



From rocky to resilient

Jeanette Marais
Group Chief Executive Officer

26th UBS SA Financial Services Conference



““ *Resilience comes only from having been given
the opportunity to work through difficult problems.* **””**

~ Gever Tulley

Overview



Touching the bottom



Fixing the problem



The results



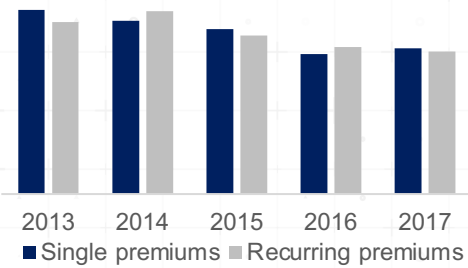


Touching the bottom

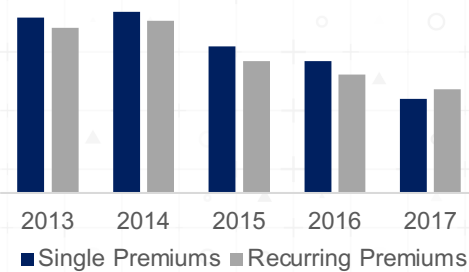
Touching the bottom – MMI in 2018

Declining market share

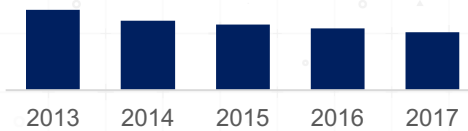
Retail market share



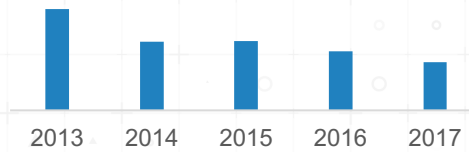
Corporate market share



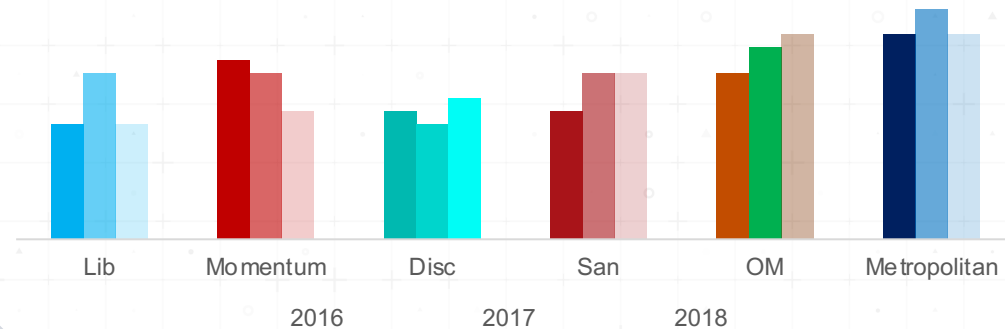
LISP market share



Unit trusts market share

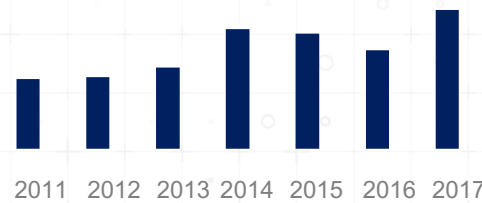


Poor client service

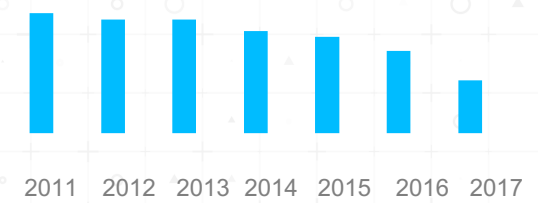


Lack of financial discipline

Sales expenses as % of APE



VNB as % of sales expenses

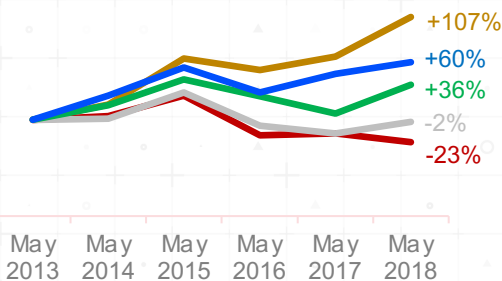


Weakening of financial metrics

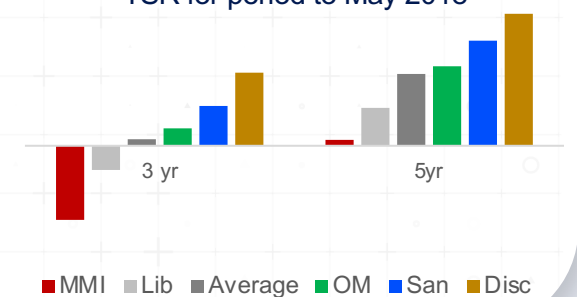
	2014	2015	2016	2017
Headline earnings (Rm)	3 245	2 885	2 101	1 872
Value of new business (Rm)	779	954	712	547
Present value of premiums (Rm)	41 739	50 396	44 090	41 595
VNB margin (%)	1.9%	1.9%	1.6%	1.3%

