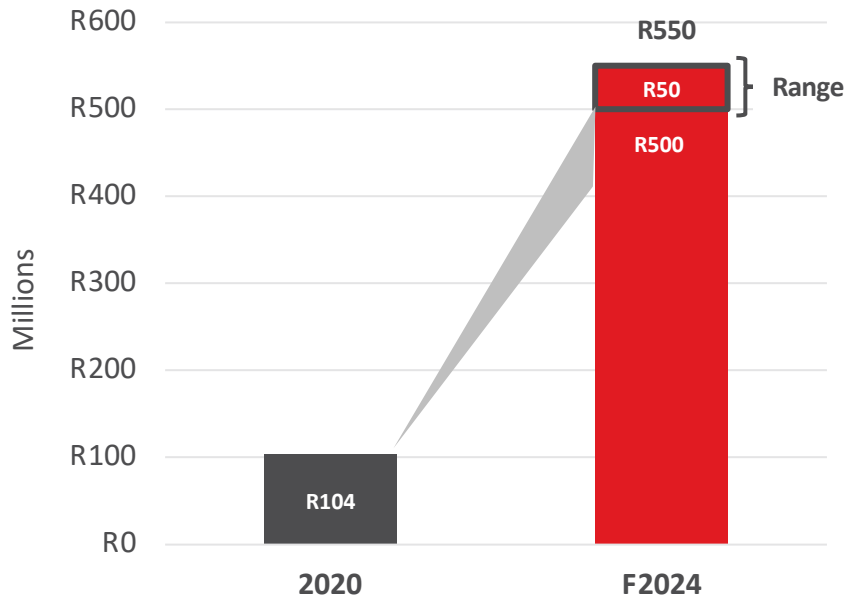
- Additional Covid-19 reserves of R453 million after tax
- The number of excess deaths for the six months ending December 2020 were 520, amounting to R424 million in excess claims

**Note:** The 2018 result was positively impacted by R324 million basis changes

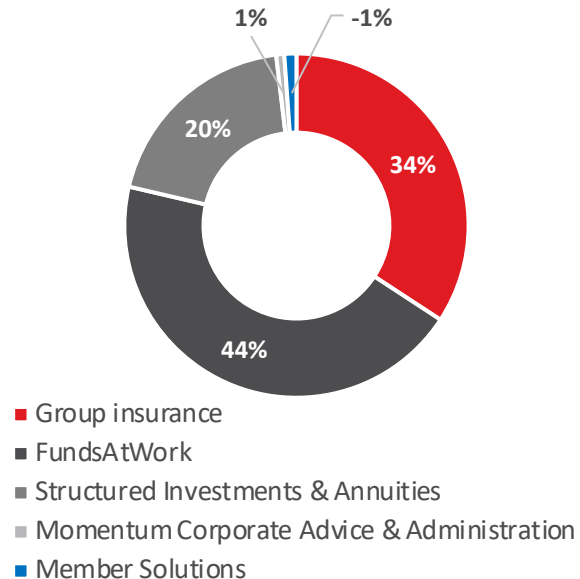
# F2024 normalised headline earnings range

We target an improvement in normalised headline earnings to a range of R500 million – R550 million by F2024, with  $\pm 80\%$  coming from FundsAtWork and group insurance.

## Normalised headline earnings (NHE) target, R million

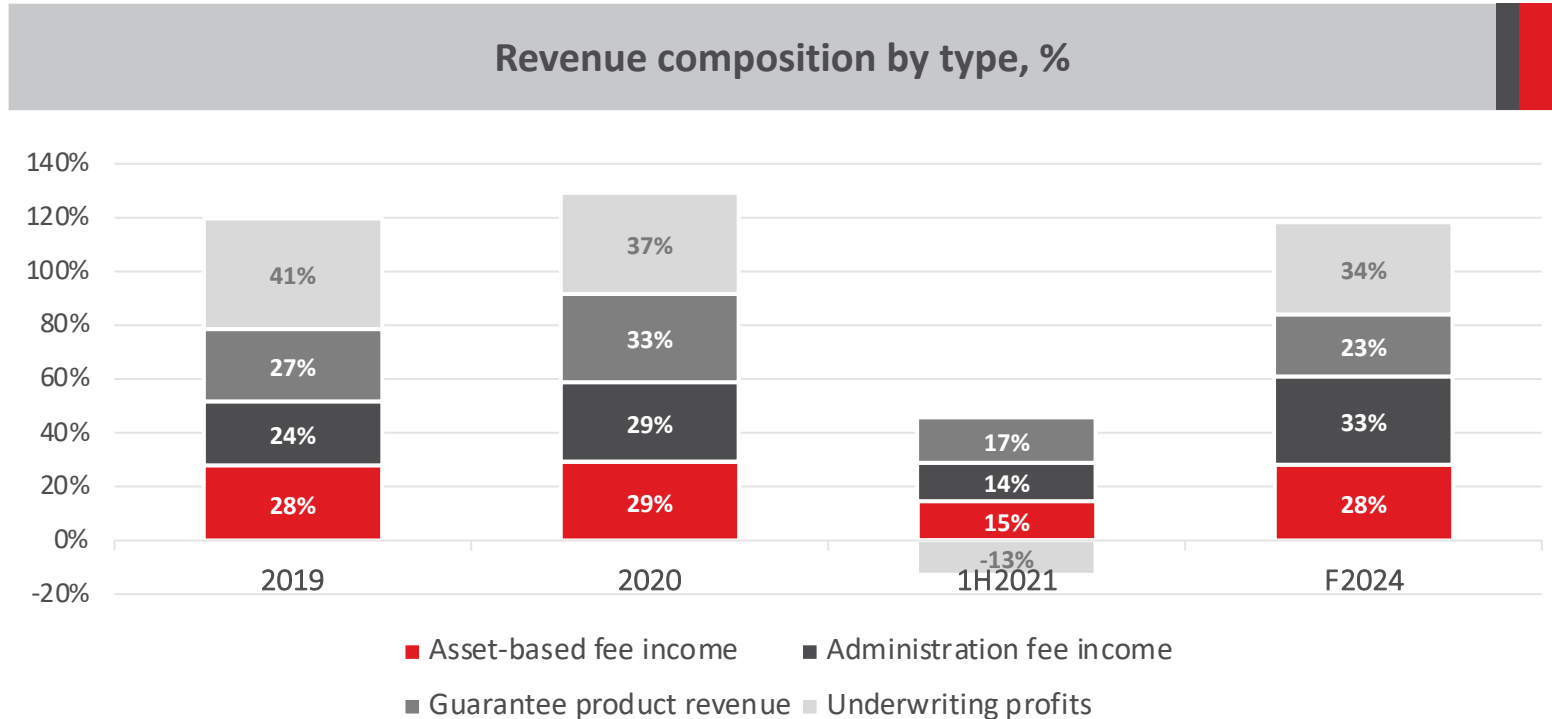


### Percentage contribution to normalised headline earnings in F2024



# Revenue composition

We expect our underwriting revenue to stabilise following the impact of Covid-19 in F2021, as our asset-based fee income and administration fee income streams strengthen.



**Note:** Graph excludes capital investment returns



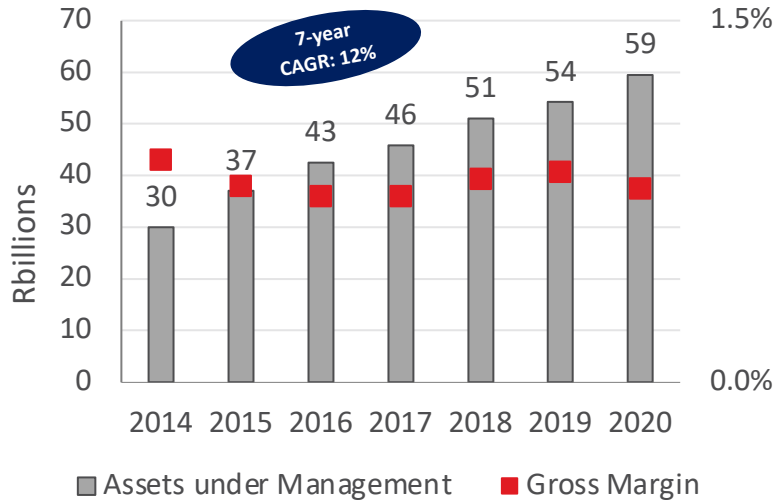
**Current strengths:**  
FundsAtWork and  
Group Insurance



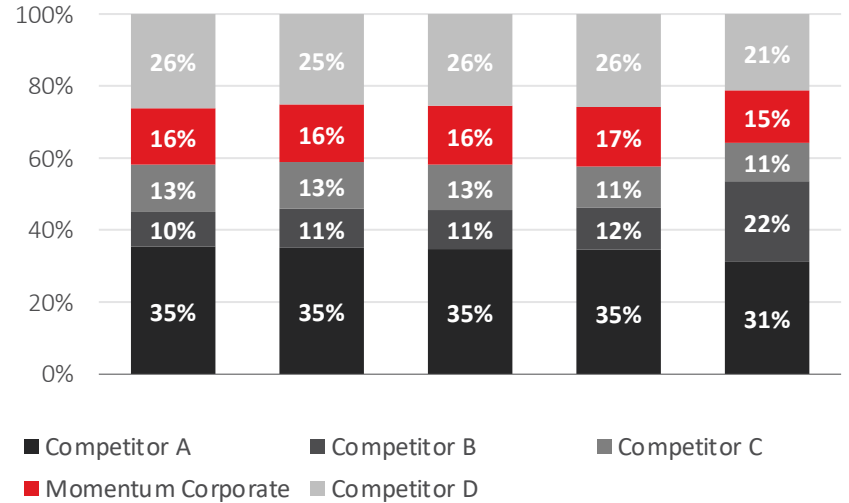
# FundsAtWork umbrella funds

FundsAtWork has doubled assets under management in the last 7 years at healthy margins. Market share has remained relatively consistent during the same period.

### Assets under management 2014 – 2020



### Market share by assets under management

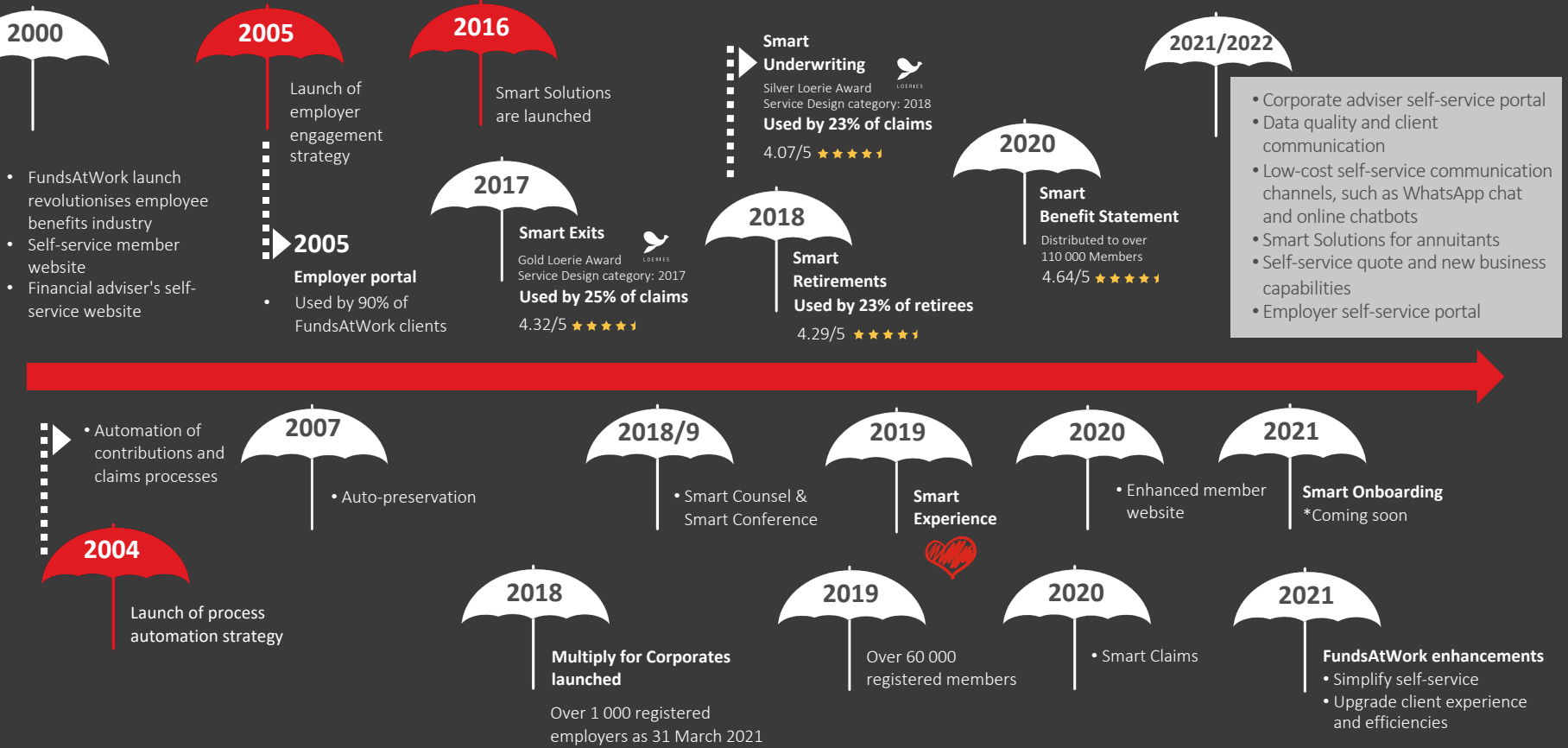


Note: The market share analysis focuses on the top five competitors in the market

Source: Financial Sector Conduct Authority Database, 2020



# FundsAtWork digital journey



# FundsAtWork key success factors

Surveys with clients and financial advisers showed that there are least five factors that have mostly contributed to our success to date.

**1**

**Flexibility and openness to co-craft solutions with clients and financial advisers**

**2**

**Strong relationships, support and ease of doing business**

**3**

**Value for money**

**4**

**Engaging and empowering communication**

**5**

**Digital engagement tools (member portal and mobile app)**

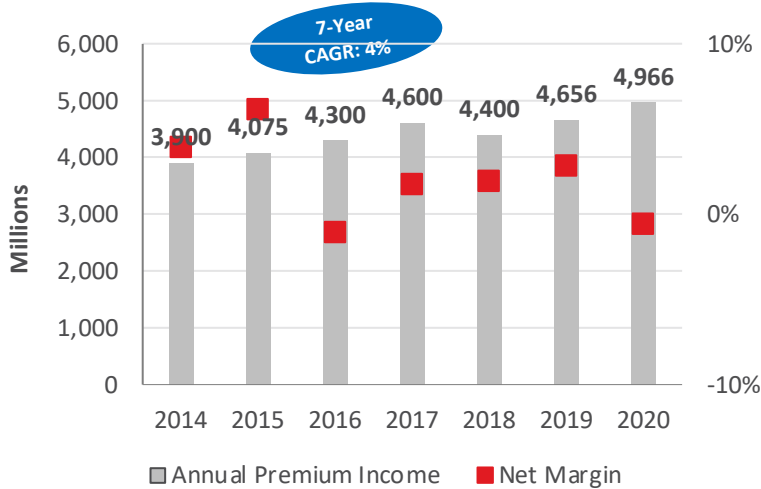




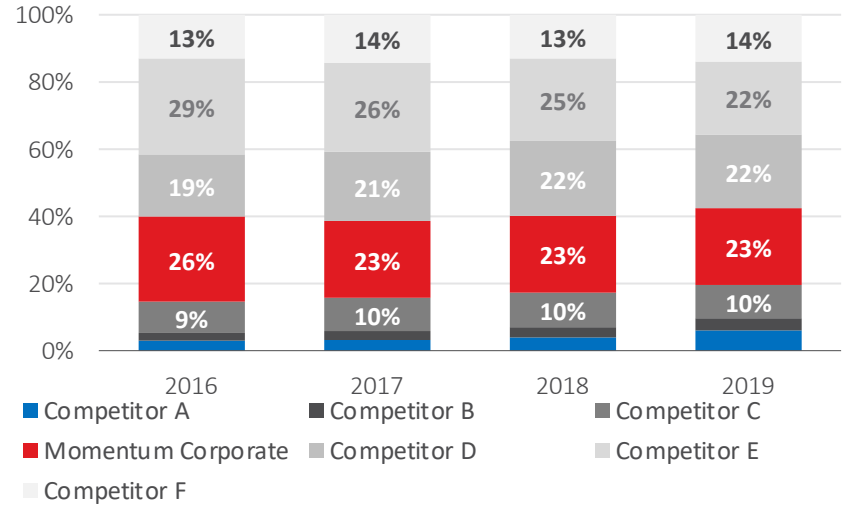
# Group Insurance

In 2018, we implemented a risk selection & pricing strategy that focused on writing and retaining business at sustainably profitable levels to ensure improvement and stability in margins while improving client experience. Market share has also remained strong during this period.

### Group insurance (including FundsAtWork) annual premium income, 2014 – 2020



### Market share by gross written premium, 2014 – 2020



Source: 2019 Group Volume Survey, Swiss Re

Note: The top five payers in the market account for 91% of the industry's R22 billion in gross written premiums (2019)

Note: 2014 – 2016 net margin figures are estimates following a change in how we account for expenses

# Group Insurance key success factors

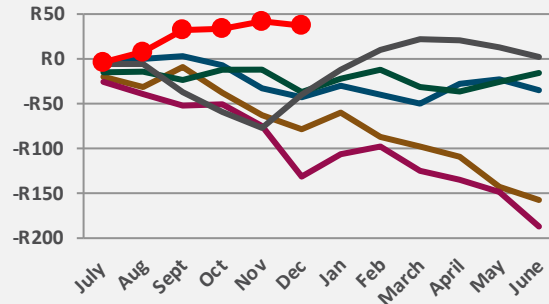
Our approach to disability management, the income disability turnaround and innovation are some of the reasons there is an improvement in profitability.