Shareholders lost confidence

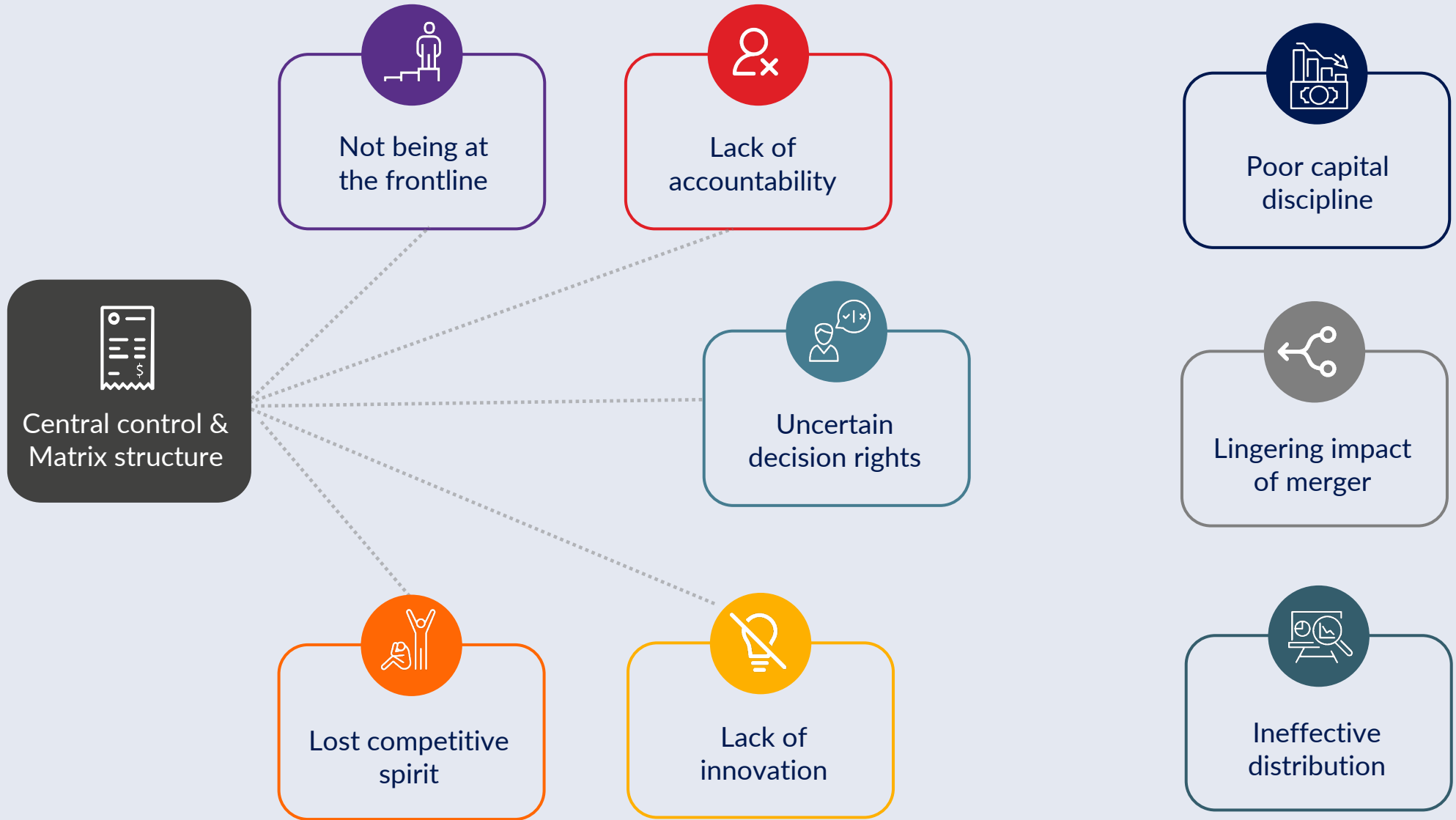
Share price 5 years to May 2018



TSR for period to May 2018



Factors contributing to poor results





Fixing the problem

The five capitals of organisational resilience



Operational resilience

Withstand
Absorb
Recover
Regenerate



People resilience

Culture
Behaviours
Creativity
Personal resilience



Reputational resilience

Responsiveness
Brand building
Trust
Dependability



Environmental resilience

Strategic choices that are good for the environment and the organisation



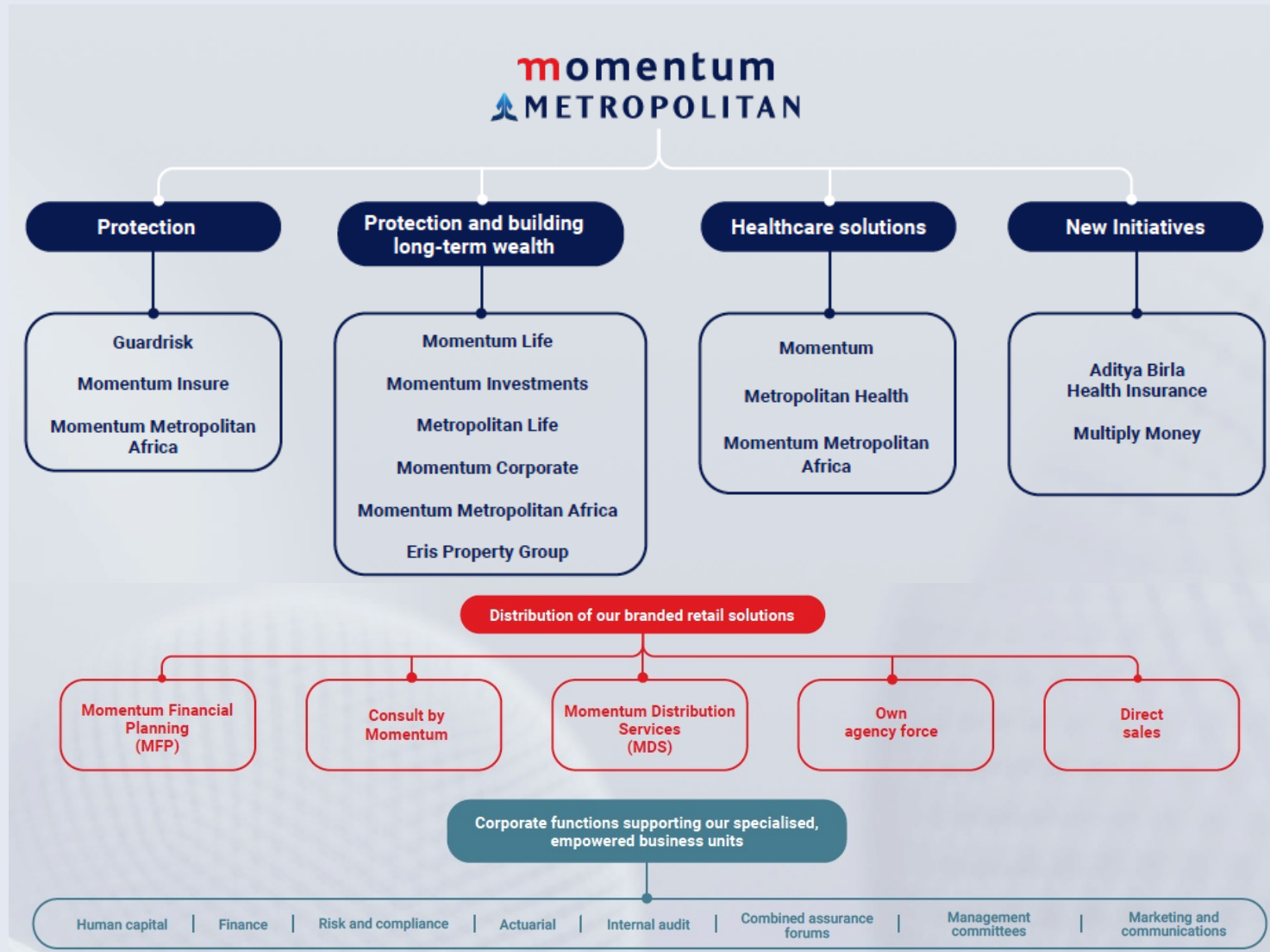
Financial resilience

Withstand shocks impacting liquidity, income and assets

Operational resilience

Federated operating model

Empowerment and accountability



Operational resilience



Corporate portfolio approach

Sustainable Group performance

Strategic relevance

Show leadership,
leveraging individual
and group strengths

Value creation

Real earnings growth
and attain minimum
Group ROE target

Sustainability

Diverse, developing for
the future, digitally
transformed and
progressive ESG

People resilience



Fixing the problem



Reputational resilience



Fixing the problem

INSURER REJECTS R2.4M POLICY PAYOUT FOR NON-DISCLOSURE