## Disability management



- Technical expertise in disability claims management
- Medically trained assessors
- We support employers and claimants during the claims process
- Assist claimants with rehabilitation and reskilling

## Turnaround in income disability benefit business



— F2016    — F2017    — F2018  
— F2019    — F2020    —●— F2021

- The loss of the income disability benefits product was moved into profit during the first half of F2020
- This was done by pricing more accurately and being prudent with risk selection

## Innovation: Tax-adjusted benefit – Disability 2.0



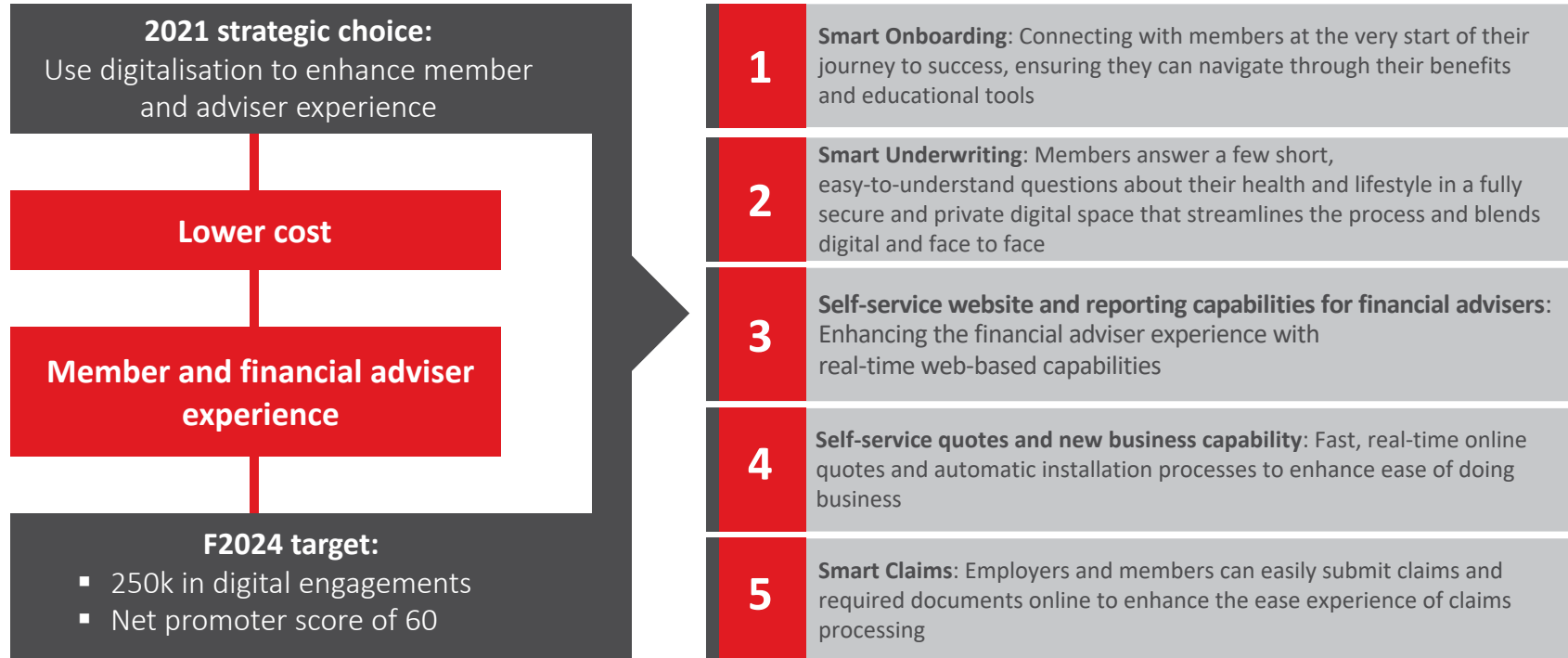
- Changes the timing of benefit payments
- Reduces inequality between different income groups
- The cost can reduce by up to 30% depending on the salary profile of the members
- A value-for-money solution for employers



**The future:**  
delivering sustainable  
growth through  
engagement-rich  
solutions

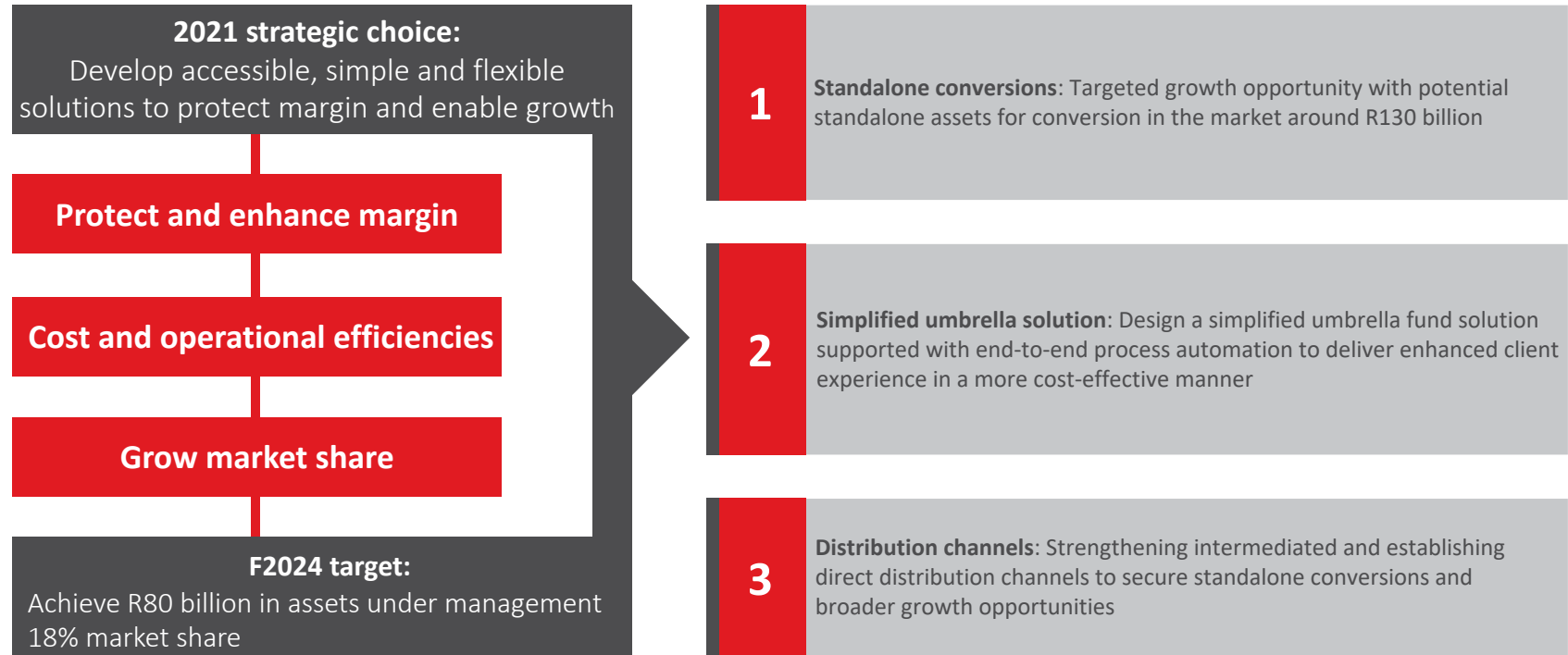
# 1. End-to-end digitalisation

Deliver service experiences that delight and empower our clients and financial advisers.



## 2. Enhance FundsAtWork

Growing competition in the umbrella funds' space is leading to increased pressure on margins. Winners will be organisations that operate at an efficient cost base, offering value for money and flexible umbrella solutions through exceptional client experience.



### 3. Improved use of data

Our focus and the opportunity we see in the market going forward is to understand our clients and members better, to improve price, service and management through data analytics.



1

We are a business with scale and a significant contributor to the Group

2

Through engagement-rich solutions, improve outcomes for all key stakeholders

3

On a digital journey to enhance stakeholder experience, while driving efficiencies

4

Leverage data analytics for more scientific underwriting, insights and claims management

5

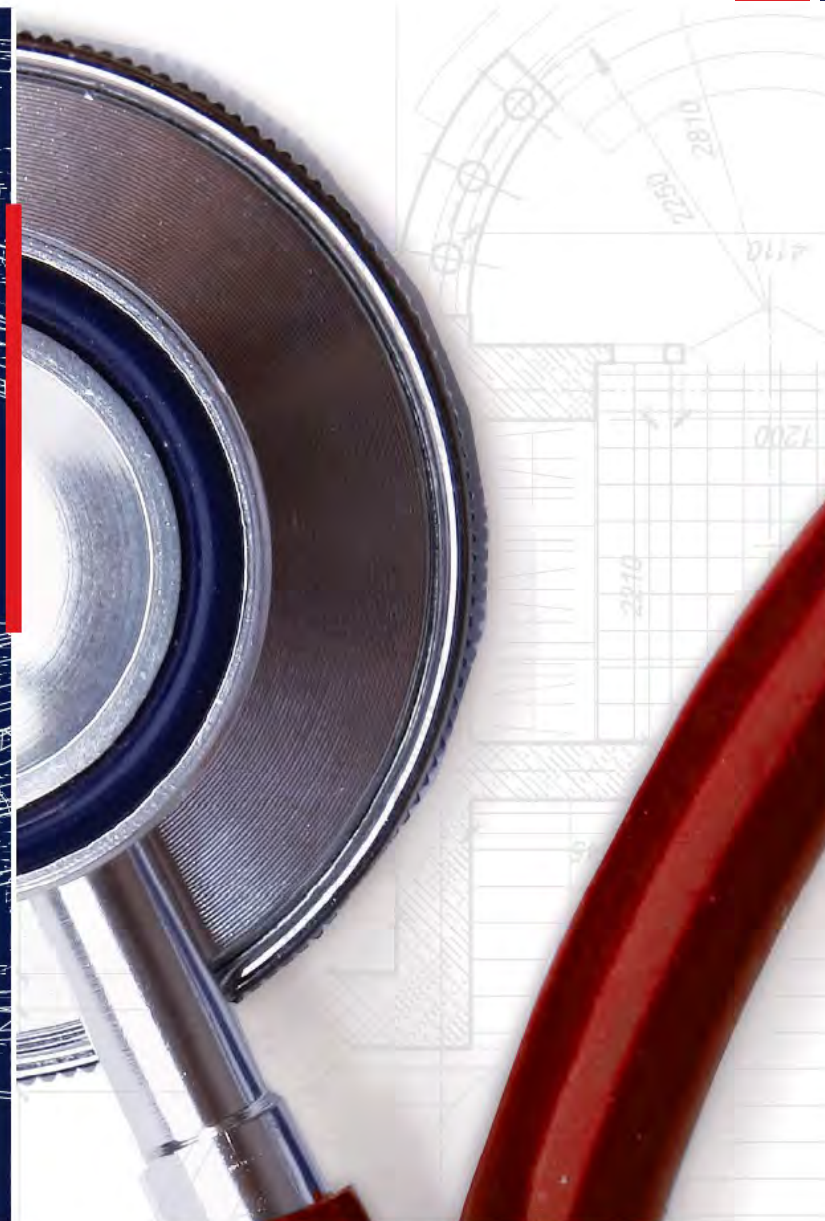
These efforts will help us achieve normalised headline earnings target of R500 million – R550 million by 2024



# Momentum Metropolitan Health Solutions: More health for more people for less

Hannes Viljoen  
CEO Health

Damian McHugh  
CMO Health





# Agenda

- 1 Transformation of our health business
  - 2 Innovation
  - 3 Digital capabilities
  - 4 Growing market share
  - 5 Conclusion
- 



# 1

Transformation of our  
health business

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Our purpose:

**More health for more  
South Africans for less**

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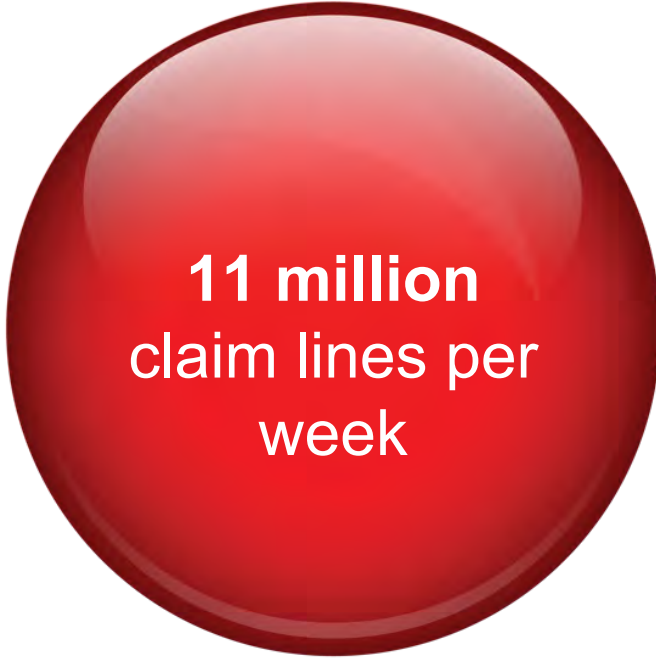
# The size of our health business



More than  
**2.5 million lives**



**R800 million**  
worth of claims  
paid weekly



**11 million**  
claim lines per  
week

# Transformation – Our family tree



## momentum health solutions



# 2

**Innovation:**  
A key to reinvent

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# Innovation – A key to reinvent



## More demanding

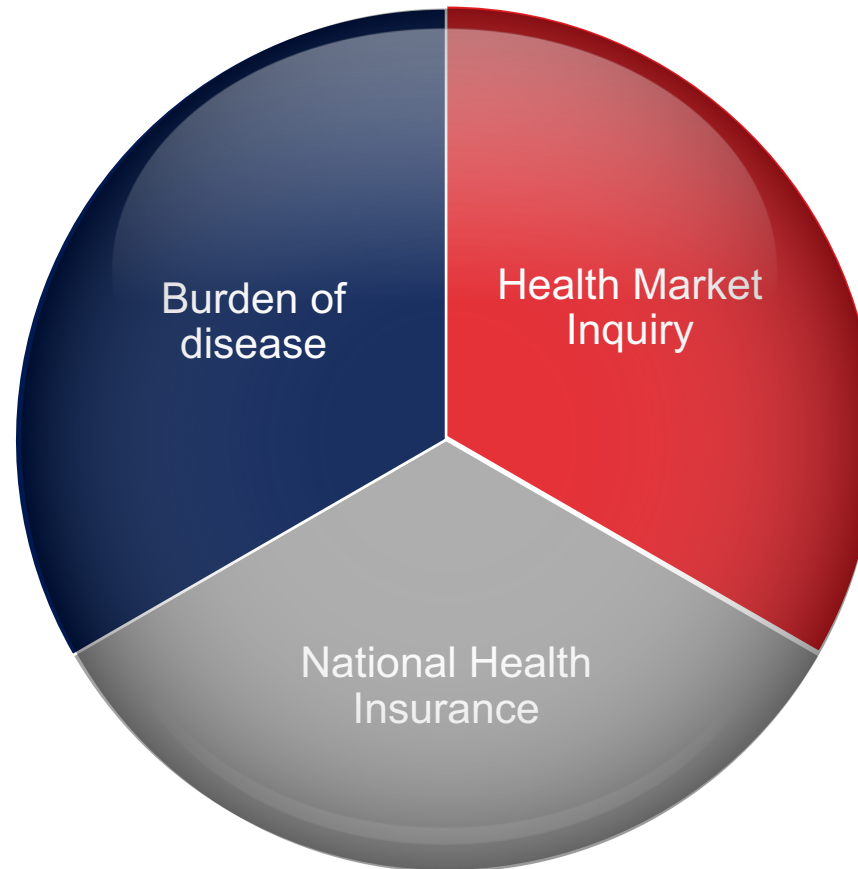
Increased expectations:  
convenience, flexibility  
and personalisation

## More self-indulgent

It's all about me

## More sophisticated

Emerging middle  
classes want smarter  
services



## More youth

Millennials have different  
needs and want to  
engage digitally

## More geriatrics

Ageing population needs  
access to medicines and  
care in the home

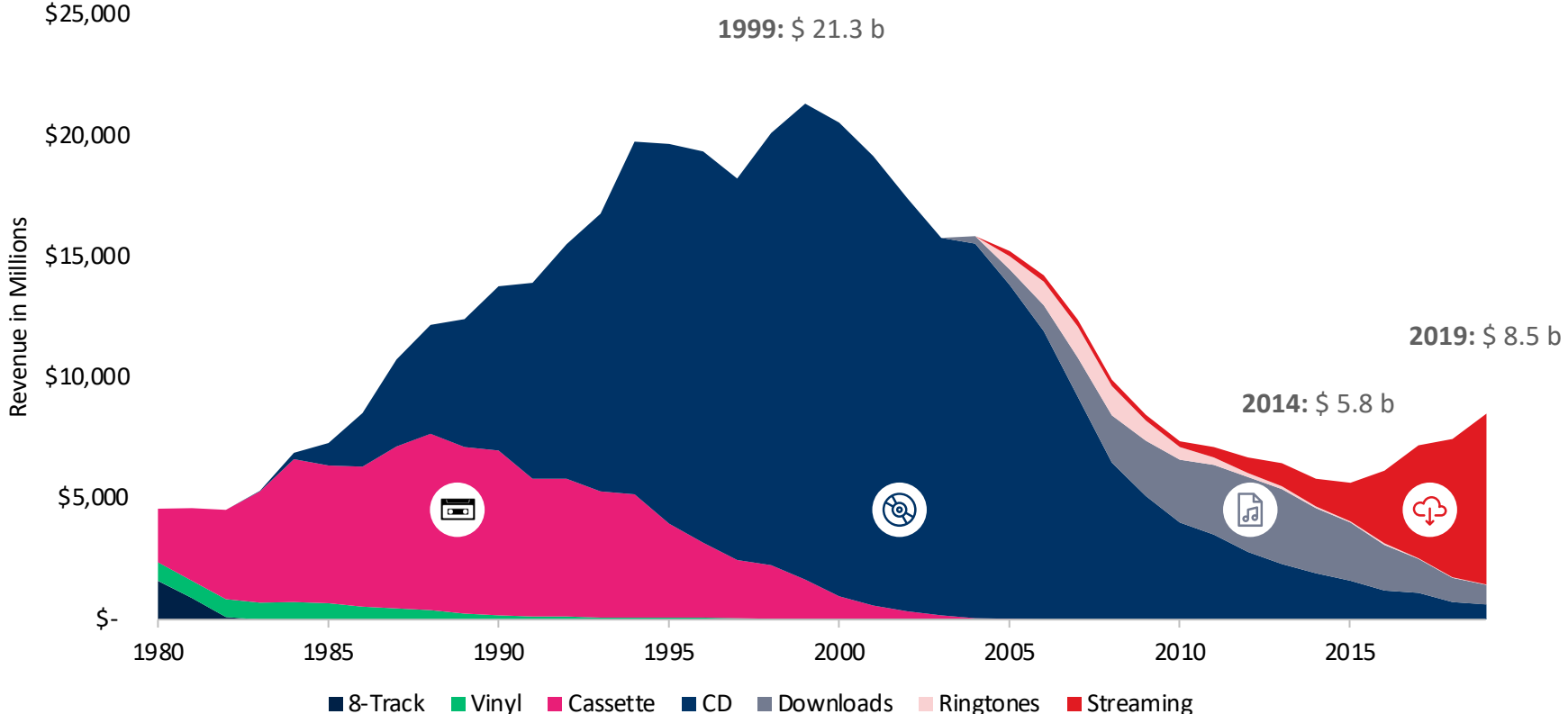
## More diverse

Global growth of women  
in the workforce

# Innovation – A key to reinvent



U.S. recorded music revenues from 1980 – 2019, by format (adjusted for inflation)



Source: Recording Industry Association of America (RIAA)



## Interesting stats on millennials

### What millennials purchase

**98%** smart phones

**64%** energy drinks

**54%** organic food

**50%** home

**40%** on tattoos

Check their phones

**150**

times a day

**90%**

of millennials will  
stay in a job for

**10 years**

**or more**

if it came with  
annual pay  
increases and  
career opportunities

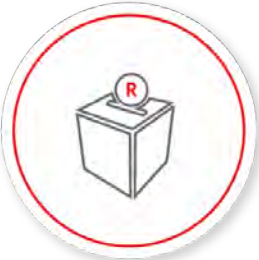
# Innovation – A key to reinvent



**Millennials:  
what do they want?**



# Innovation – A key to reinvent



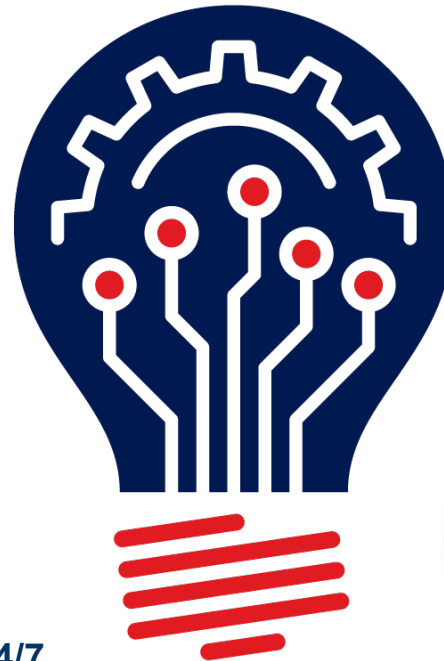
## **Flexible** solution for benefit design

- **62 993** HealthSaver accounts
- Average balance **R7 300**
- **R25 million** paid monthly



## Incentivising **behaviour** change

- **13 464** Members earn HealthReturns
- **R41.5 million** HealthReturns paid in 2020
- Average earning **R300** per month



## A **doctor** in your pocket

- Access to **care**, anywhere anytime **24/7**
- **1.2 million** users
- **5x more** than any other provider
- 7/10 calls **resolved** not needing face-to-face intervention



## Covering the employed **uninsured** in South Africa

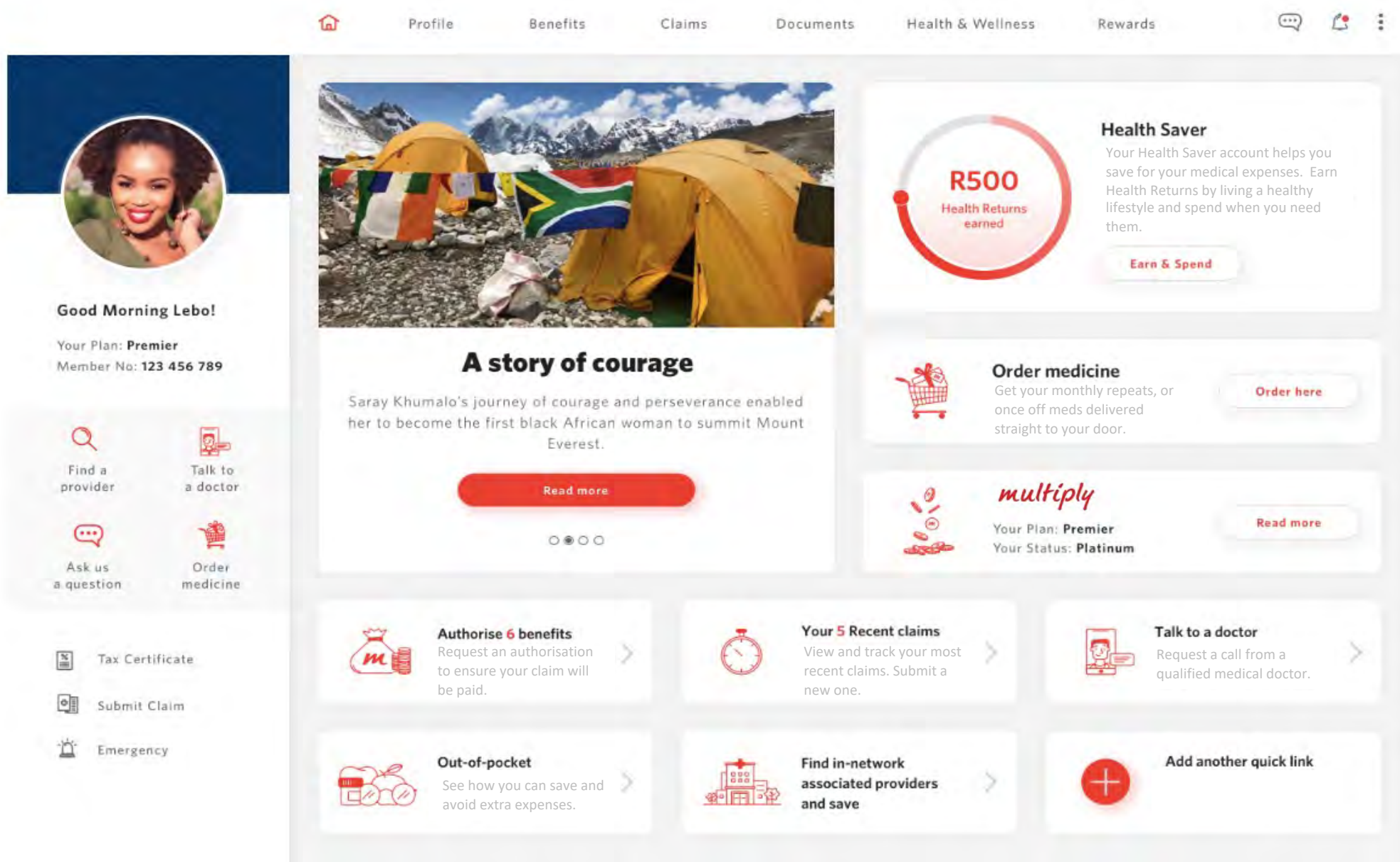
- Over **100 000** members getting cover
- Average premium **R260** per month
- Growth in this market

# 3

**Digital capabilities:**  
Creating compelling client engagement


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The screenshot displays a user's digital health dashboard. At the top, a navigation bar includes icons for Home, Profile, Benefits, Claims, Documents, Health & Wellness, and Rewards, along with communication and settings icons. The user's profile is on the left, featuring a circular photo of a woman, a greeting 'Good Morning Lebo!', and details for 'Your Plan: Premier' and 'Member No: 123 456 789'. Below the profile are four quick-action buttons: 'Find a provider', 'Talk to a doctor', 'Ask us a question', and 'Order medicine'. A central featured article titled 'A story of courage' describes Saray Khumalo's achievement of becoming the first black African woman to summit Mount Everest, with a 'Read more' button and a progress indicator. To the right, a 'Health Saver' section shows 'R500 Health Returns earned' and an 'Earn & Spend' button. Below this is an 'Order medicine' section with a shopping cart icon, a description of monthly repeats, and an 'Order here' button. The 'multiply' section displays the user's 'Premier' plan and 'Platinum' status, with a 'Read more' button. The bottom of the dashboard is a grid of six service tiles: 'Authorise 6 benefits' (requesting claim authorization), 'Your 5 Recent claims' (viewing and tracking claims), 'Talk to a doctor' (requesting a medical call), 'Out-of-pocket' (exploring savings options), 'Find in-network associated providers and save' (locating providers), and 'Add another quick link' (represented by a plus sign).


Home Profile Benefits Claims Documents Health & Wellness Rewards





**Good Morning Lebo!**


Your Plan: **Premier**  
Member No: 123 456 789

 Find a provider

 Talk to a doctor

 Ask us a question

 Order medicine



**A story of courage**

Saray Khumalo's journey of courage and perseverance enabled her to become the first black African woman to summit Mount Everest.


[Read more](#)

**Health Saver**

Your Health Saver account helps you save for your medical expenses. Earn Health Returns by living a healthy lifestyle and spend when you need them.


**R500**  
Health Returns earned

[Earn & Spend](#)

 **Order medicine**


Get your monthly repeats, or once off meds delivered straight to your door.

[Order here](#)


 **multiply**

Your Plan: **Premier**  
Your Status: **Platinum**


[Read more](#)

 **Authorise 6 benefits**


Request an authorisation to ensure your claim will be paid.

 **Your 5 Recent claims**


View and track your most recent claims. Submit a new one.


 **Talk to a doctor**


Request a call from a qualified medical doctor.


 **Out-of-pocket**


See how you can save and avoid extra expenses.

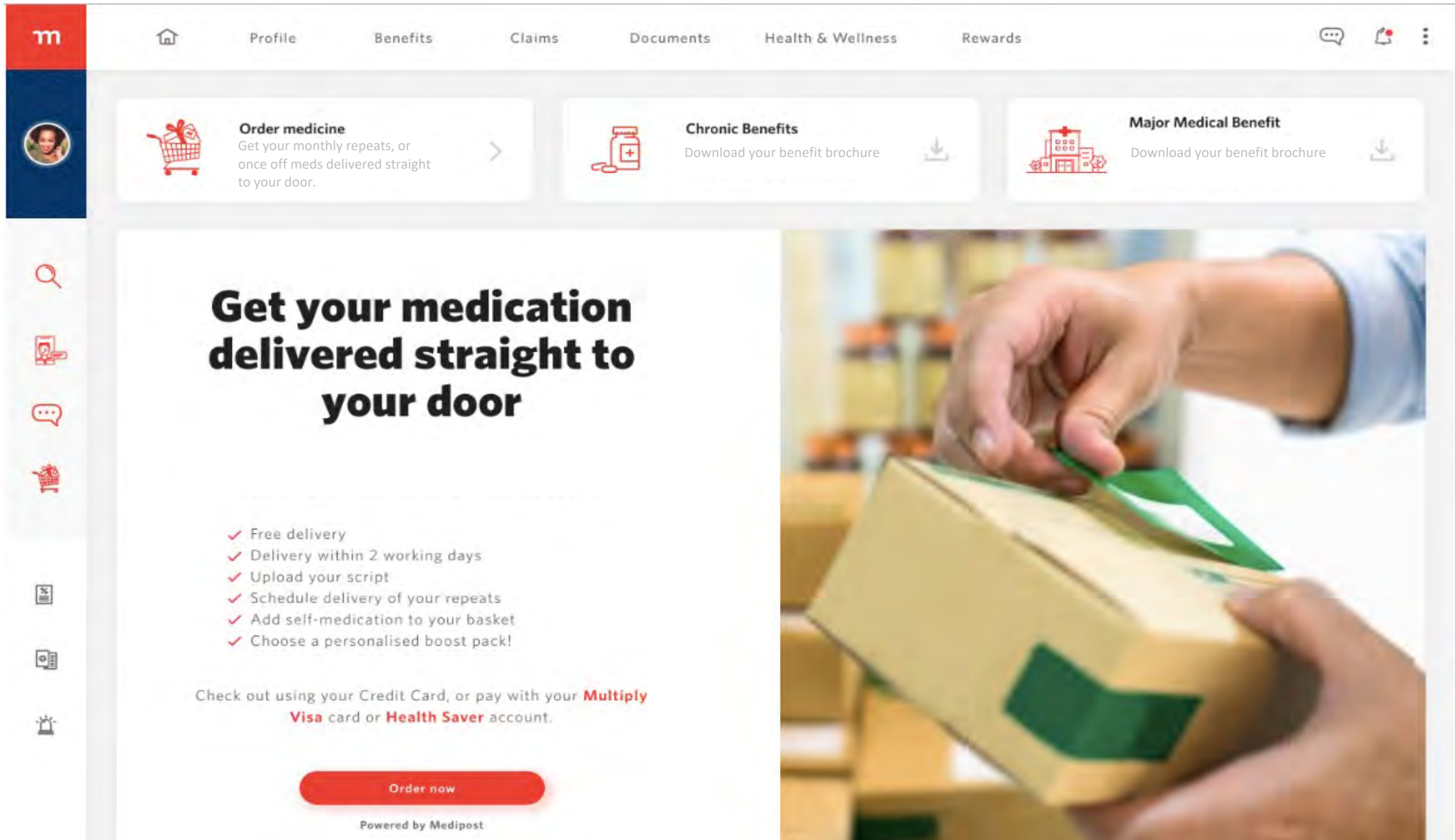
 **Find in-network associated providers and save**

 **Add another quick link**

 Tax Certificate

 Submit Claim

 Emergency



The screenshot shows a user interface for a digital health application. At the top, there is a navigation bar with a home icon, a profile icon, and menu items for Profile, Benefits, Claims, Documents, Health & Wellness, and Rewards. On the right side of the navigation bar are icons for chat, notifications, and a menu. Below the navigation bar is a user profile section with a circular profile picture. The main content area features three cards: 'Order medicine' with a shopping cart icon and a right arrow, 'Chronic Benefits' with a pill bottle icon and a download icon, and 'Major Medical Benefit' with a hospital icon and a download icon. A large central banner promotes medication delivery with the headline 'Get your medication delivered straight to your door'. To the left of the banner is a vertical sidebar with icons for search, a tablet with a pill, chat, a shopping cart, a calendar, a document, and a notification bell. The banner text includes a list of benefits: 'Free delivery', 'Delivery within 2 working days', 'Upload your script', 'Schedule delivery of your repeats', 'Add self-medication to your basket', and 'Choose a personalised boost pack!'. Below the list, it says 'Check out using your Credit Card, or pay with your Multiply Visa card or Health Saver account.' and features a red 'Order now' button. At the bottom of the banner, it says 'Powered by Medipost'. To the right of the banner is a photograph of a person's hands holding a cardboard box with a green ribbon, set against a background of a pharmacy or warehouse.

**m**

Home Profile Benefits Claims Documents Health & Wellness Rewards

Profile

**Order medicine**  
Get your monthly repeats, or once off meds delivered straight to your door.

**Chronic Benefits**  
Download your benefit brochure

**Major Medical Benefit**  
Download your benefit brochure

## Get your medication delivered straight to your door

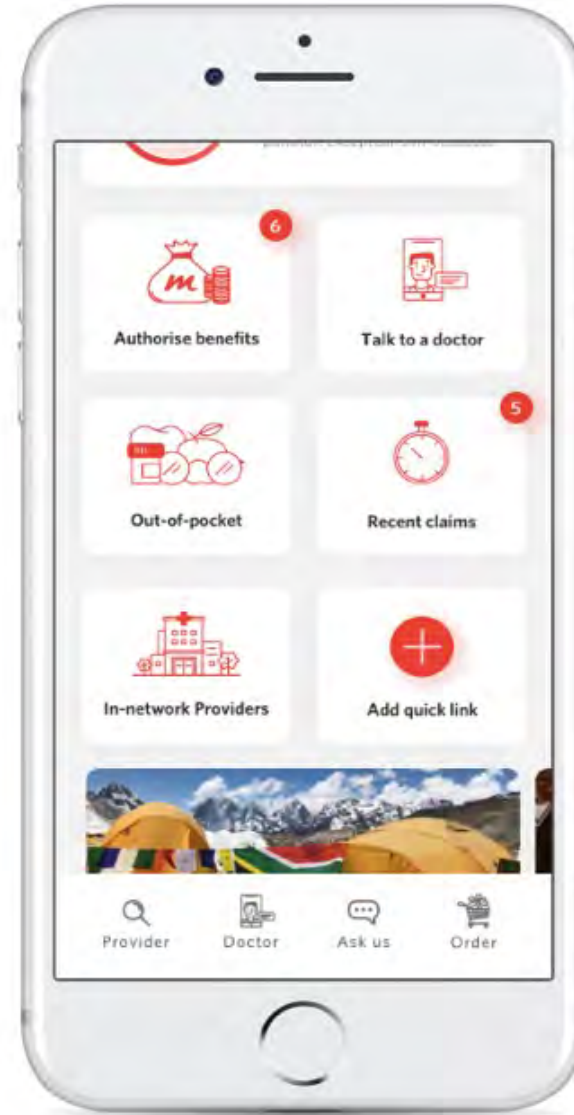
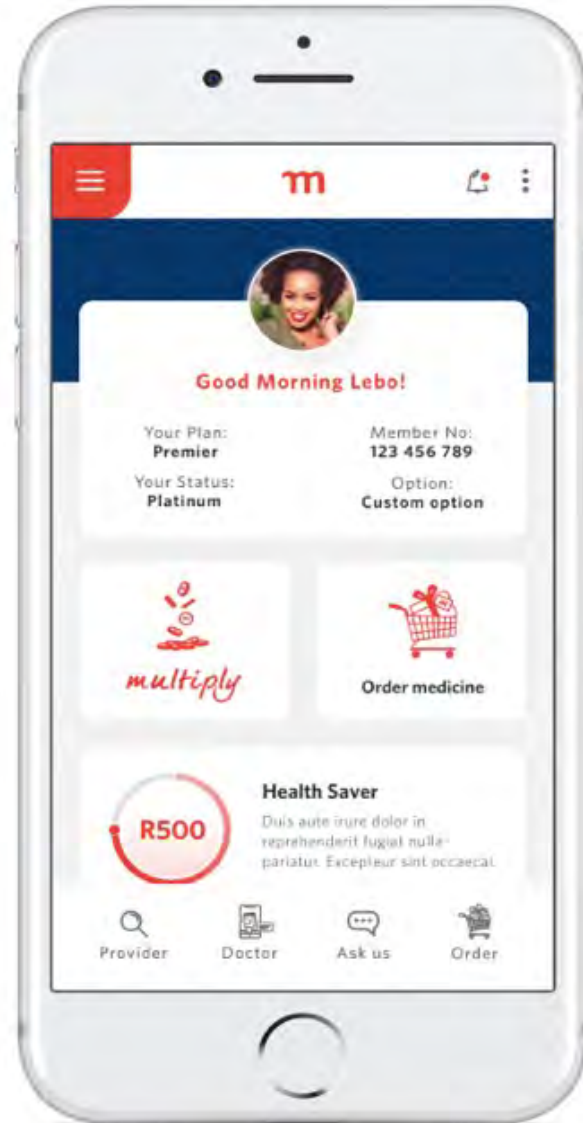
- ✓ Free delivery
- ✓ Delivery within 2 working days
- ✓ Upload your script
- ✓ Schedule delivery of your repeats
- ✓ Add self-medication to your basket
- ✓ Choose a personalised boost pack!

Check out using your Credit Card, or pay with your **Multiply Visa** card or **Health Saver** account.

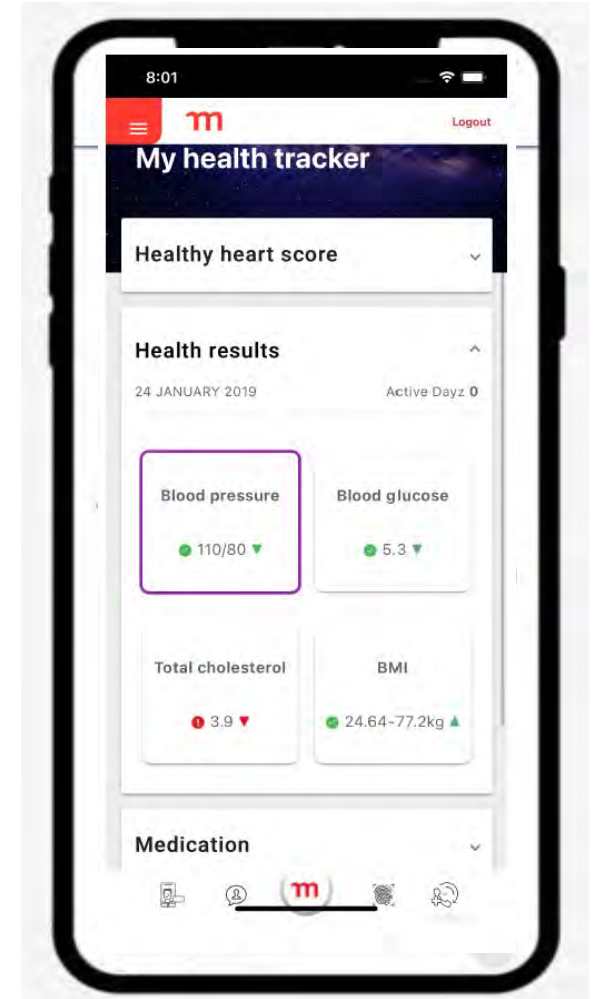
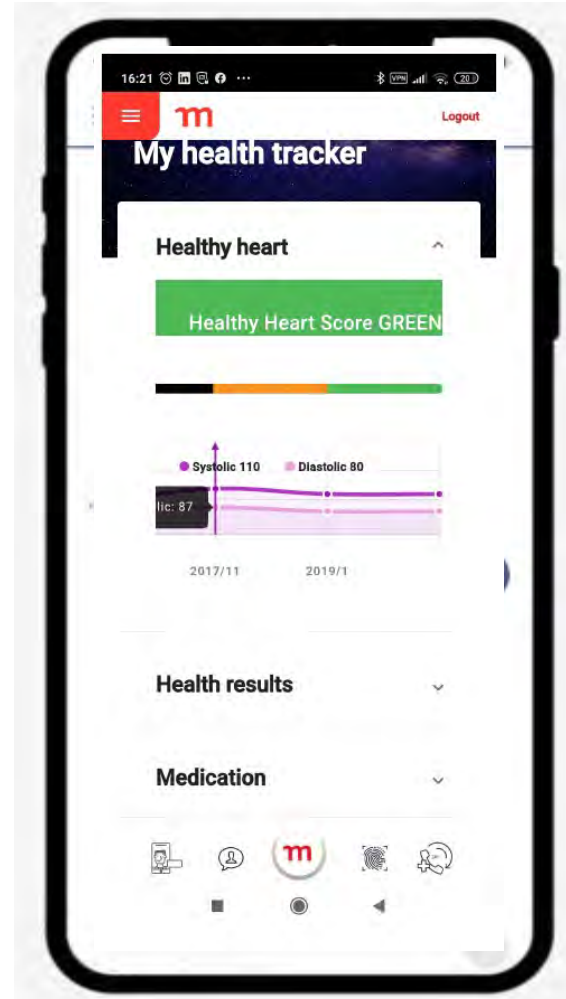
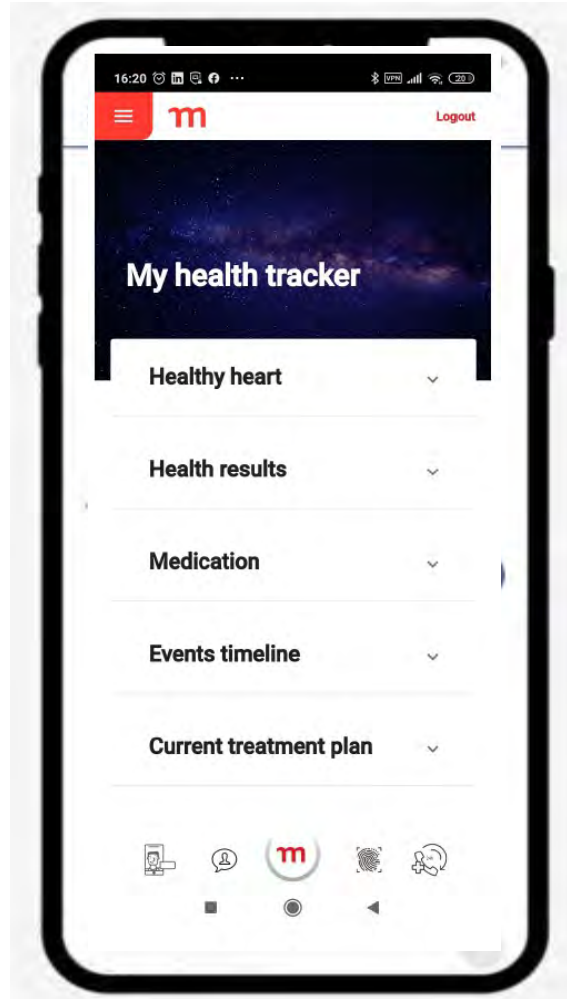
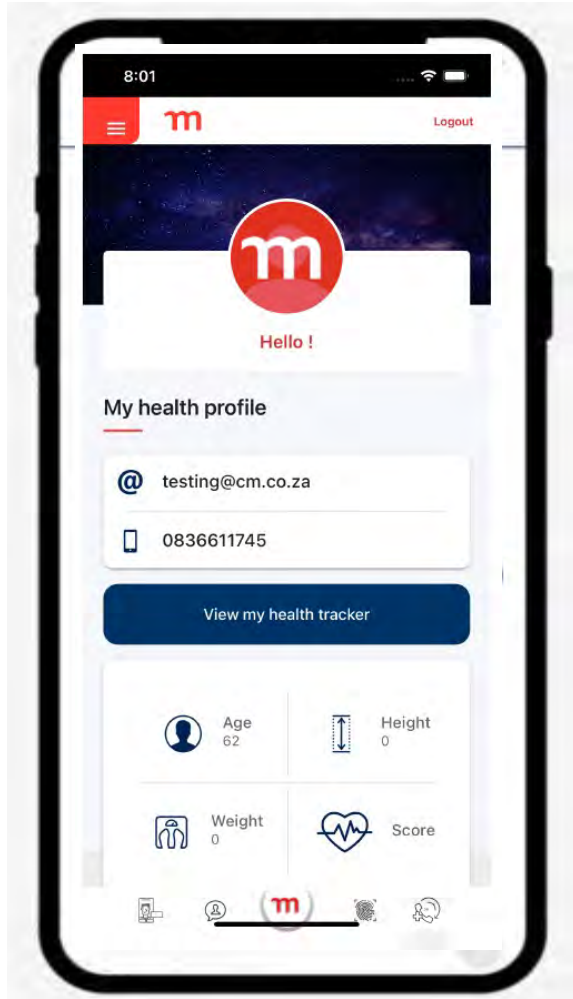
**Order now**