FOLLOWING THE LAW IS NOT ENOUGH

INSURANCE 101: MENTION MEDICAL DETAILS ~ CONSUMER GURU

INSURER DID NOTHING WRONG, LEGALLY

WIDOW'S INSURANCE FIGHT

Widow fights insurer for R2.4m

INSURER STICKS TO GUNS DESPITE OUTRAGE

INSURER FINDS REASON NOT TO PAY

INITIAL DECISION NOT TO PAY WAS CORRECT ~ SA SCIENTIST

SEVERAL FAMILIES BENEFIT FROM INSURER'S NEW SOLUTION

INSURER'S DECISION AND MOB RULE

WHAT IS FAIR AND WHO DECIDES?

DISPUTED CLAIM – THE OTHER SIDE

Conduct authority will take lessons from incident

Twitter

19 NOV 2018



Prof Thuli Madonsela ✓
@ThuliMadonsela3

This answer is perfectly legal. The question is, is it just and ethical? @Momentum_za must answer this question for itself in line with its commitment to doing business with integrity #IntegrityMatters



Julius Sello Malema ✓
@Julius_S_Malema

Please warn #Momentum



Redi Tlhabi ✓
@RediTlhabi

Lastly, I have something to say about YOU bloody cowards whose ONLY response to injustice is "those are the rules". Slavery was the rule. Apartheid was the rule. Denying women the vote was the rule. Irresponsible lending was the rule. So flippen what? COWARDS #Momentum

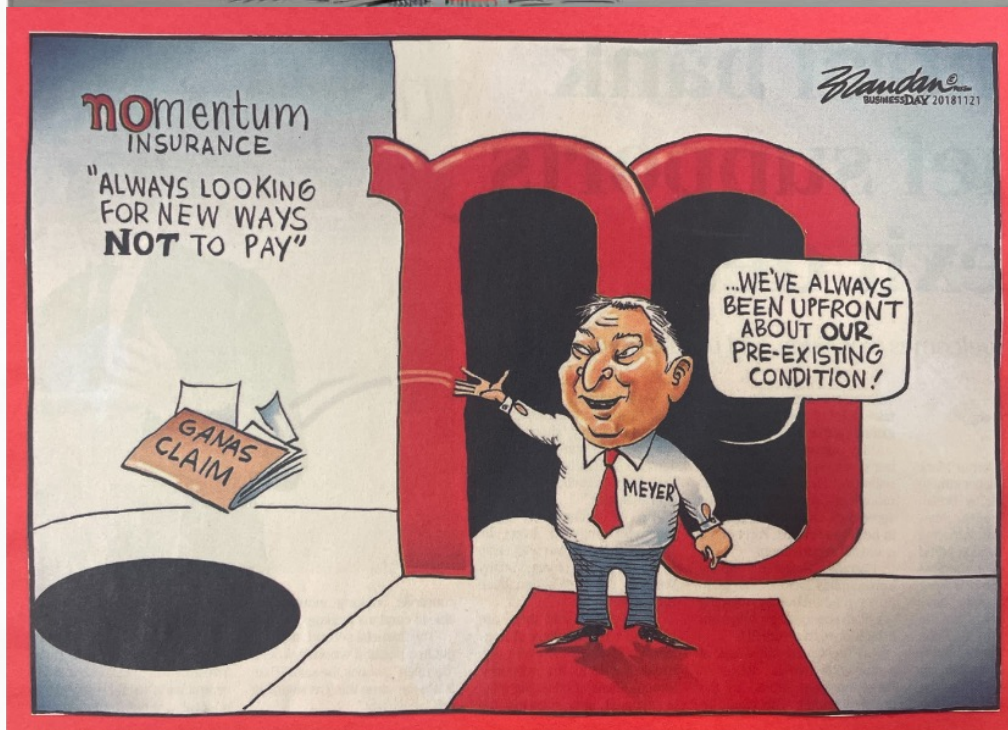
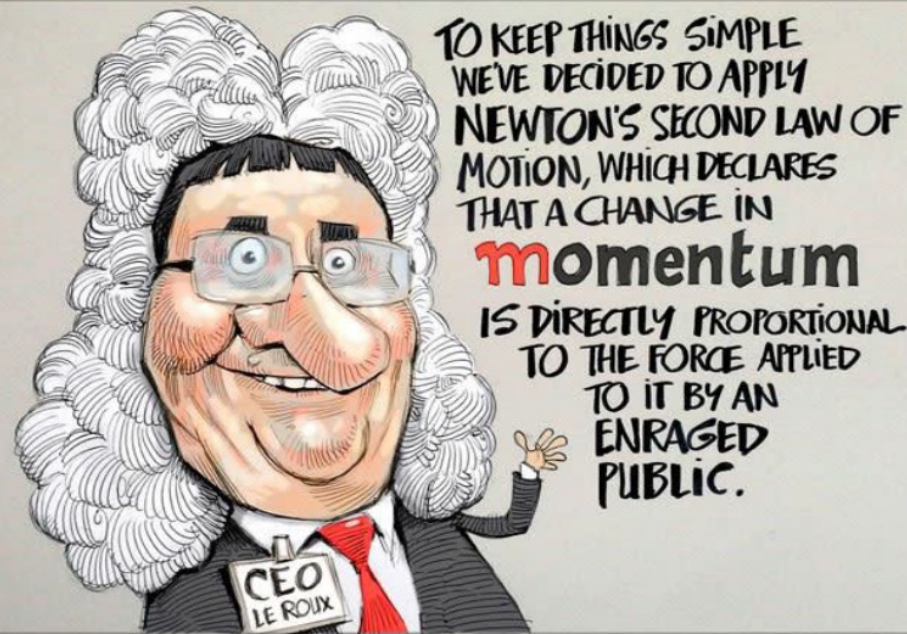