Powered by Medipost

# Digital capabilities

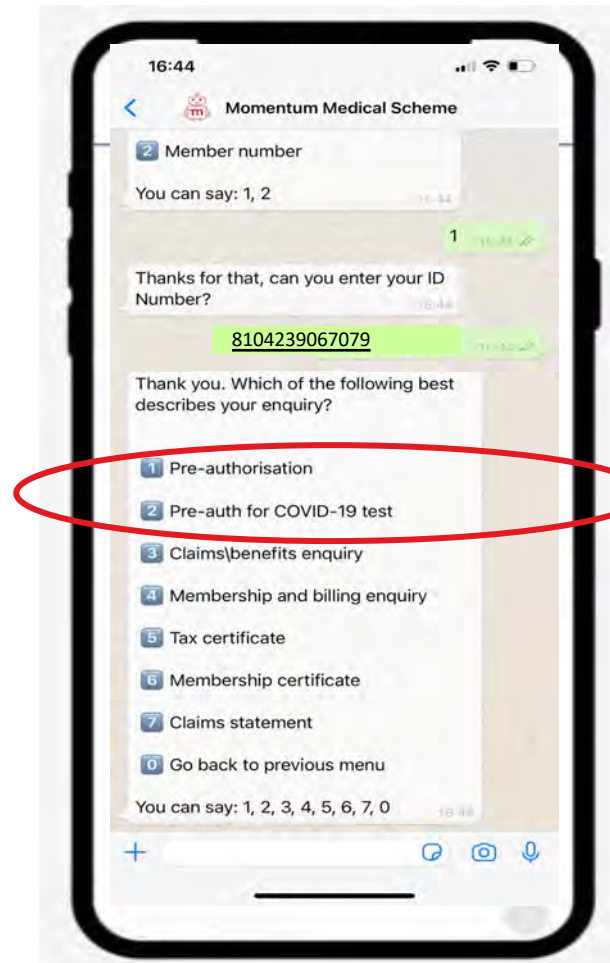
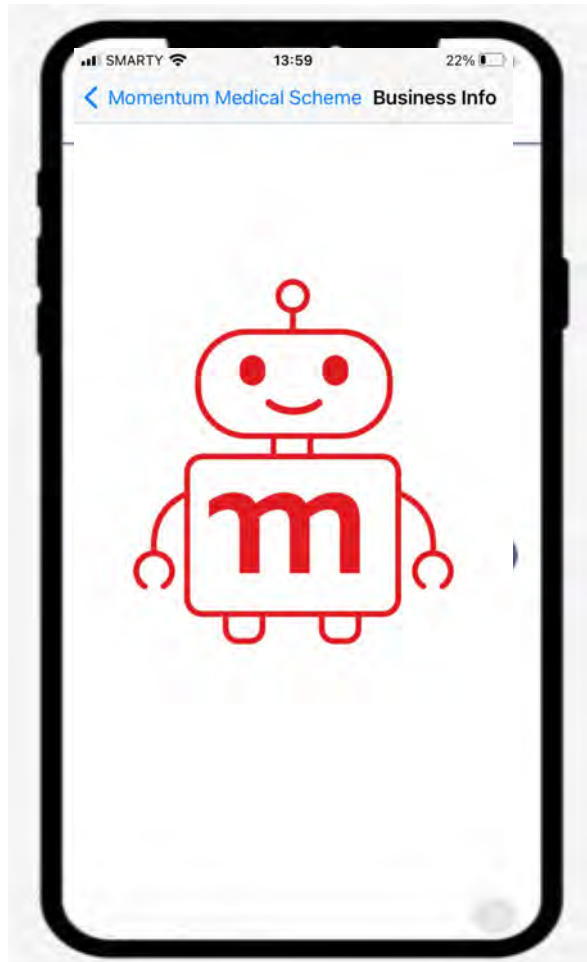


# Digital capabilities





# Digital capabilities



**New:**  
Members can now get all their pre-authorisation including a Covid-19 test via WhatsApp

# 4

Growing market share

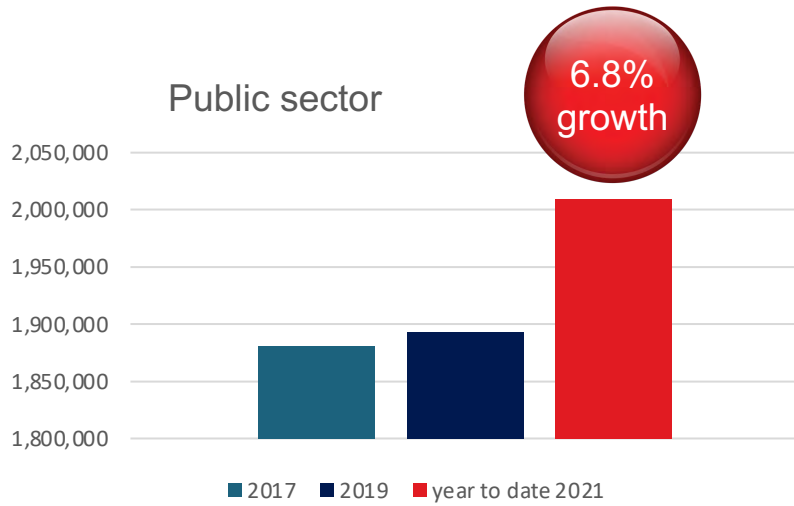
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# Market share and growth



## Administration – beneficiaries



**Market share:**  
**72%**



**Market share:**  
**7%**

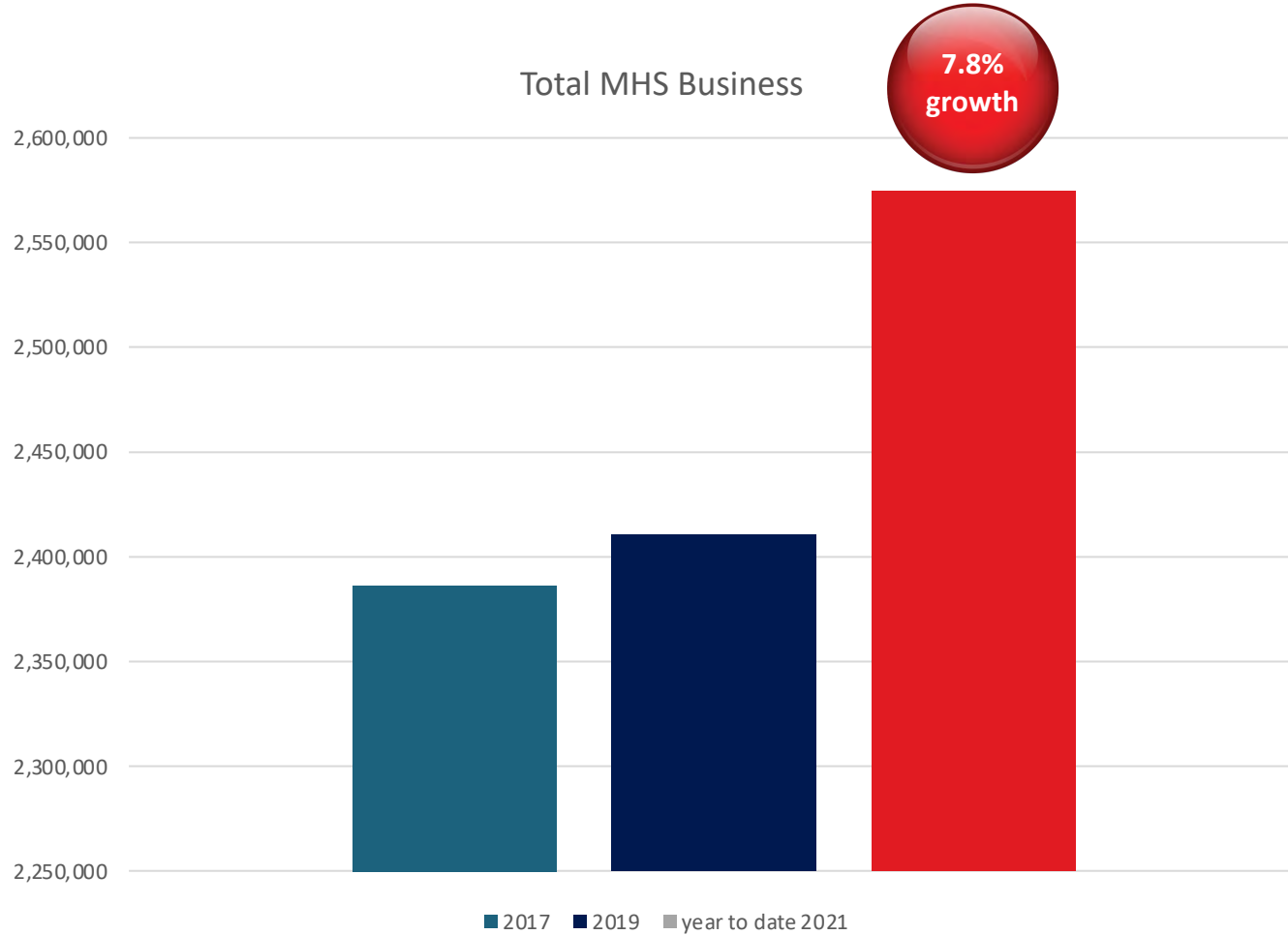


**Market share:**  
**18%**

# Market share and growth



## Administration – beneficiaries



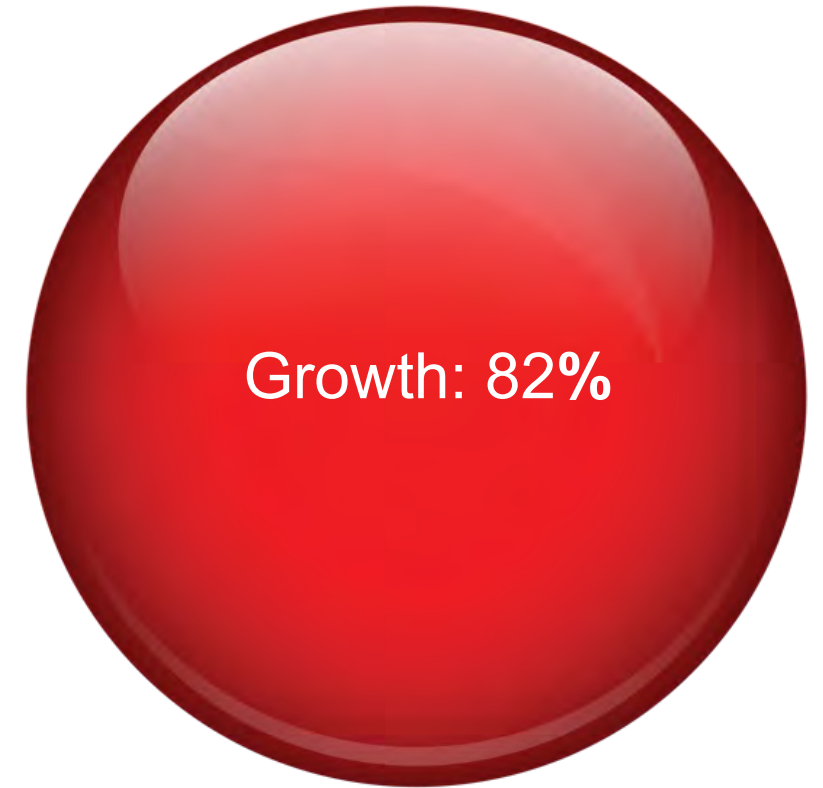
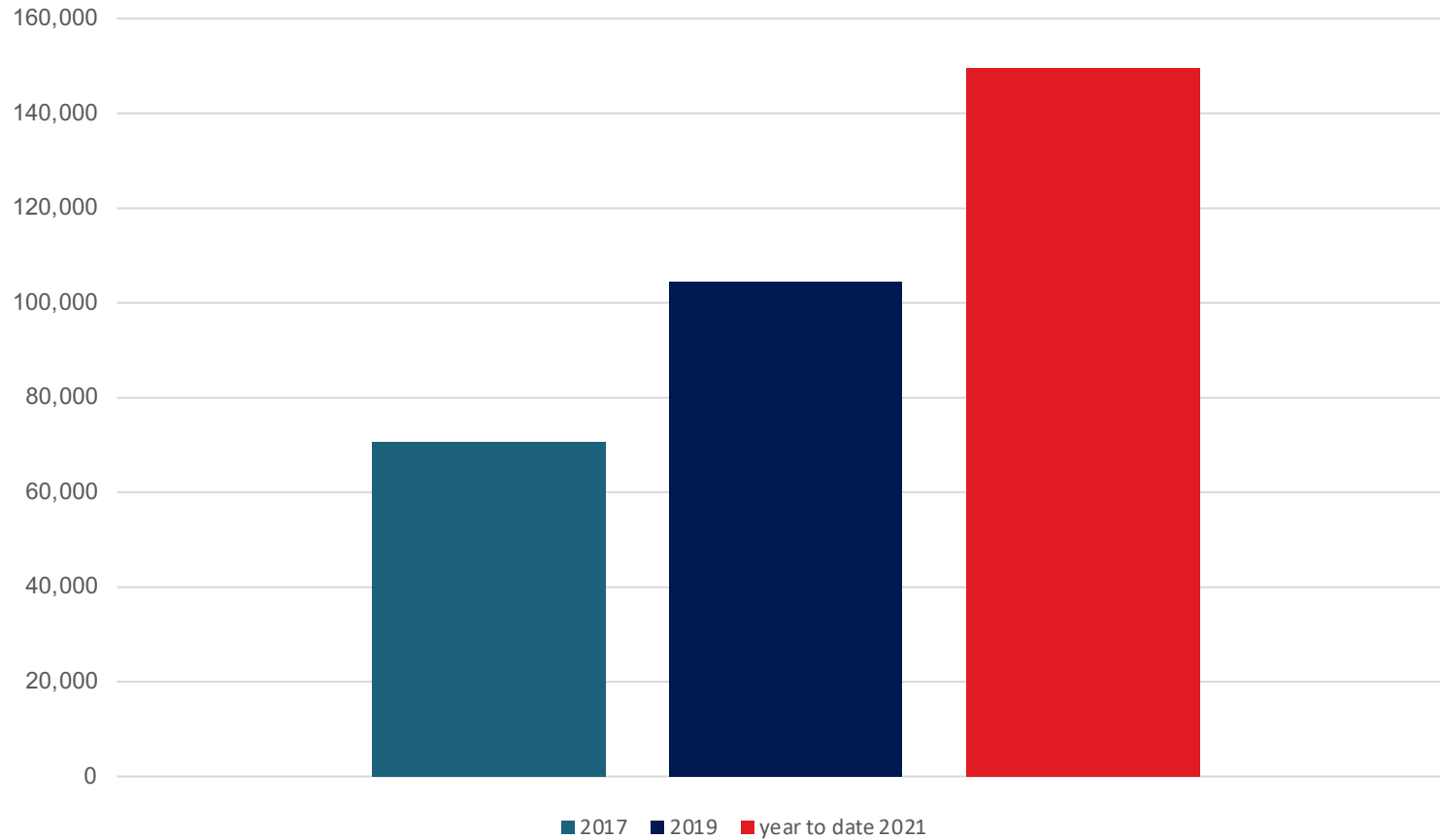
Data as reported in the CMS Sept 2020 report with altered Public and Restricted split

### Outperforming growth in mature market

Data as reported in the CMS Sept 2020 report with altered Public and Restricted split

# Growth in health insurance

Health4Me – Health insurance



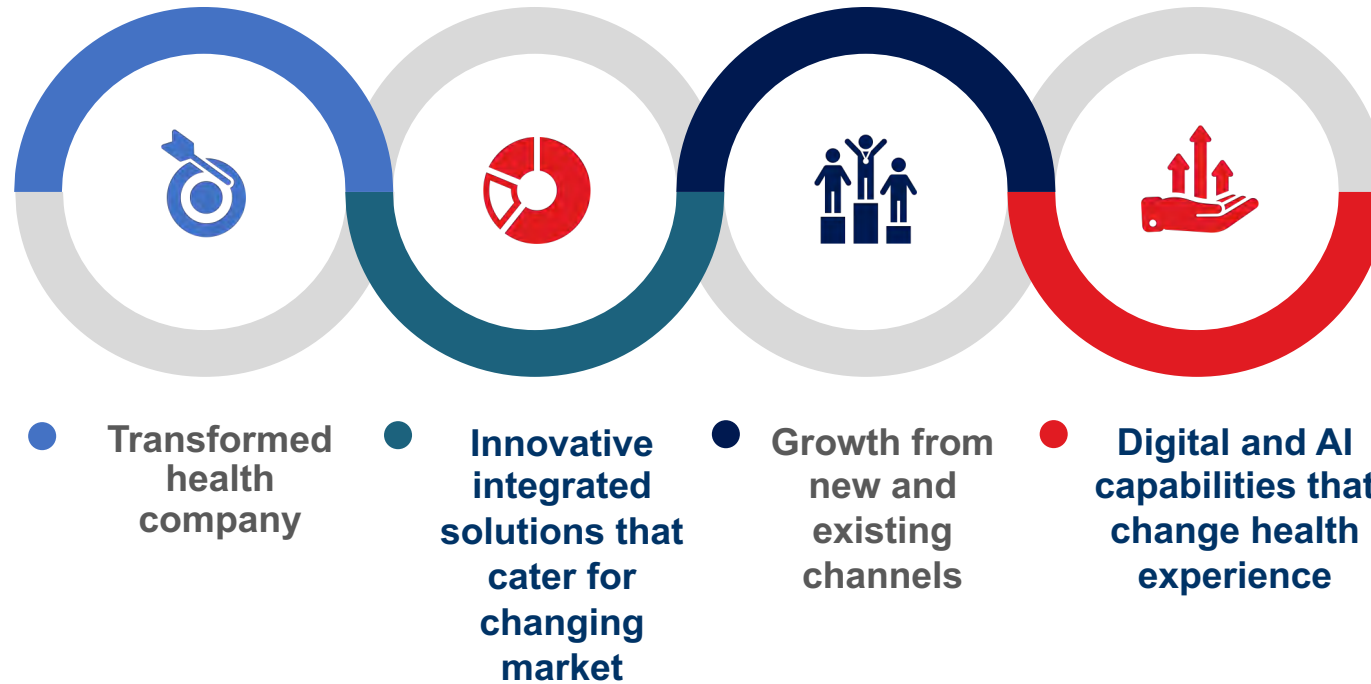
Diversification into new markets

# 5

Conclusion

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So much more than administration

Sadly what we see in this mature non-growing market is:

**Less health for  
South Africans for more**

Our purpose:

**More health for more  
South Africans for less**

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# Momentum retail: Embracing advice-led distribution

Jeanette Marais  
Group Deputy Chief Executive Officer



## Where were we three years ago?

m



*“Winning back independent financial adviser support and market share will prove that we have fixed our business.”*