Bongani Bingwa IG/TikTok: Bonglez ✓
@bonglez

How did we go from a hail of bullets to elevated blood sugar levels? Was #Momentum looking for a way to NOT pay? Are you convinced by CEO Johan Le Roux's explanations? Why is non-disclosure such a big deal

#

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MMI HOLDINGS



momentum
 **METROPOLITAN**

womentum

Here for every woman's journey to success



#SHE OWNS HER SUCCESS



Womentum (noun)

[wuh-men-tum]

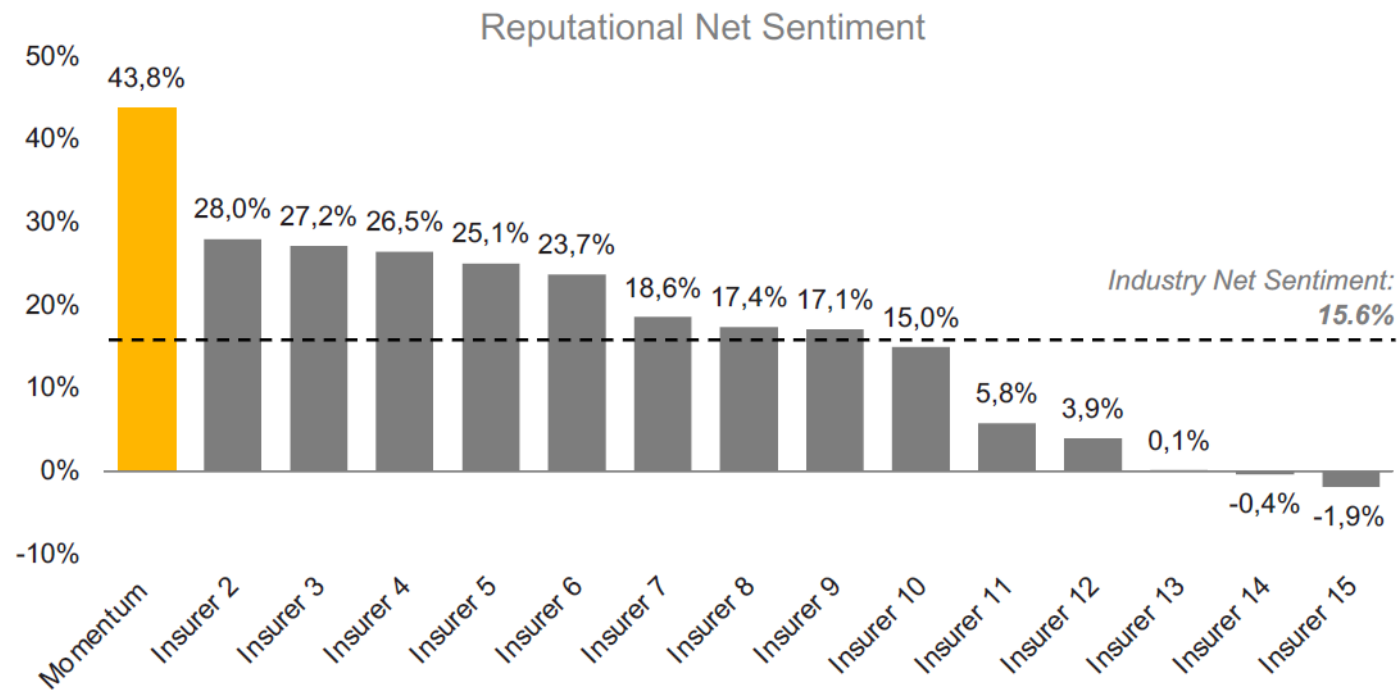
Women who don't apologise for their success; keep their success in motion.



Reputational resilience – Recent PwC report

Momentum leads in reputational Net Sentiment

Insurance's Reputational Net Sentiment aggregate stood at 15.6%, with Momentum leading by 24.9pp with a Net Sentiment score of 40.5%. A large portion of Momentum's reputational success can be attributed to the #SheOwnsHerSuccess campaign and workshop series.



Financial resilience – Strong financial position in 2023

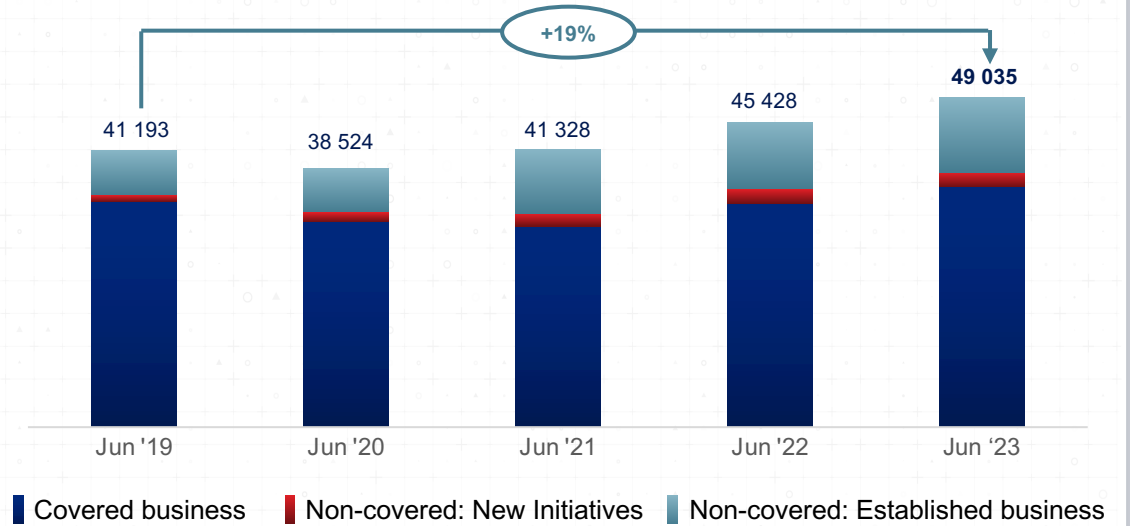
Concluded **R500 million** share buyback in last 6 months

Approval for further **R500 million**

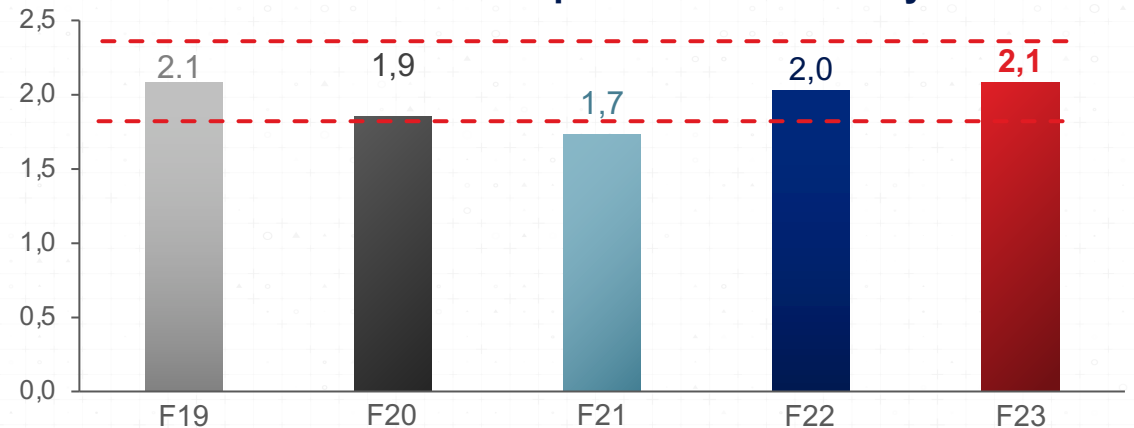
Total of **R1 billion** made possible by strong earnings

20% increase in dividend to **R1.8 billion**

Embedded value (R'million)



Momentum Metropolitan Life Solvency



Environmental Resilience

GOVERNANCE

- Clear board oversight
- Climate-focused management forums
- Growth: Climate skills

RISK MANAGEMENT

- Well below 2-degree scenario analysis
- Impact assessment across risk types and businesses
- Physical and transitional risk indicators
- Climate integrated into ERM

METRICS and TARGETS

- Greenhouse Gas Emissions: Operational and Financed emissions tracked
- Growth: RE investments (R4.1bn) and climate positive products

STRATEGY

- Climate key pillar in sustainability framework
- MMH investment decarbonisation strategy