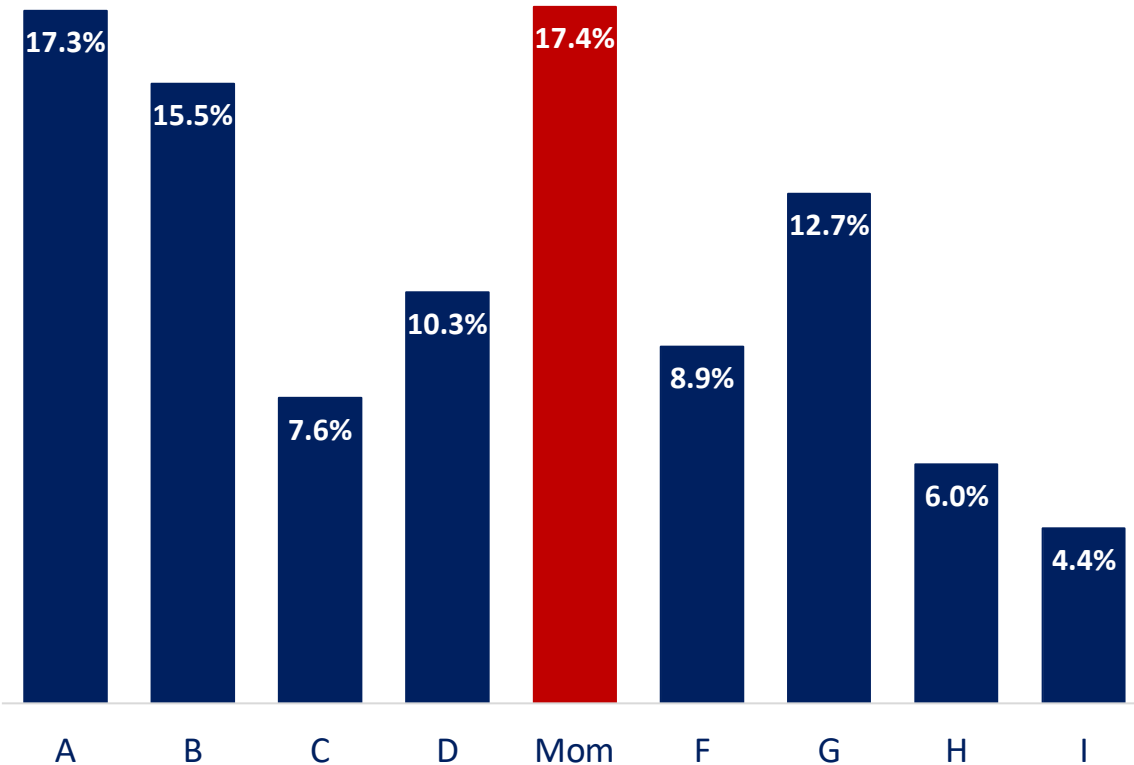
**Hillie Meyer**

2018

# Winning back market share with independent financial advisers



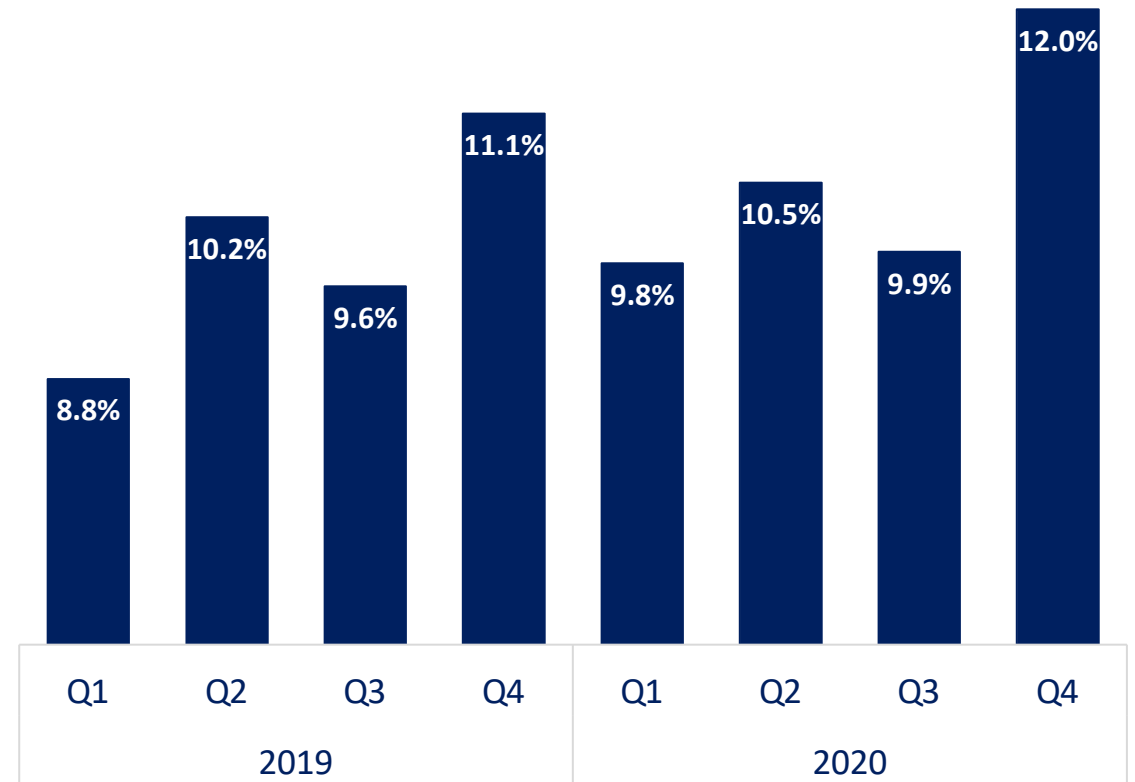
## Myriad



Reclaiming our position as market leader

Source: NMG

## Wealth platform



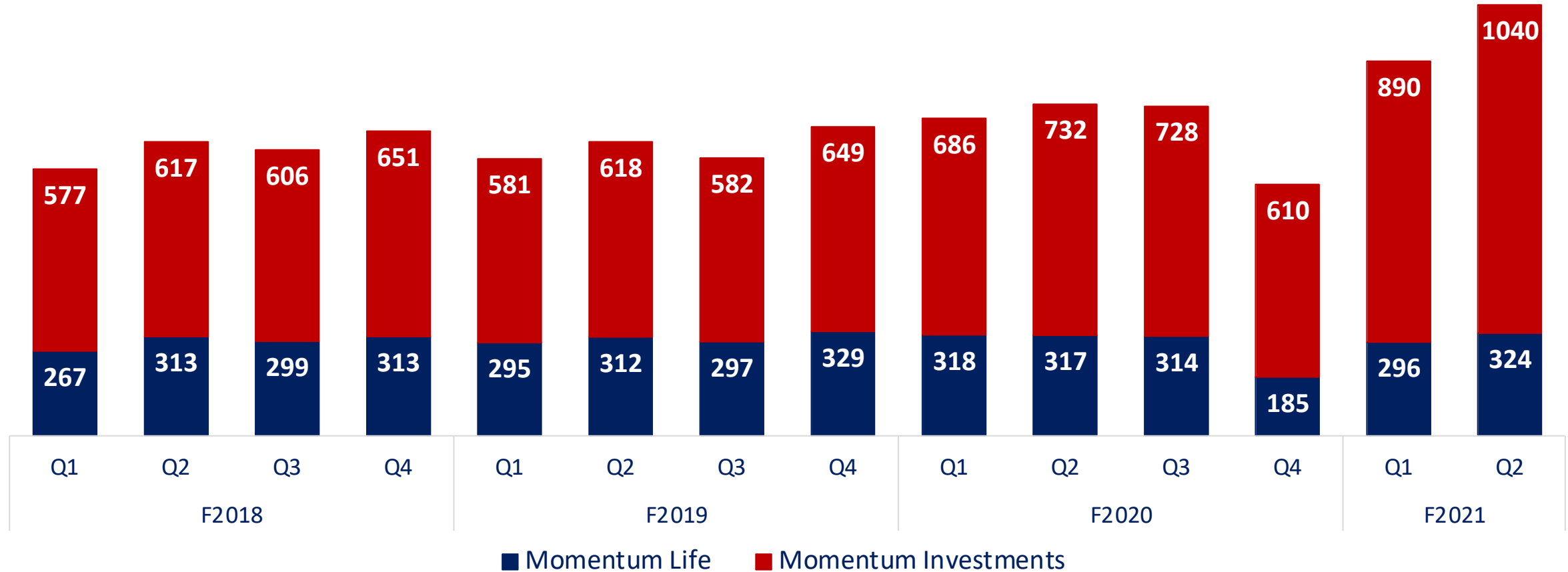
More than 3% market share gain in two years

Source: ASISA Q4 2020

# Double digit Annual Premium Equivalent (APE) growth



R million



**Momentum Investments compound half-yearly rate of 8.3% (F18H1-F21H1)**

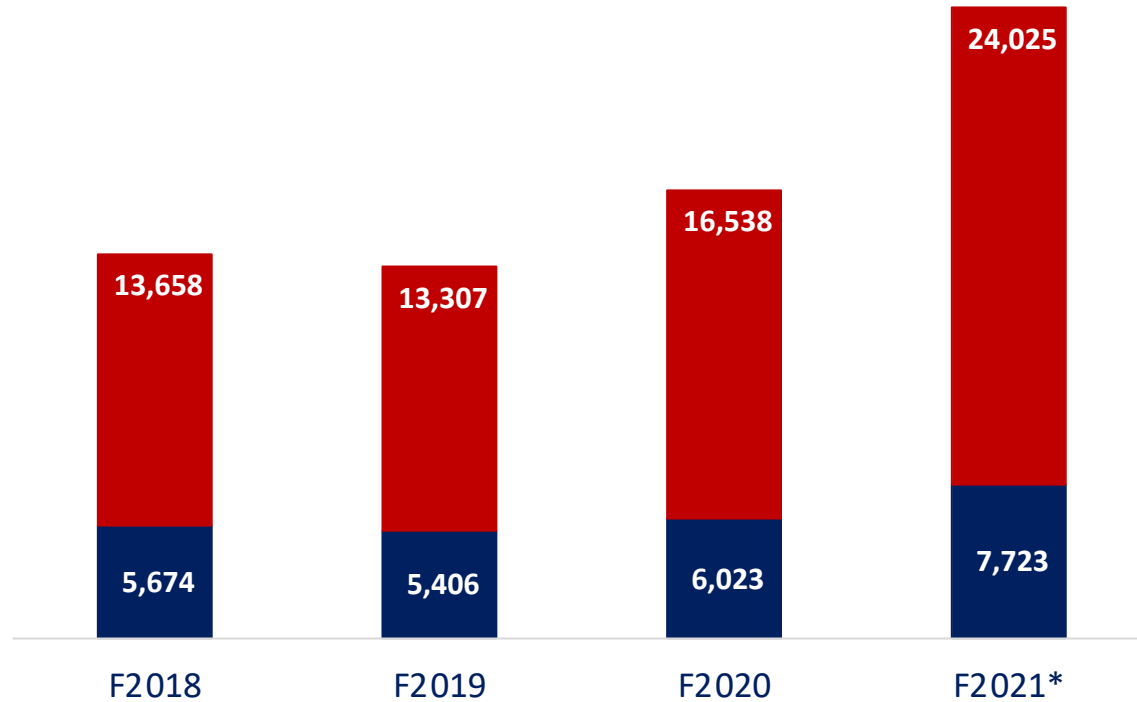
**Momentum Life compound half-yearly rate of 1.1% (F18H1-F21H1)**

# Momentum Investments



## Momentum Wealth and Wealth International

R million



\* F2021 annualised

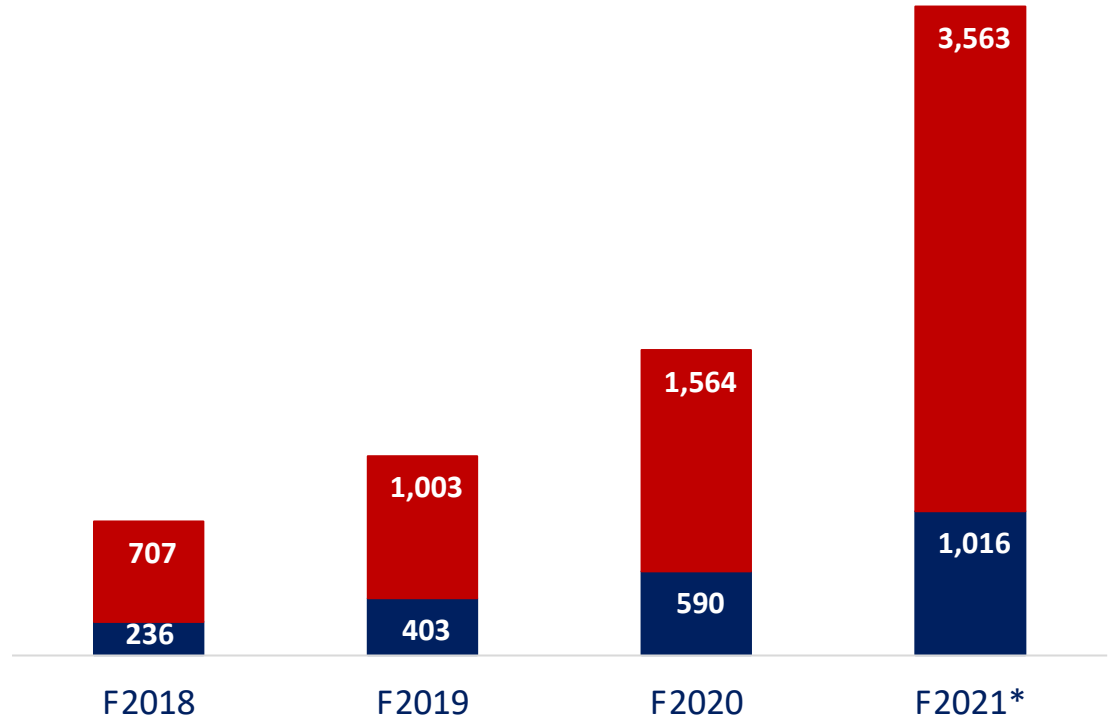
■ MFP ■ MDS

MFP compound annual growth of 10.8%

MDS compound annual growth of 20.7%

## Life and Guaranteed Annuities

R million

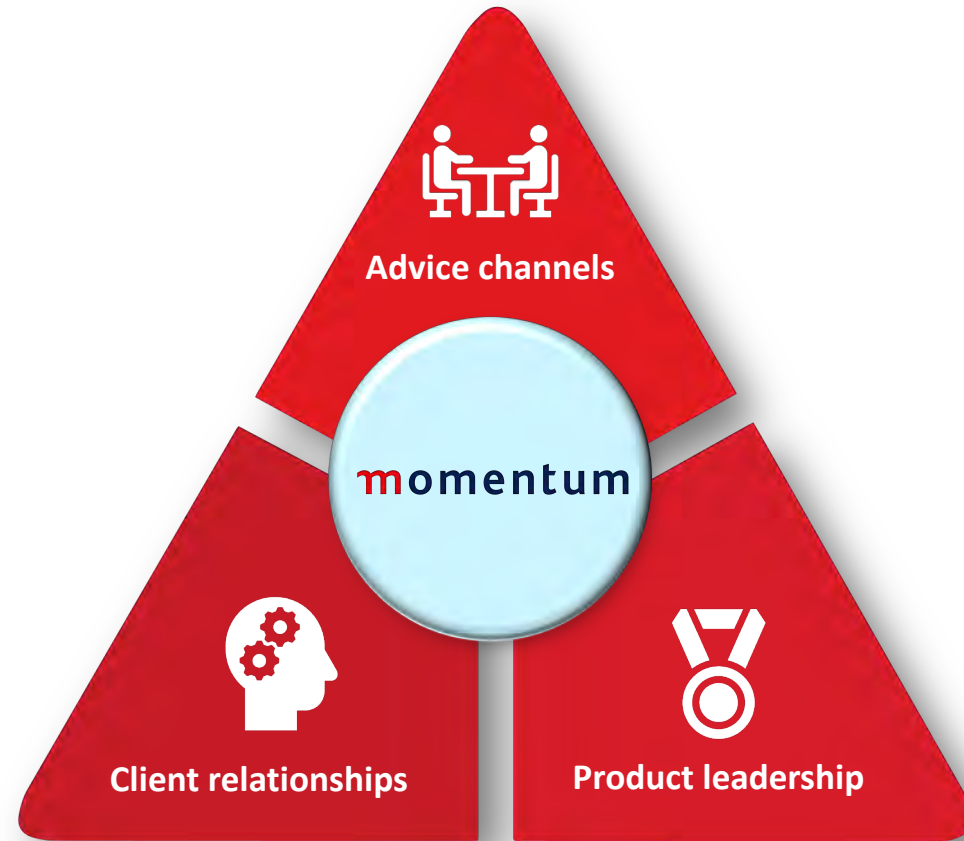


\* F2021 annualised

■ MFP ■ MDS

MFP compound annual growth of 62.7%

MDS compound annual growth of 71.5%



**Evolution from adviser-led to advice-led supported by digital transformation**

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**Maximising the lifetime value of the client**

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**Product houses are integral to advice value chain**

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# Our strategic response: REINVENT and GROW



Channel focus

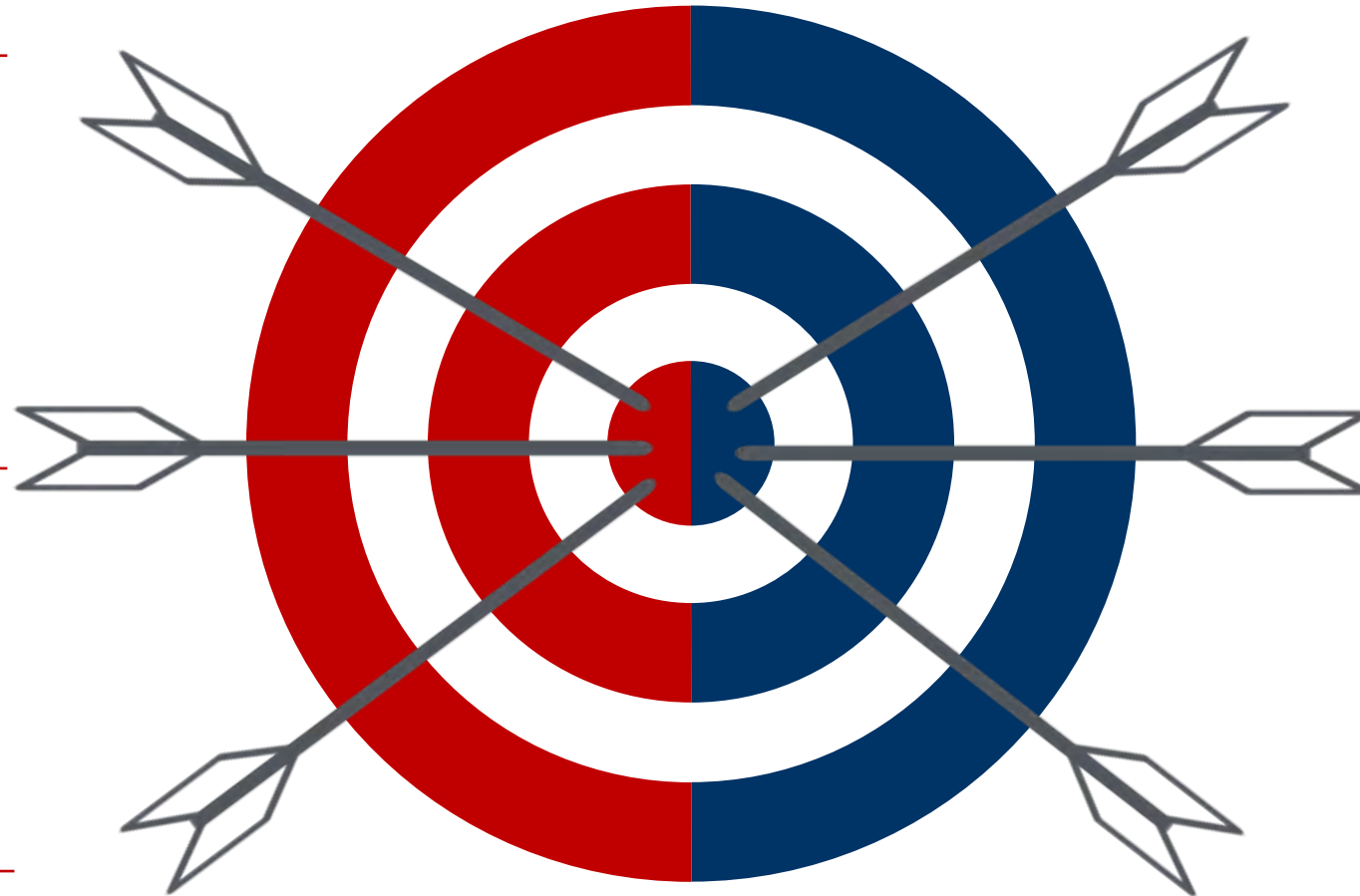
Product leadership

Digital processing  
and service model

Finding growth

Legacy and IT reset

Reporting and analytics



**Brand and culture**



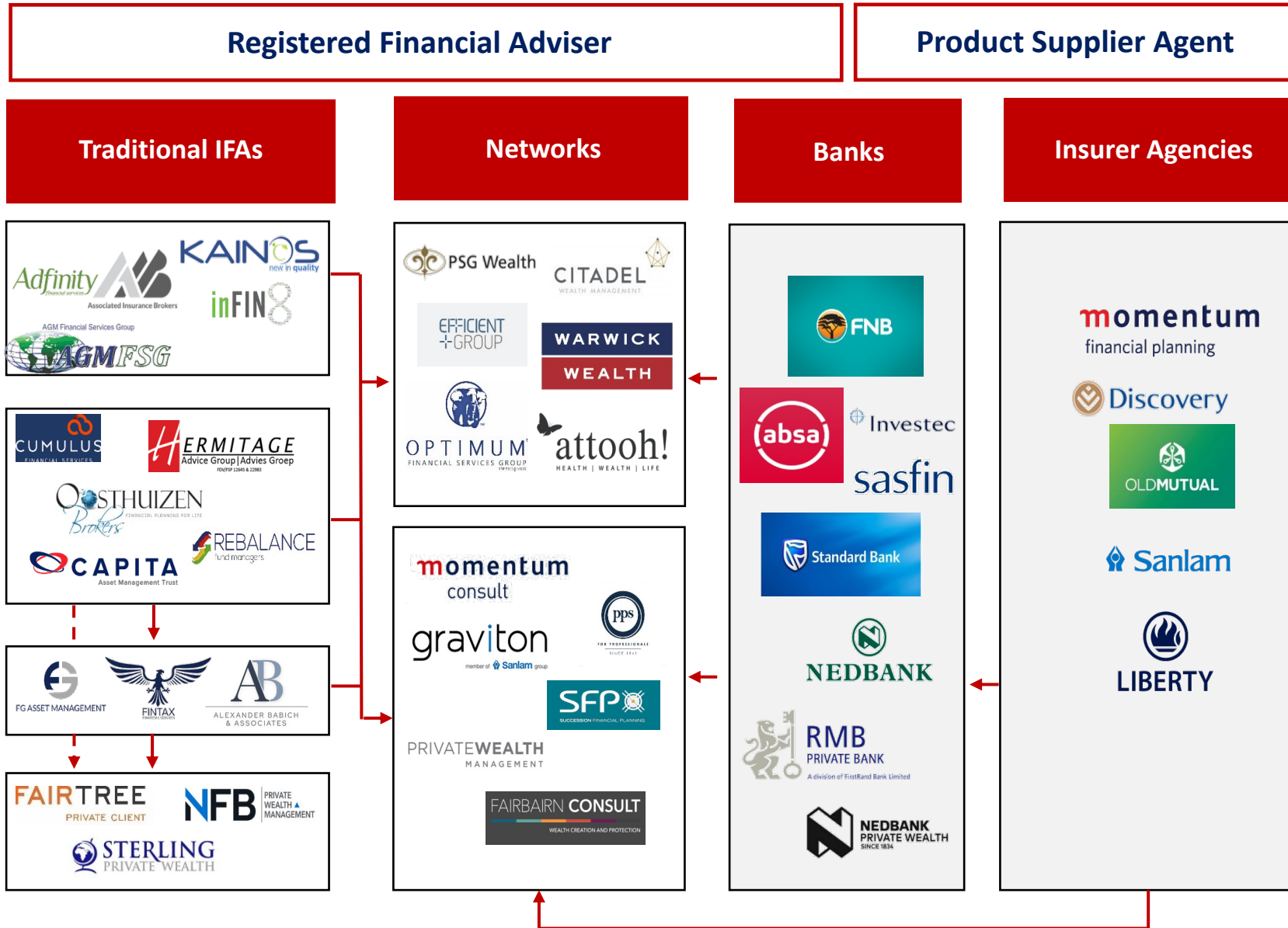
## Channel focus

Delivering advice through strong channels





# Advice landscape in South Africa is evolving



Momentum competes across the entire landscape

Need for segmentation and specialisation

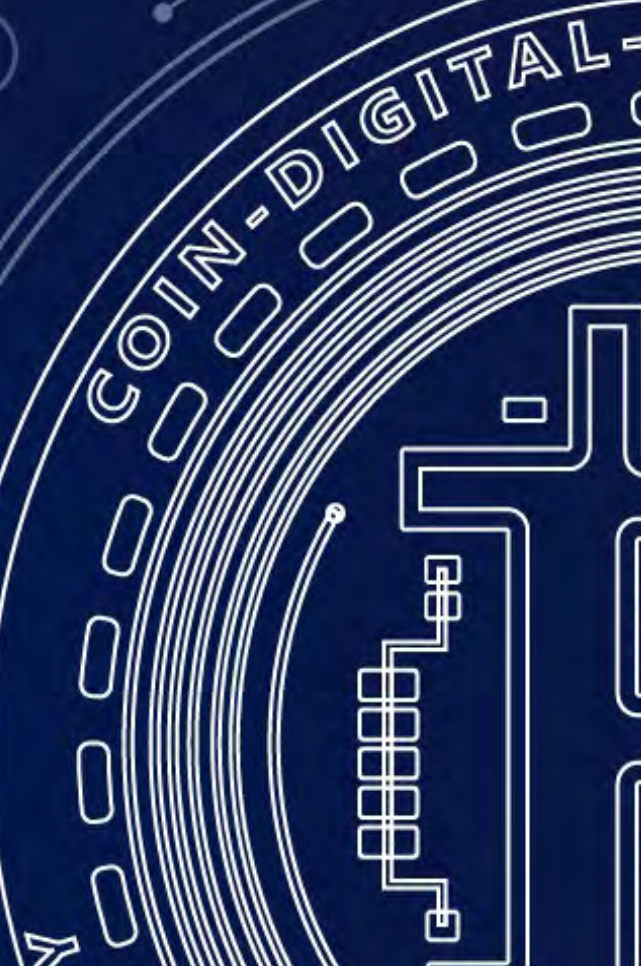
Vertically integrated advice models



# Momentum Financial Planning

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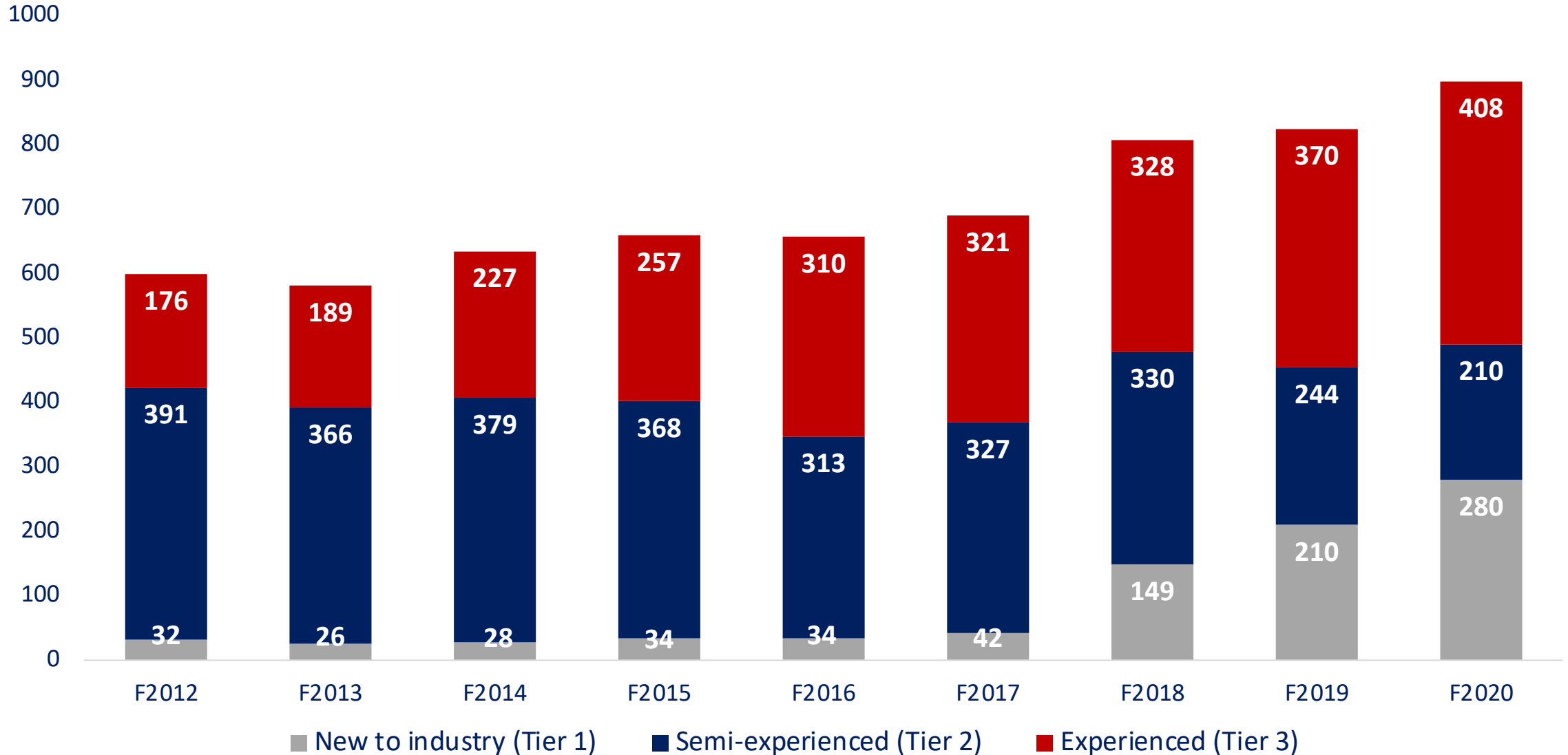
Advice-led agency of the future



# Momentum Financial Planning footprint growth



Number of planners



# Momentum Financial Planning strategic objectives



## Footprint growth (attract and retain)

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Transform planner footprint - expand target market  
Business continuity partnerships  
Career in financial planning



## Give planners the right knowledge, skills, tools & solutions

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Momentum Institute of Financial Planning  
Vertical integration

- Integrated financial planning tools
- Advice-led capabilities



## Put planners in front of more clients

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Demand generation  
Open new lead sources  
Business continuity partnerships  
Retailisation

# Agency of the future

Strategic focus on channels



**Contracted  
channel**

**I-Channel**  
Experienced advisers

**Employed  
channel**

**Red-Channel**  
New-to-industry advisers

**Franchise  
channel**

**M-Channel**  
Experienced and new-to-industry  
advisers

**Business continuity partnerships**

**Vertical integration**



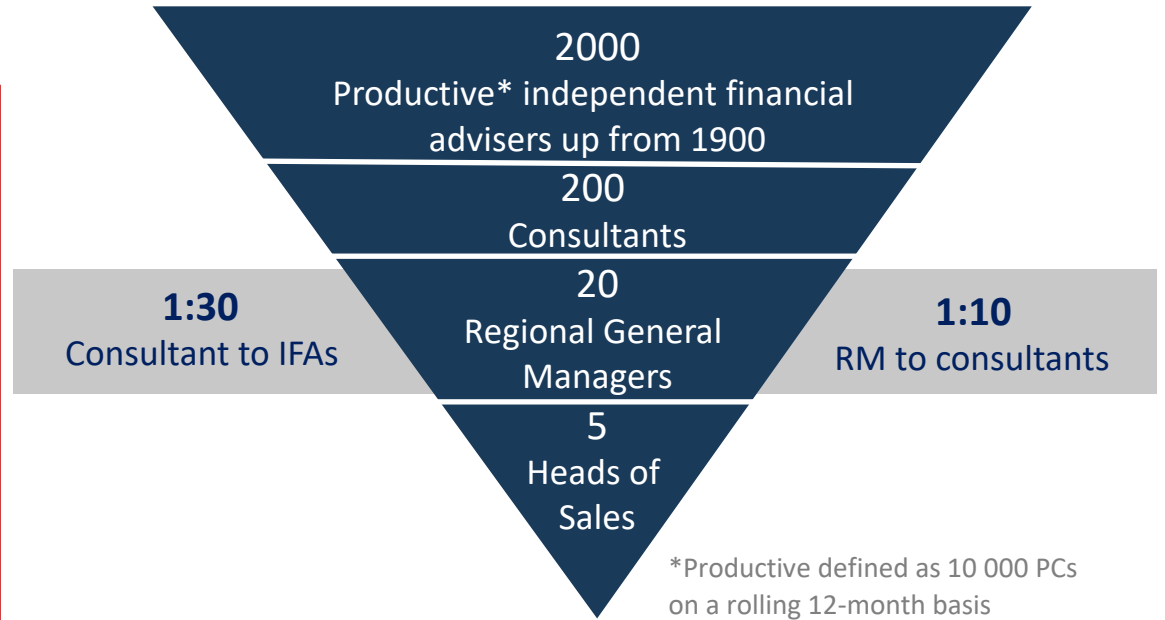
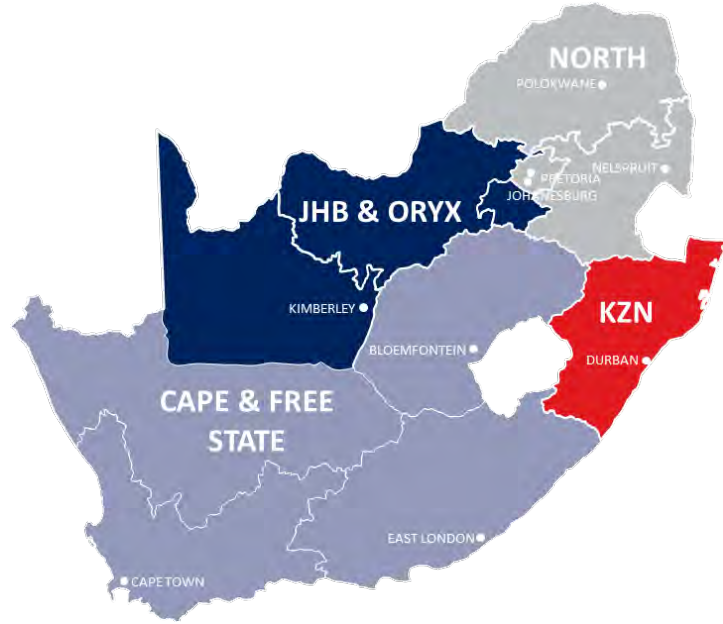
# Momentum Distribution Services

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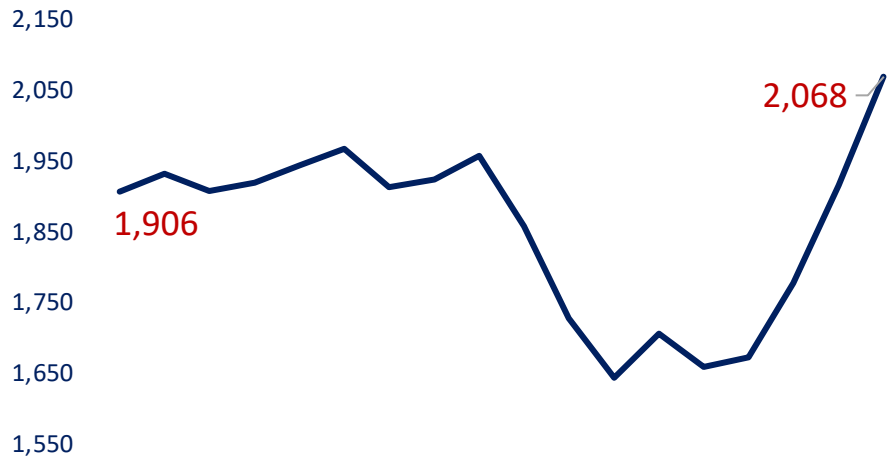
Advice-led specialised  
distribution force



# Momentum Distribution Services two-year growth strategy

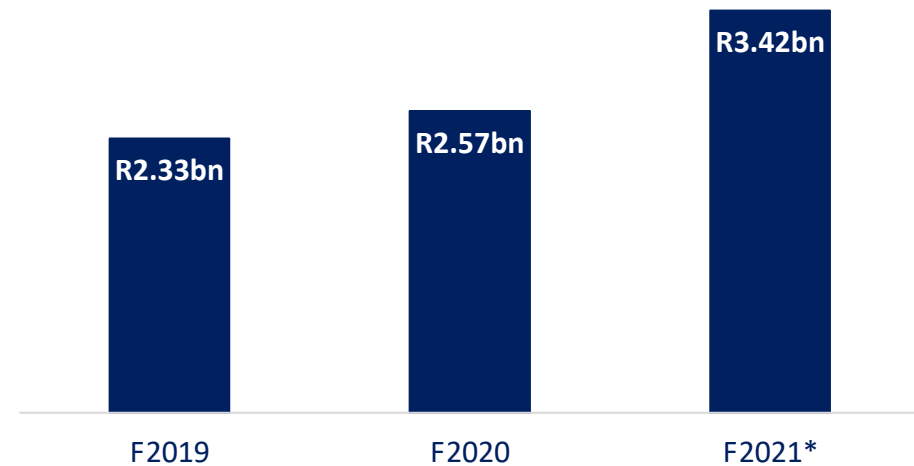


## Growth in productive intermediaries



Target: 3000 in F2024

## APE growth



\*APE excludes Health and MSTI

\*F2021 annualised



## Establish advice-led strategy

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**Execute on partnership model with IFAs and Networks**

**Keeping Independent Financial Advisers (IFAs) sustainable and relevant**

- Advice know-how, advice enablement and value add solutions
- Deep IFA practice knowledge



## Multi-segment IFA proposition

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**Value propositions customised per IFA segment**

**Create competitive advantage by delivering a comprehensive value proposition**

- Digital and system integration architecture, data and analytics
- Key account strategy and management

**Advice-led value proposition to IFAs in terms of client, advice and practice management need to change**



## Specialisation per product house

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**Multi-product distribution from a product, service and technology perspective difficult to master**