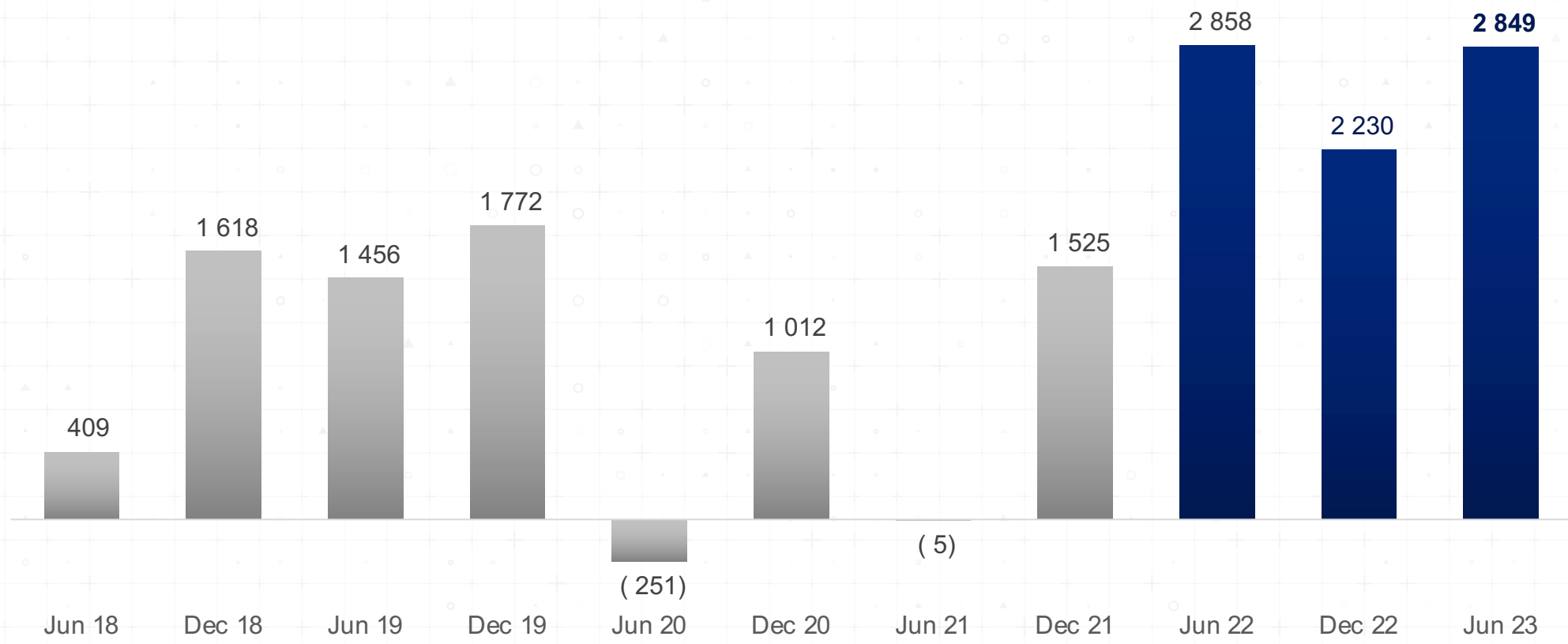


The results

Step change in level of earnings



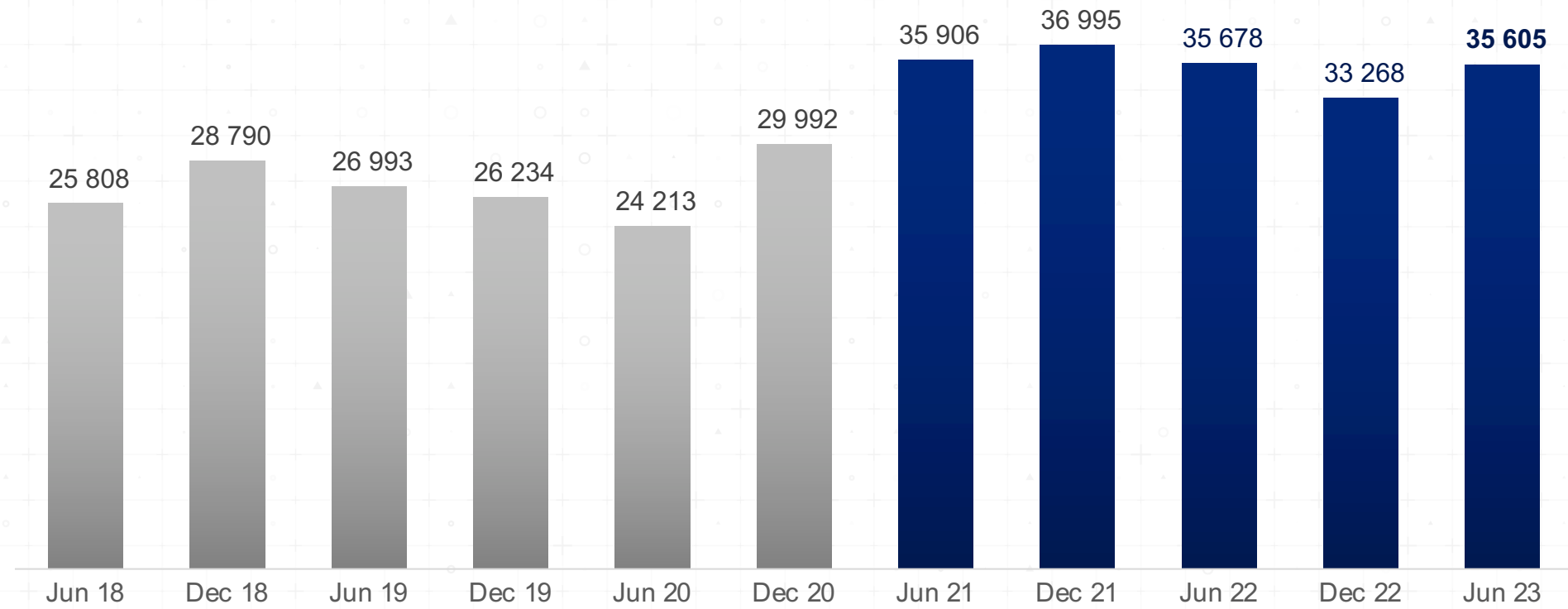
NHE (R'million)



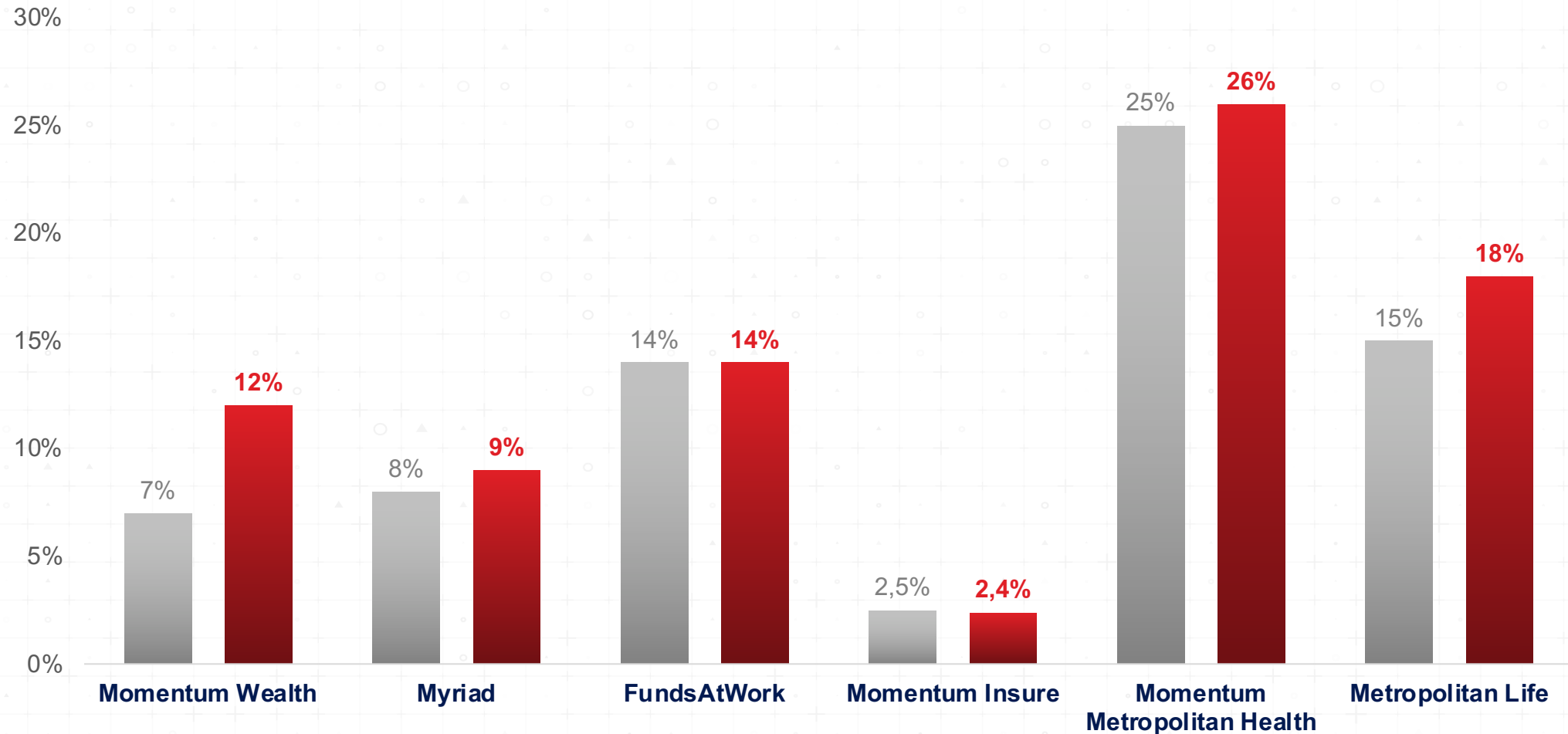
Step change in new business sales



PVNB (R'million)



Market share growth (F2020 to F2023)