**Achieve higher value interactions, through product specialists**

**Panel and talent management at the core**

**Specialisation = advice-led and product focus with a comprehensive distribution footprint**

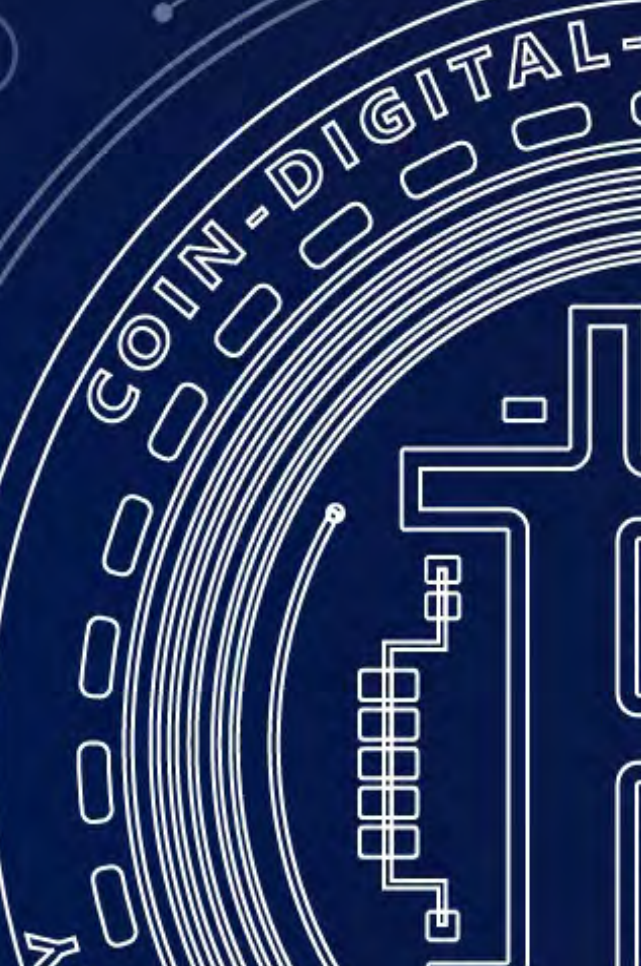




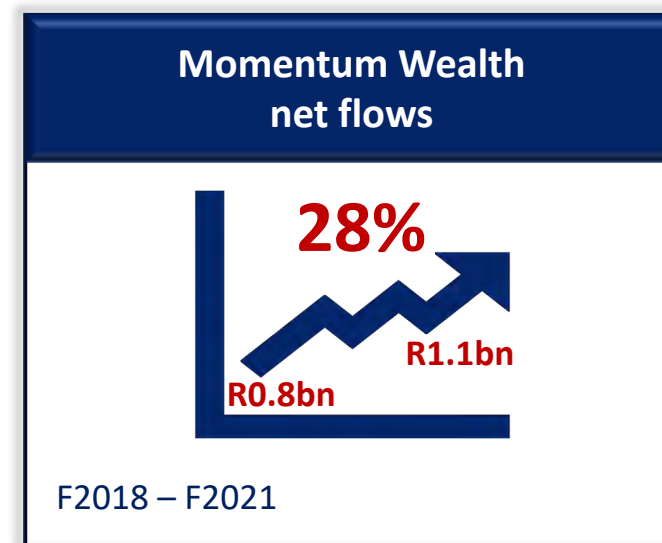
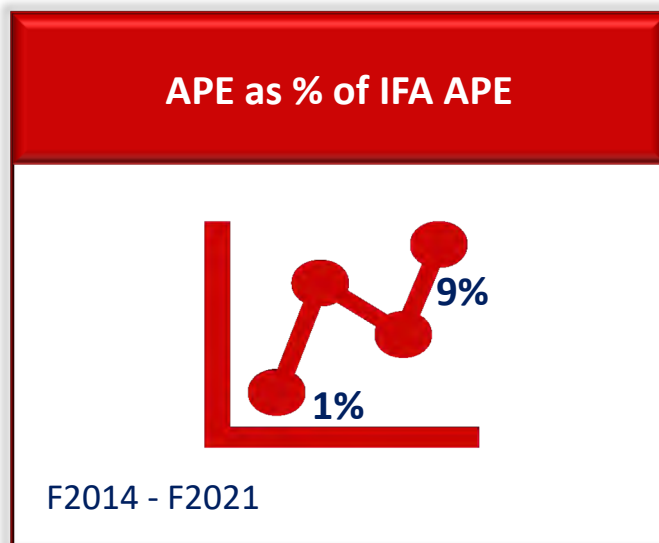
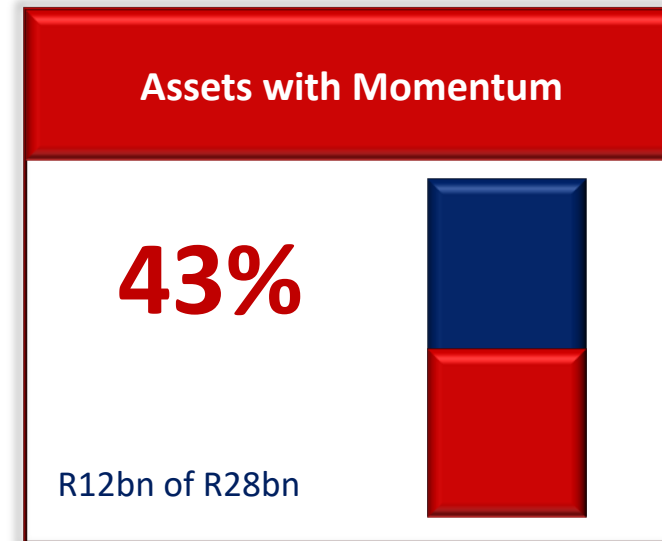
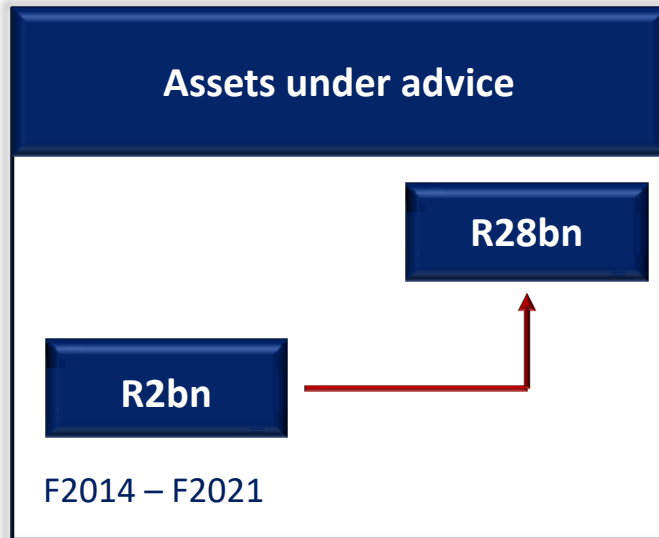
# Momentum Consult

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Advice-led network



# Momentum Consult growth trends





## Growth in financial advisers

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### Adviser specialisation

- Retail advisers
- Private Wealth managers
- Commercial short-term advisers

**Target: From 273 in F2020 to 400 in F2024**



## Client focus

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**Ambition to be the preferred advice provider**

**Market-leading client value proposition, service and experience**

**Create a well-known, recognised advice brand**



## Integrated financial planning

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**Each client to have a financial plan**

**Integration of advice, house views, reviews and reporting into the financial plan**

**Grow assets in Momentum Consult solutions**



m



# Finding growth

Advice-led product leadership

# Momentum retail investments

Advice-led go-to-market strategy



Be the leading long-term investments and savings partner to financial advisers and their clients by partnering closer and offering personalised and tailored solutions

**Momentum Financial Planning**

**Momentum Consult**

**Investment specialist IFAs**

**Platform-led (local and offshore)**

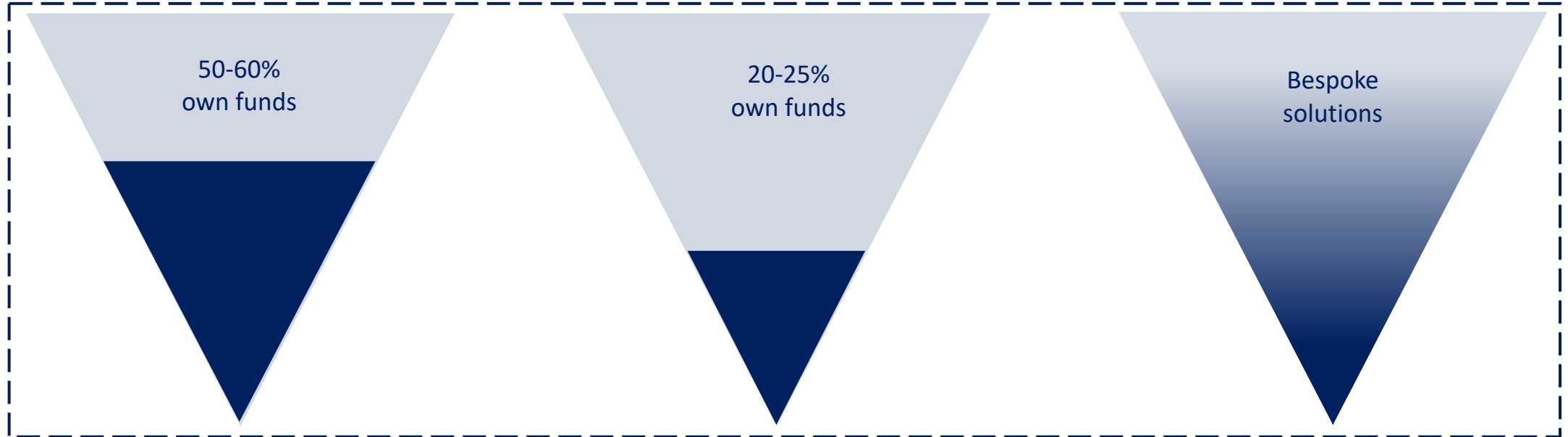
**Solutions provider (DFM/OBI)**

50-60% own funds

20-25% own funds

Bespoke solutions

**Momentum single asset manager**



# Reinvent and Grow strategic objectives

## Platform and balance sheet products



Digital platform operating model



New generation structured and annuity solutions



Regain platform market share



Distribution specialisation and enablement

## Retail investments



Vertically integrate MFP houseview



Bespoke DFM solutions for wealth advisers



Single-asset capabilities to third parties



Marketing and brand-building initiatives

## Investment management



Focus on multi and single management capabilities



Transformation



Collaborate with in-house advice offerings



Brand building and profiling of teams and capabilities

## Global investments



Develop and grow global single-asset capabilities



Use Seneca acquisition for organic UK growth



Increase SA offshore market share



Grow UK investment consulting with large DB schemes

# Reinvent and Grow strategic objectives



## Myriad



Onboarding innovation



New generation risk selection



Grow direct-to-client

## Momentum Trust



Expand capabilities to do high value estates



Grow estate liquidity benefit



Grow direct-to-client

## Investo



Digital-first processing



Enrich client value proposition and experience



Reframe adviser value proposition to align to advice-led philosophy

## Traditional



Effective product management



Complete Metropolitan savings platform migration

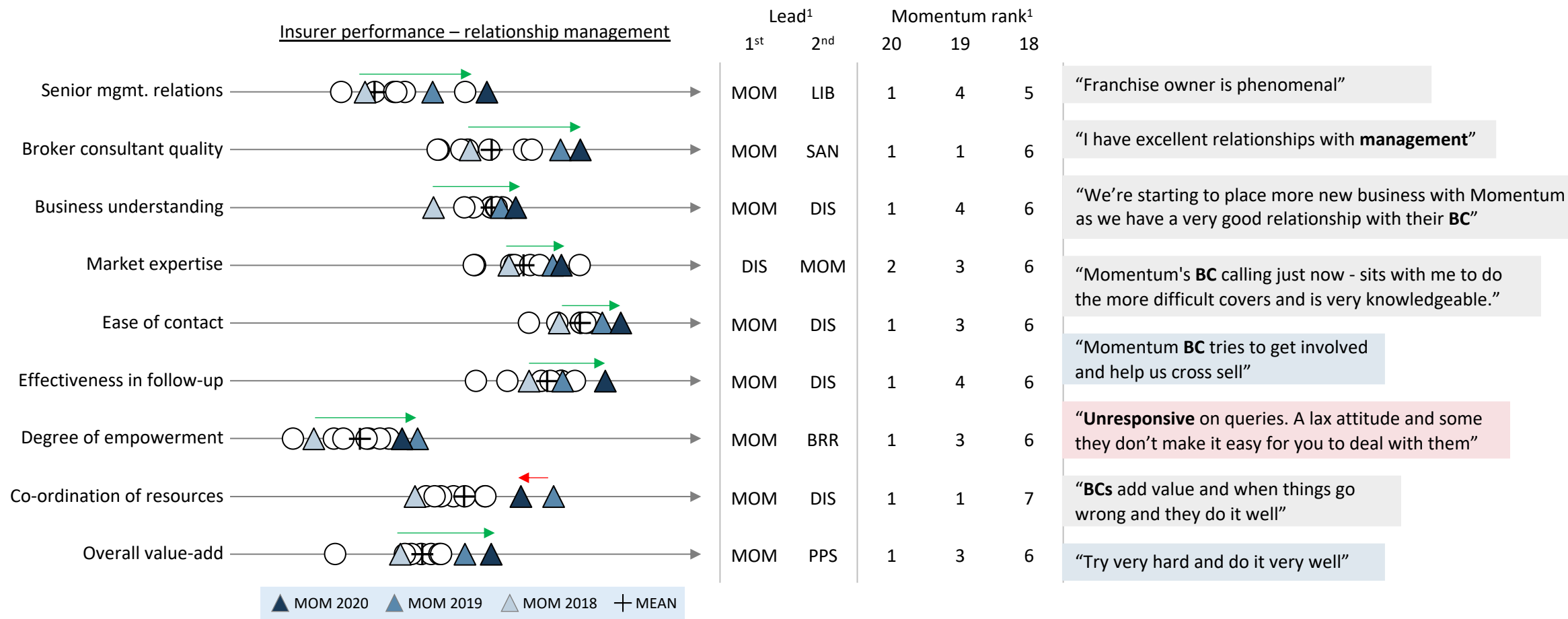


Deliver digital solutions to improve client experience

# Advice-led partnerships in action



Momentum's performance in relationship management has been excellent, with strong and consistent improvements



Q27: (115) Using a 10-point scale, evaluate the life insurers you use on the following attributes.

Note 1: Lead and rank excludes FMI due to sample sizes

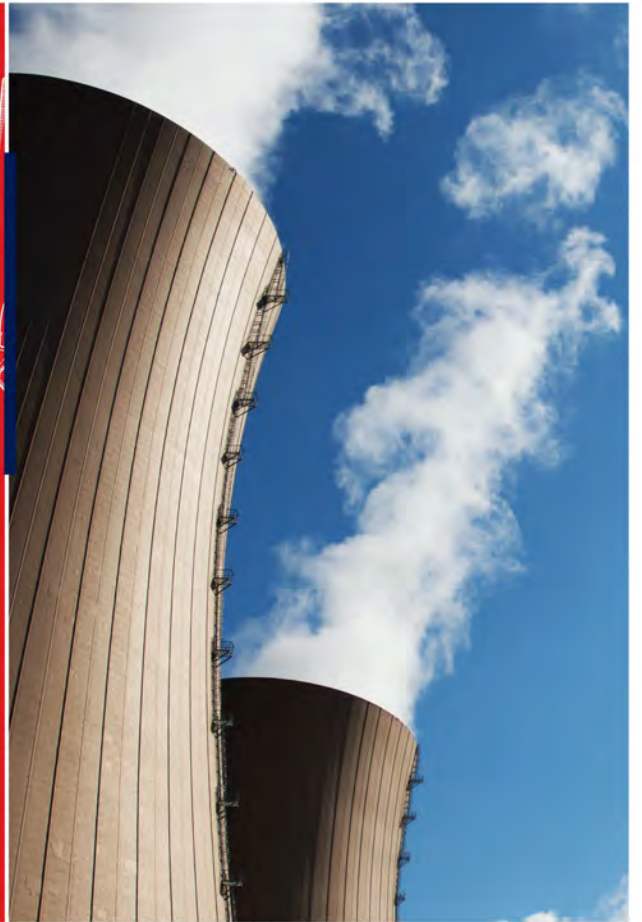
Source: NMG SA Life Risk Distribution Insights 2020

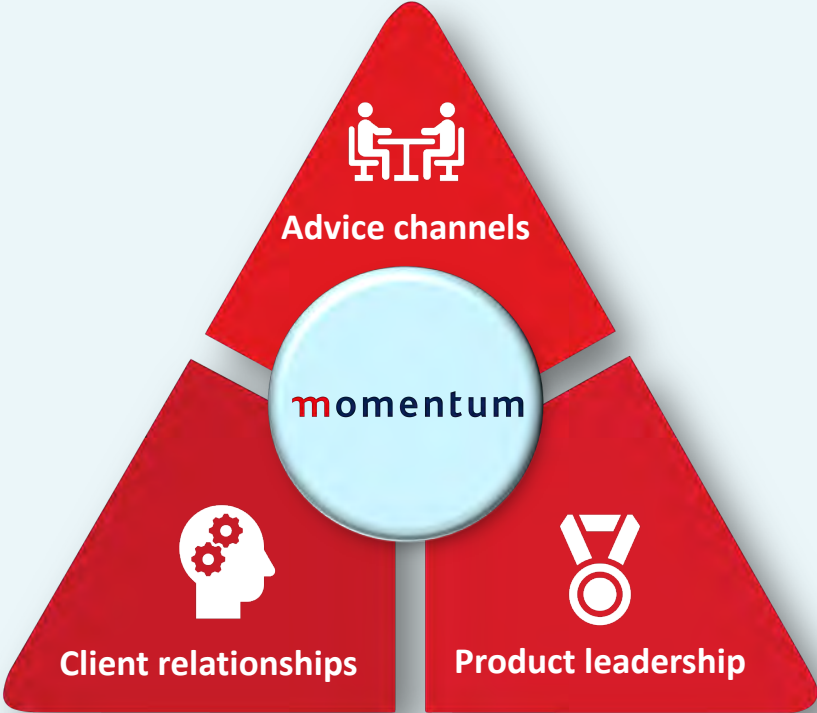




# Momentum retail: Enabling digital-led distribution

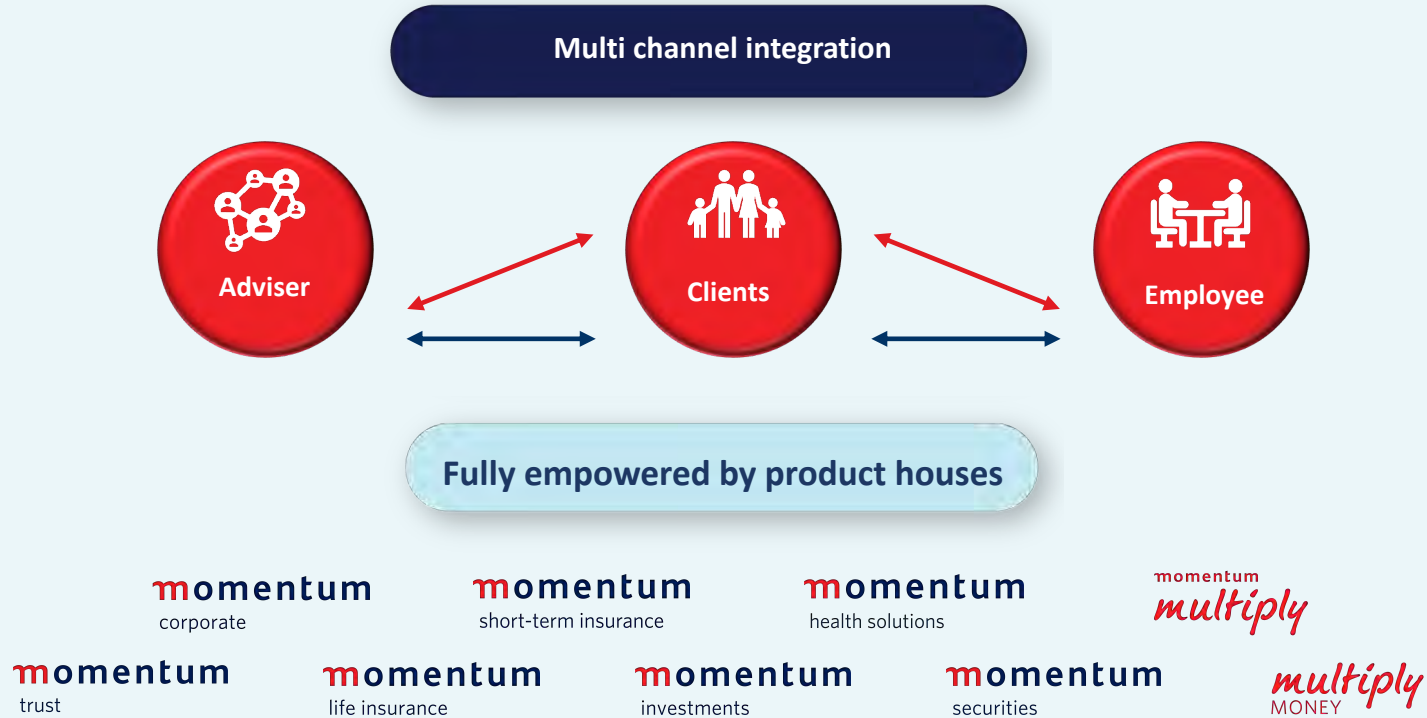
Johann Le Roux  
CEO Momentum Life





Advice and digital working together

# Connecting the digital ecosystem



Digital engagement demands a well-aligned business, systems and data architecture