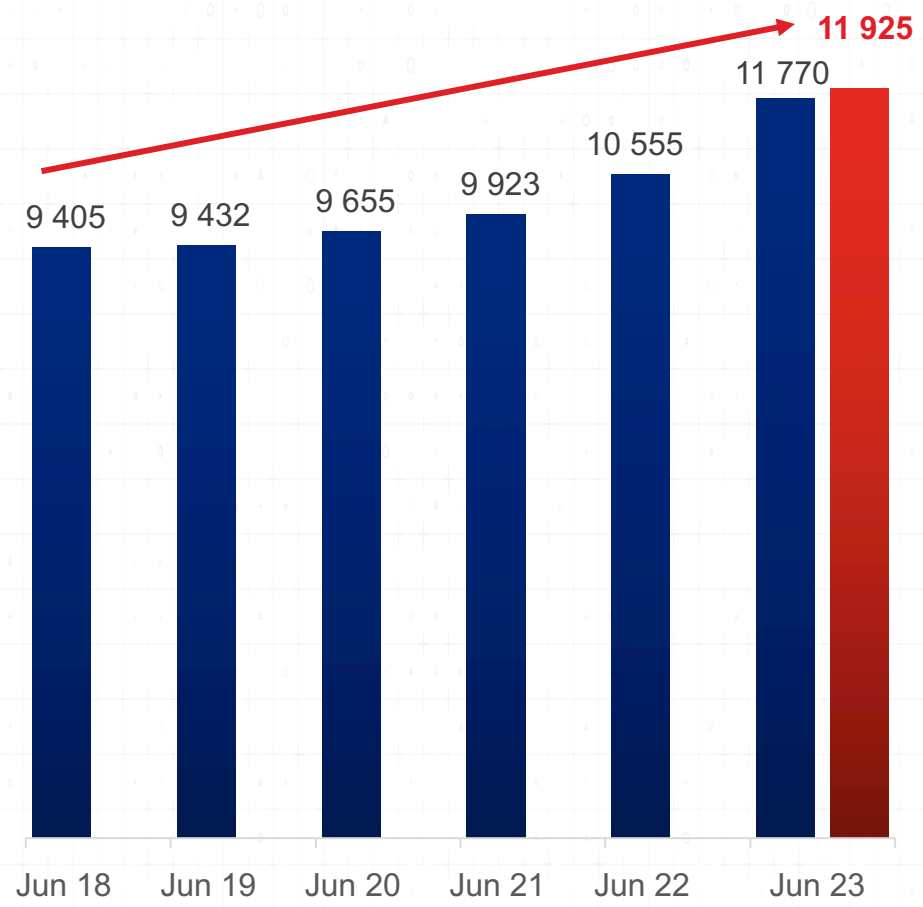


“Winning back independent financial adviser support and market share will prove that we have fixed our business.” ~ Hillie Meyer, 2018

Expense management and embedded value

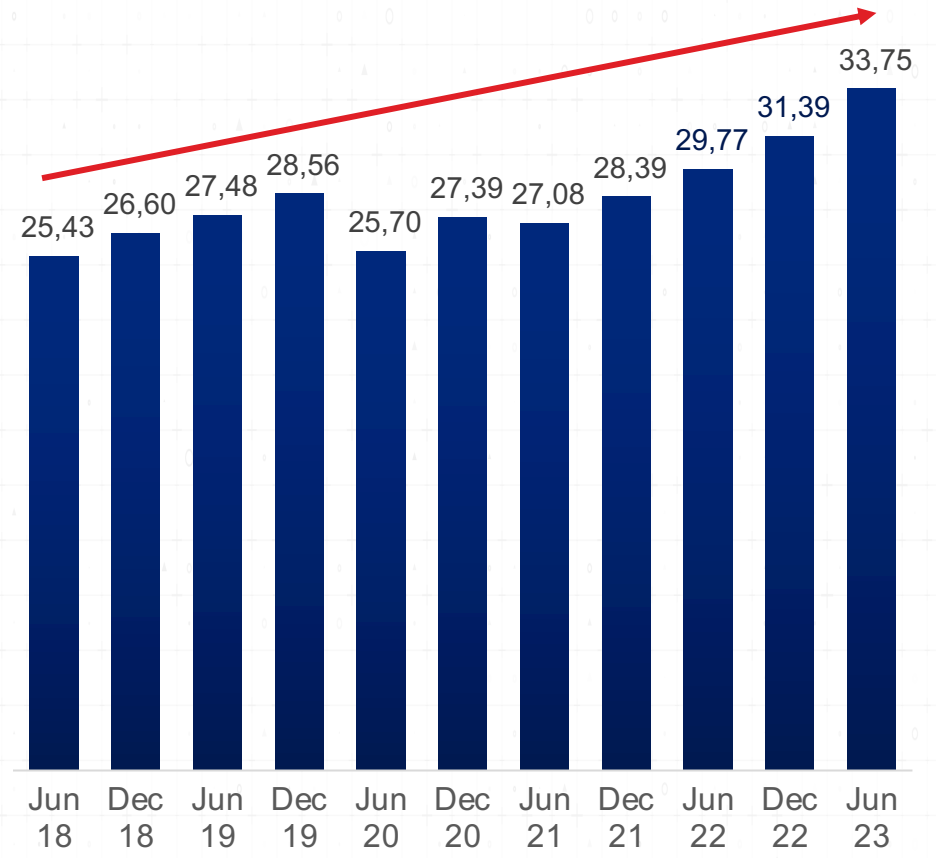


Expense management (R'million)