# Our strategic response: Reinvent and Grow



Channel focus

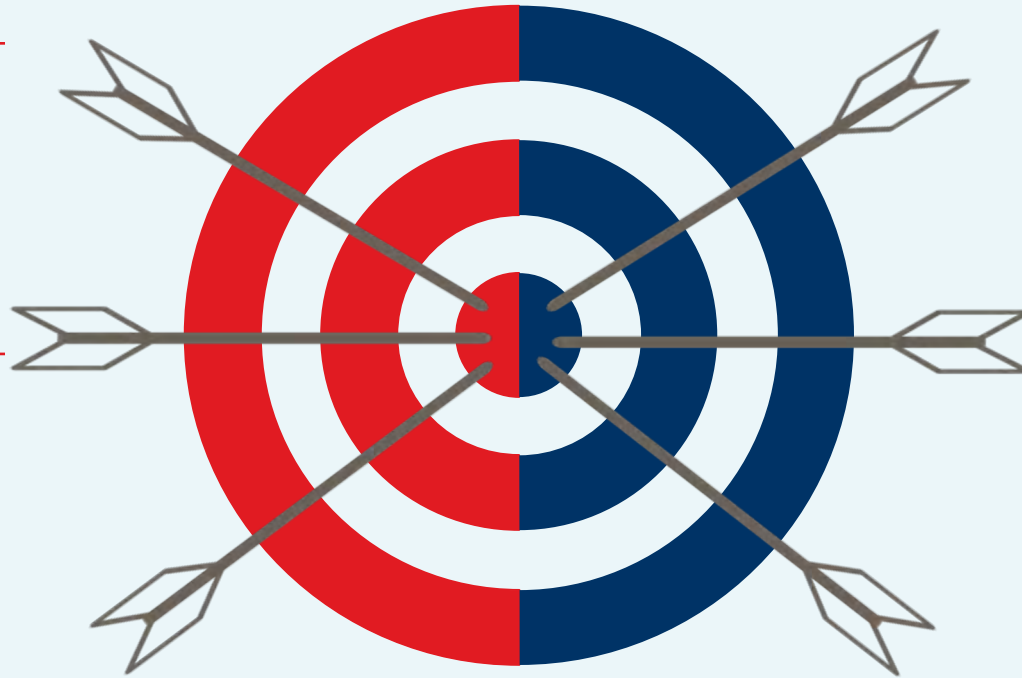
Product leadership

Digital processing  
and service model

Finding growth

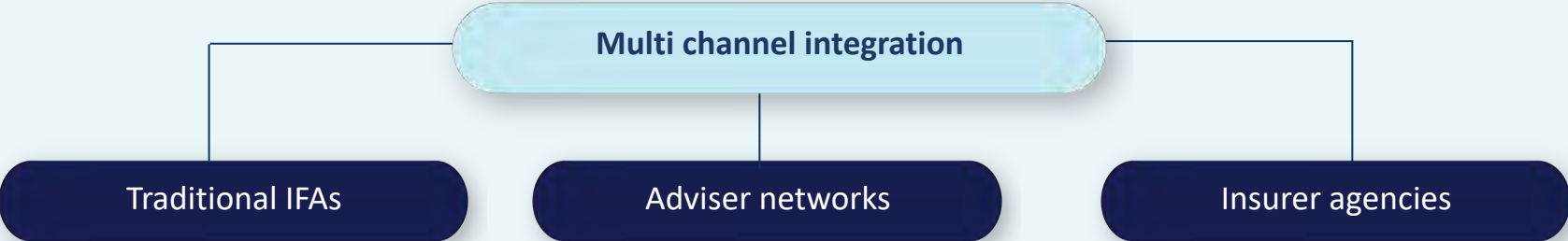
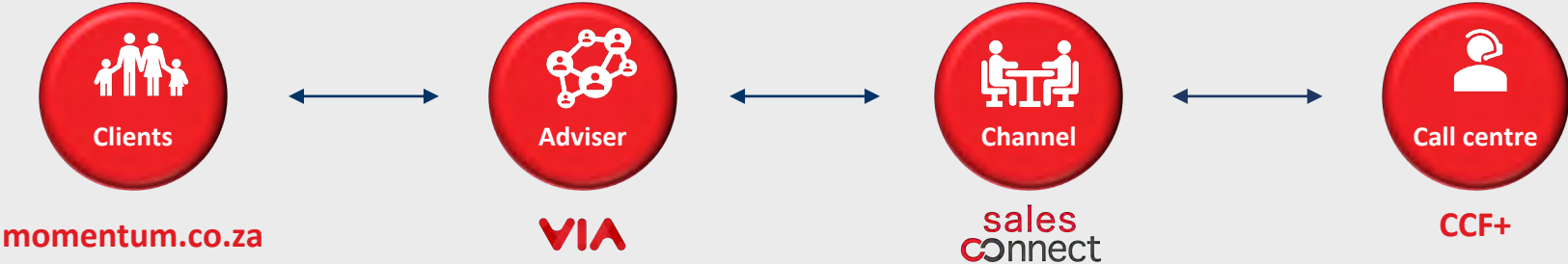
Legacy and  
IT reset

Reporting and  
analytics



**Brand and culture**

# Channel focus in a digital context



Creating a consistent client and adviser experience

## Product leadership in a **digital context**

Onboarding and service innovation

Direct-to-consumer digital advice-led sales

Optimise the process value chain

Enhance CX through analytics

Digital underwriting capabilities

Vertical integration

In the future we build for digital first

# Digital processing enhancing our service model



From contact centre  
to decentralised  
digital



Eliminate the  
post-box



Process is  
your product



Build once; connect  
multiple platforms

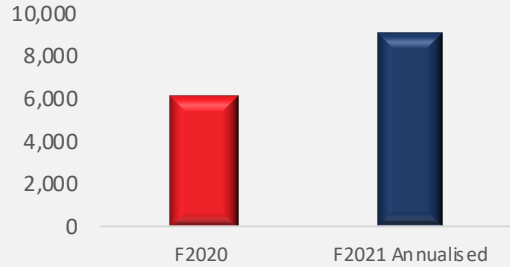
**Reinvent our service model**

# Finding growth – digital-driven leads flow

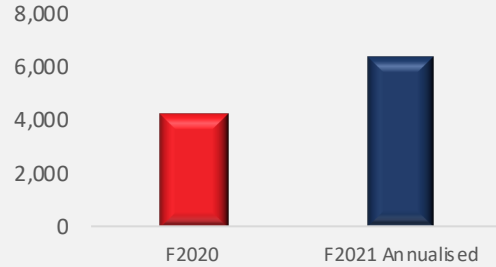


Online leads

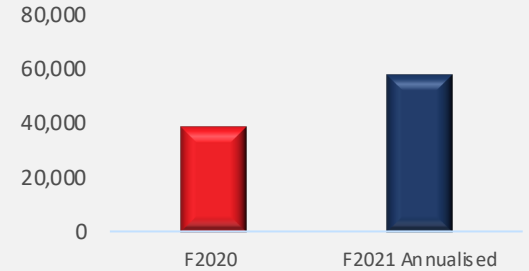
### Momentum Life



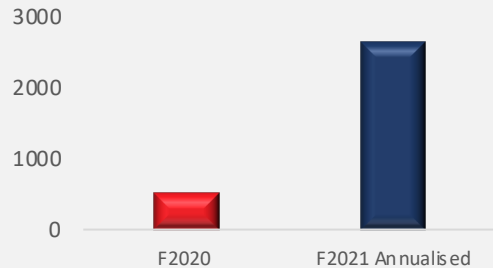
### Momentum Investments



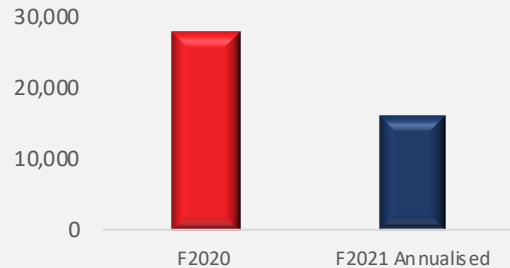
### Momentum Insurance



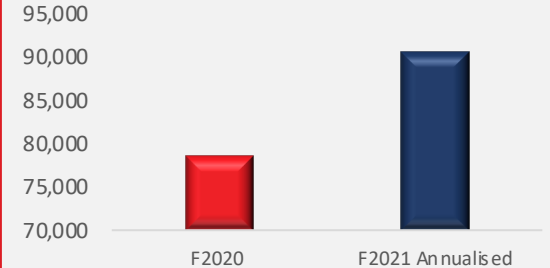
### Momentum Financial Planning



### Momentum Health



### Momentum product houses



Digital-led sales

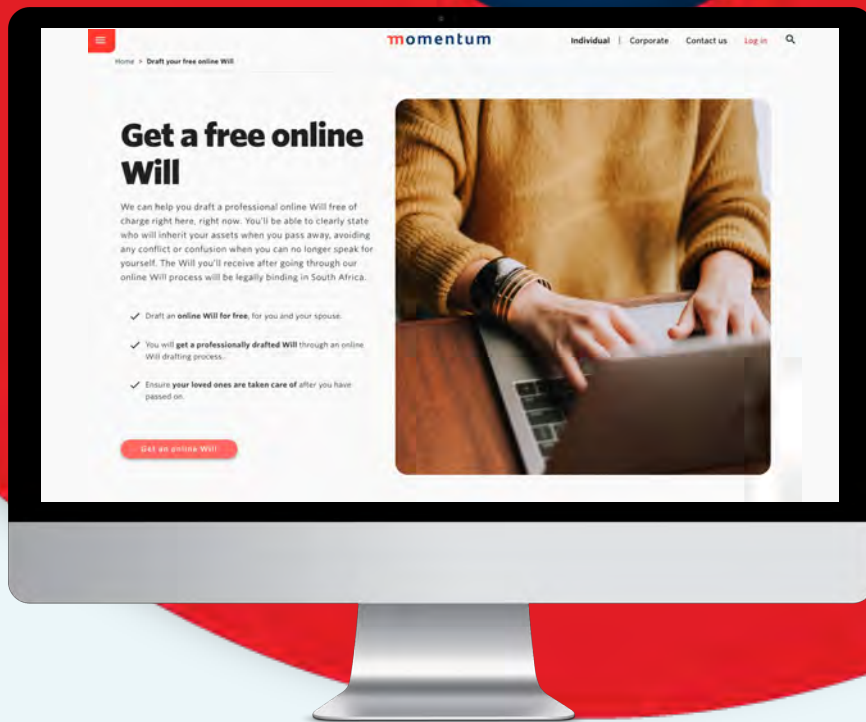


# Finding growth – digital wills



More than  
20 000  
online visits

1 700 wills  
in use



6 200 wills  
drafted  
since  
launch

2/3 of  
these  
clients are  
self-  
fulfilling

Client-led digital change

# Legacy and IT reset – coming of age



1

Reset business accountability

3

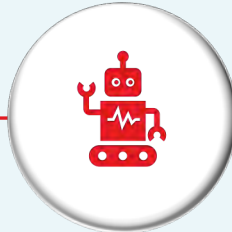
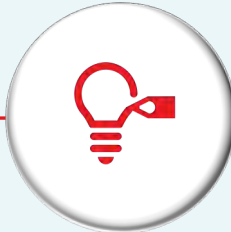
Establish a new delivery framework – new way of work

5

Switch off legacy systems

7

Streamlining quote engines in product houses



2

Re-configure IT governance forums

4

Reconfigure client data architecture and data warehouse structures

6

Leverage new IT infrastructure

8

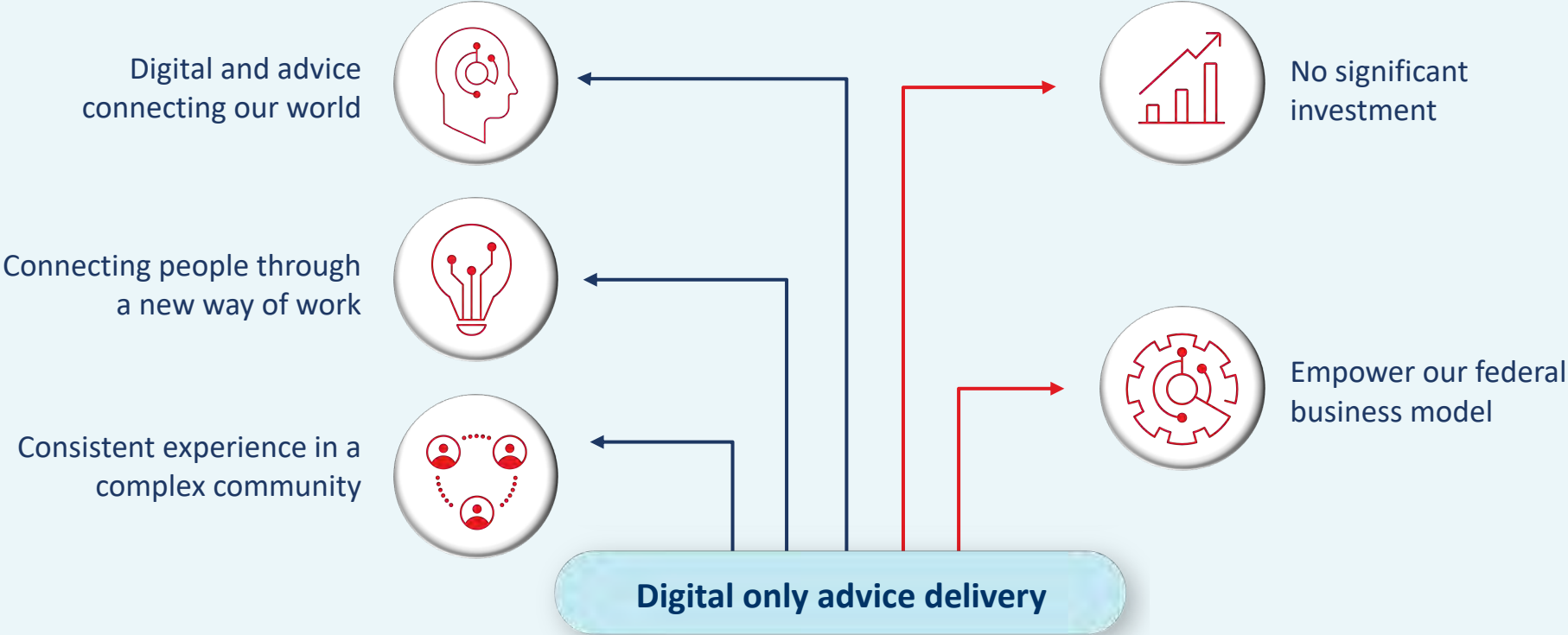
Everyone to build for VIA and client web and mobile

**Digital as a connector**



Playing together in this digital world

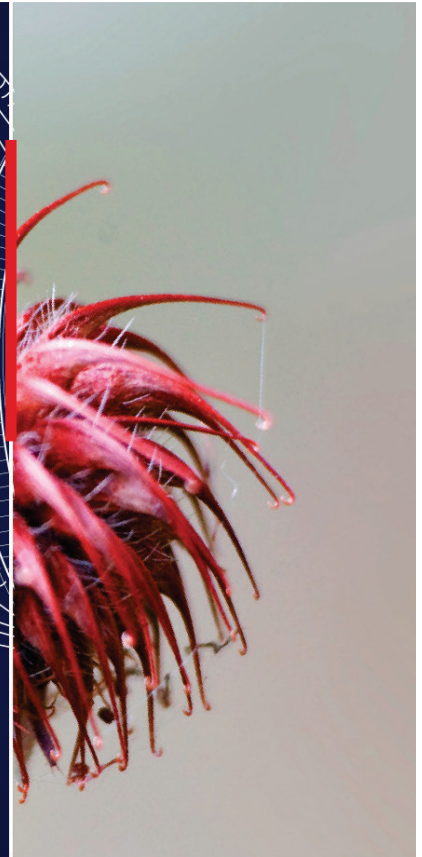
# Driving digital the Momentum way



- 
- 1 Hillie Meyer
  - 2 Risto Ketola
  - 3 Peter Tshiguvho
  - 4 Dumo Mbethe
  - 5 Herman Schoeman
  - 6 Lourens Botha
  - 7 Brand Pretorius
  - 8 Hannes Viljoen
  - 9 Damian McHugh
  - 10 Jeanette Marais
  - 11 Johann le Roux

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## Speaker Bios



# SPEAKER BIOS

## Hillie Meyer

1

Group Chief Executive Officer:



### Qualifications:

BCom (Econometrics), Fellow of the Actuarial Society of South Africa

### Appointment:

15 February 2018

### Experience:

Hillie, an actuary, has more than 35 years' financial services experience. He has held leadership positions in insurance, pensions, investments and banking. He joined the Momentum Group in 1988 and served as its Managing Director from 1996 to 2005, after which he was a founder and managing executive of a private equity manager. He returned as Group CEO of Momentum Metropolitan in 2018.

## Risto Ketola

2

Group Finance Director:



### Qualifications:

BSc, CFA Charterholder, Fellow of the Institute and Faculty of Actuaries, Fellow of Actuarial Society of South Africa

### Appointment:

16 January 2018

### 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.

## Peter Tshiguvho

3

CEO: Metropolitan Life



### Qualifications:

BA (Psychology), MBA, CFP

### Appointment:

27 February 2018

### Experience:

Peter has extensive financial services distribution experience having previously fulfilled various distribution-related roles across lower income and affluent markets and across different product segments, both in South Africa and the Rest of Africa. Before joining Metropolitan he was the Head of Corporate and Public Worksites for Old Mutual, having previously been responsible for sales and distribution in the Rest of Africa countries where Old Mutual had a presence.

## Dumo Mbethe

4

CEO: Momentum Corporate



### Qualifications:

BCom (Accounting and Information Systems),  
BCom Hons, CA(SA)

**Appointment:** 12 September 2019

### Experience:

Dumo has 17 years' experience in the financial services industry, approximately 11 of which have been at executive level. He joined the Group in 2017 from Old Mutual, where he was General Manager – Member Solutions in the Corporate business. Before being appointed to his current position, he was CEO of Momentum Metropolitan Africa. Dumo has served on various country-level boards within Momentum Metropolitan Holdings Limited and is currently a non-executive director for the Metropolitan International Holdings and Metropolitan Internal Support Board of Directors. Externally, he is also a member of the Actuarial Governance Board, which oversees the professional conduct of actuaries in South Africa.

## Herman Schoeman

5

CEO: Non-Life Insurance  
CEO: Guardrisk Group



### Qualifications:

BCom, MBA

**Appointment:** 1 July 2014

### Experience:

Herman joined Guardrisk in 1999, having previously worked for the Financial Services Board for 10 years during which he became Director: Short-term Insurance and served on the Minister of Finance's advisory committee on short-term insurance. He has also served as a member of the Ombudsman for the Short-term Insurance Board and was a member of the SASRIA Board. He is currently a member and the Deputy Chairman of the Board of the South African Insurance Association (SAIA). He joined the Group to head up short-term insurance following its acquisition of the Guardrisk business.

## Lourens Botha

6

Financial Director: Guardrisk Group



### Qualifications:

CA (Chartered Accountant), BCompt (Hons) degree  
Associate of Chartered Institute of Management  
Accountants

**Appointment:** 2018

### Experience:

Lourens has been the Financial Director for the Guardrisk Group of companies since 2008. During this time, he has also been the CFO of Momentum Corporate and CFO for Momentum Short-Term Insurance. He is currently also the CFO for the Momentum Non-Life Insurance Cluster. Lourens has 29 years' experience in the financial services industry specialising in insurance and risk management. Prior to joining Guardrisk, Lourens worked at Absa for six years, as chief risk officer for the nonbanking financial services division. During this time, he was responsible for the enterprise risk management of the life insurer, non-life insurer, asset manager, stock broker, pension fund administrator and the financial advisers. Prior to that, he worked for the Financial Services Board (now known as the Prudential Authority) for 10 years; initially as a forensic investigator on all aspects of non-banking financial institutions, before moving to the insurance division where he became the divisional head, responsible for financial supervision of insurance companies in South Africa.

# SPEAKER BIOS

## Brand Pretorius

7

CEO: MSTI & MI



**Qualifications:**

BCom (Law) and LLB graduate

**Appointment:** 1 October 2007

**Experience:**

Brand joined Momentum in October 2007, when he was appointed as CEO of Momentum Short-term Insurance (MSTI). He is currently the Chief Executive of the combined Momentum Short-term Insurance and Momentum Insurance (formerly Alexander Forbes Insurance) entity.

A BCom (Law) and LLB graduate, Brand's career started at Deloitte where he worked as a management consultant in the Consulting division. During his time as a management consultant, he worked on large business process re-engineering and systems implementation projects for clients in the mining, energy and financial services industries. Brand has more than 15 years' experience in the short-term insurance industry, having worked at OUTsurace as the Divisional Head of Business OUTsurace prior to joining Momentum.

## Hannes Viljoen

8

CEO: Momentum Metropolitan Health



**Qualifications:**

MChD (Public Health Care), DHA (Health Administration), MBL

**Appointment:** 1 September 2019

**Experience:**

Hannes has over 25 years' 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 and built it into what Momentum Metropolitan Health is today.

## Damian McHugh

9

CMO: Momentum Health Solutions



**Qualifications:**

Bcom, Post-Graduate in business from GIBS

**Appointment:** 1 January 2008

**Experience:**

As the CMO for Momentum Health Solutions, Damian is responsible for the marketing of all our health offerings namely medical schemes, insurance solutions, wellness offerings and our innovative complimentary products. Damian has worked in the healthcare industry for more than 29 years and is passionate about helping craft innovative healthcare cover solutions to meet the needs of all South Africans and helping people realise that their health is their ultimate wealth.



## Jeanette Cilliers (Marais)

10

Group Deputy Chief Executive Officer  
and CEO: Momentum Investments



### Qualifications:

BSc (Mathematics and Statistics), MBA (cum laude)  
(IMD Switzerland), PED

**Appointment:** 1 March 2018

### Experience:

Jeanette, who has a strong track record of building profitable businesses at various financial institutions, is also Chief Executive Officer of Momentum Investments. She started her career at Momentum in 1990, filling various roles in actuarial product development, 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.

## Johann Le Roux

11

CEO: Momentum Life



### Qualifications:

BSc (Mathematical Statistics) (Hons), MBA, Fellow  
of the Actuarial Society of South Africa

**Appointment:** 1 April 2018

### Experience:

Johann originally joined Momentum in 1998 as a member of the corporate actuarial team. He went on to become involved in life product development and the management of Momentum's life insurance business. In 2005 he became a member of the Momentum 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. Having retired from full-time executive responsibilities in 2011, he continued to assist the Group with a number of strategic initiatives before taking up his current role in 2018.