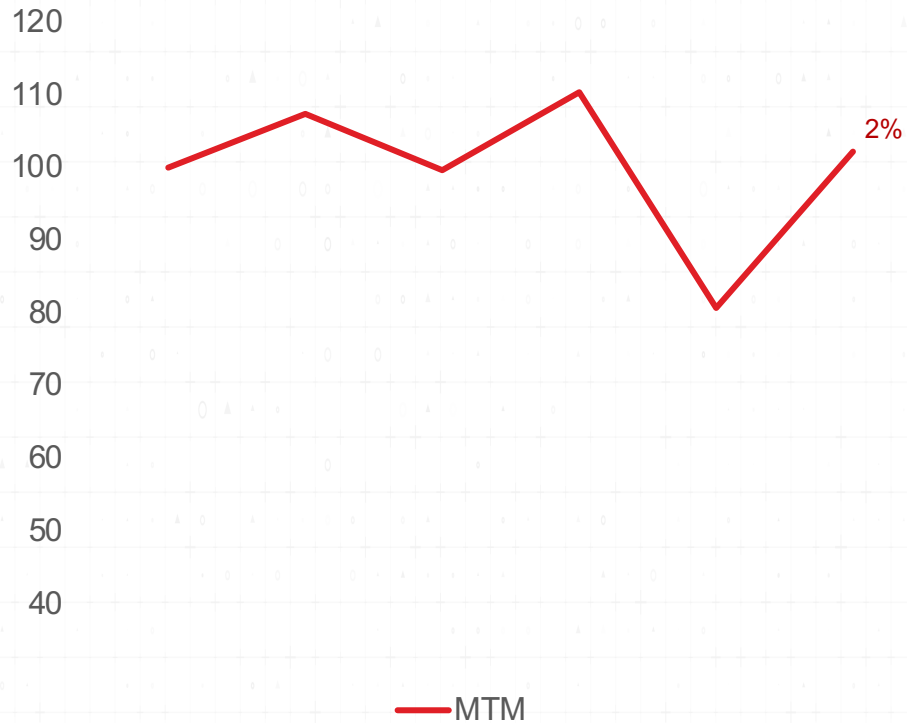
 Inflation-adjusted

Group EV per share (Rand)



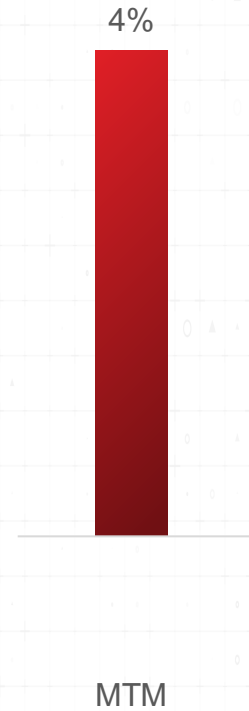
Share price performance

Share price 5 years ending June 2023



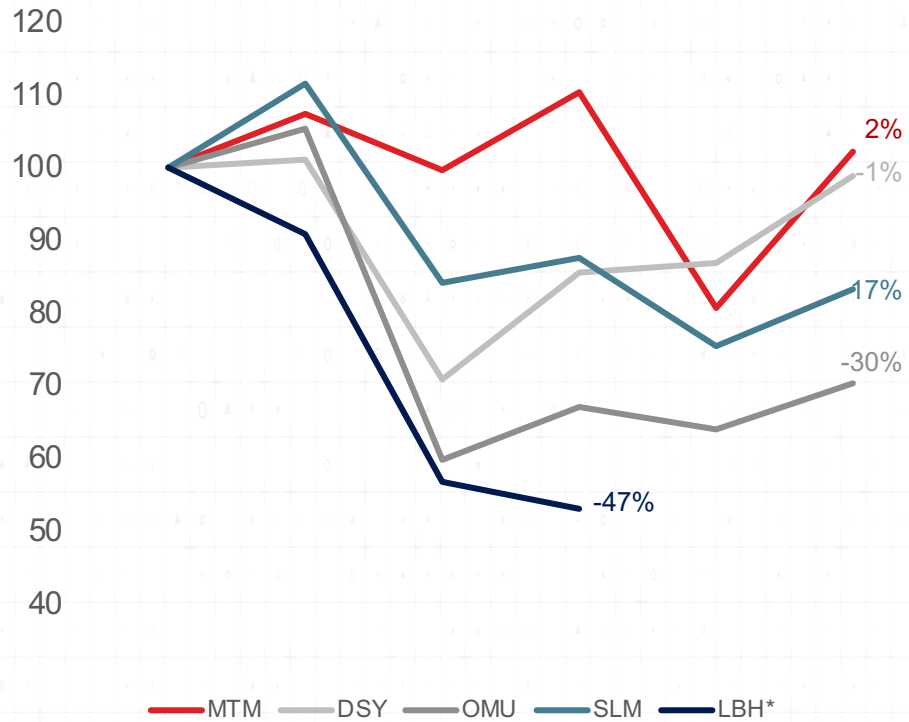
*LBH delisted 22 February 2022

Total shareholder return (TSR) 5 years ending June 2023 (Annualised)



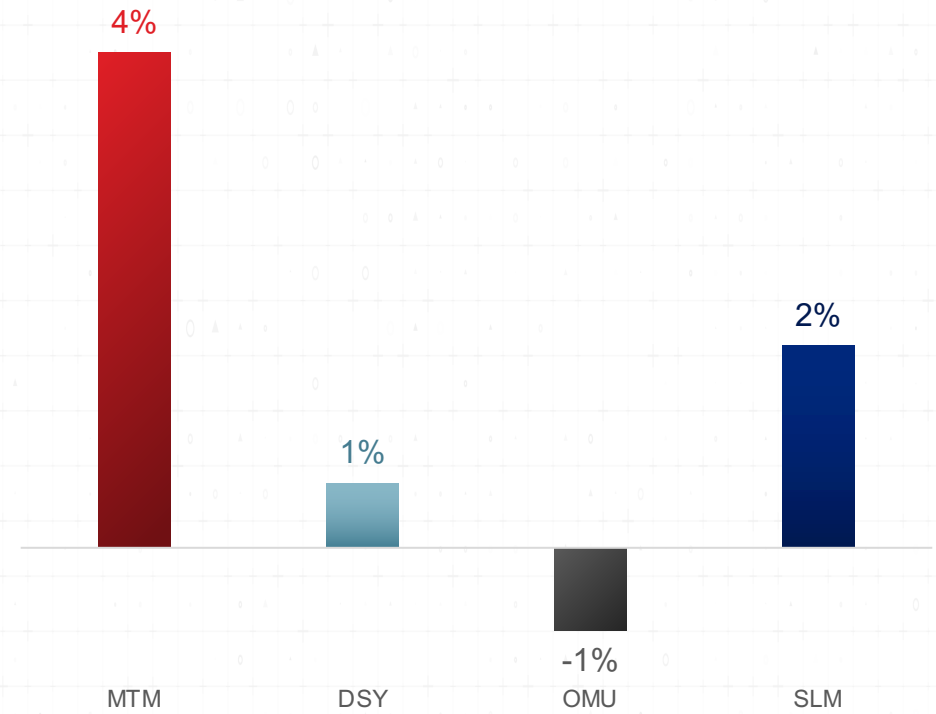
Share price performance

Share price 5 years ending June 2023



*LBH delisted 22 February 2022

Total shareholder return (TSR) 5 years ending June 2023 (Annualised)



Conclusion

- 1** Well-developed resilience muscle

- 2** Being honest with ourselves

- 3** Empowering teams with strong accountability

- 4** Building our growth engines

- 5** Looking to the future