

momentum
METROPOLITAN

2021

Investor Conference



24

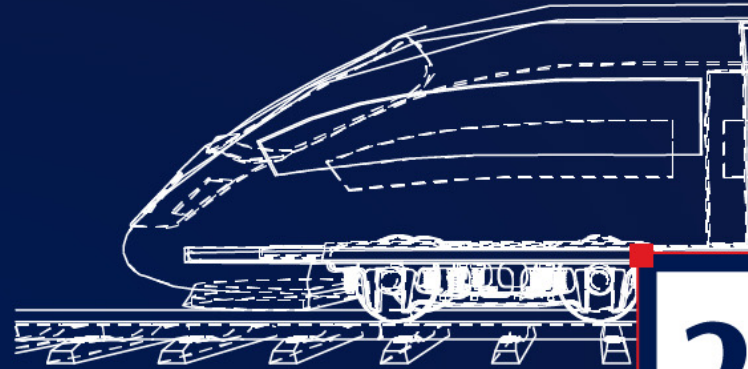
momentum

momentum
multiply

METROPOLITAN

GUARDRISK

ERIS



Group strategy overview

Hillie Meyer
Group Chief Executive Officer



RESET AND GROW



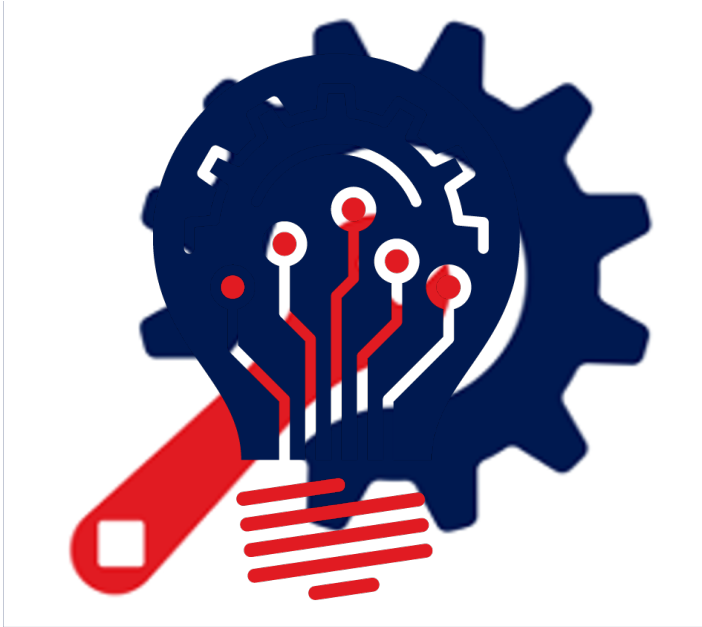
Reset and Grow

2019 – 2021

Fix the basics
Address the cost base

Re-establish external focus
Increase and improve footprint

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

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Reset and Grow

2

Strategic context

3

Reinvent and Grow

This overview

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Reset and Grow

2

Strategic context

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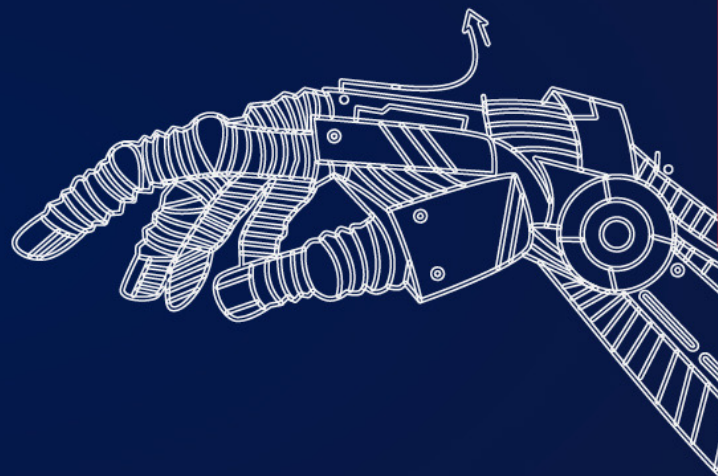
Reinvent and Grow

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



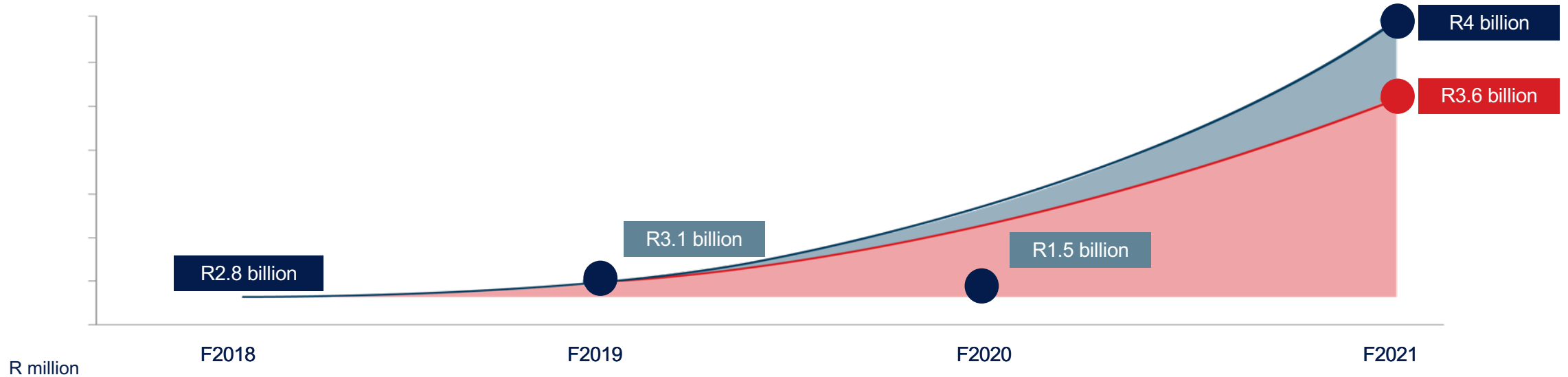
Service



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

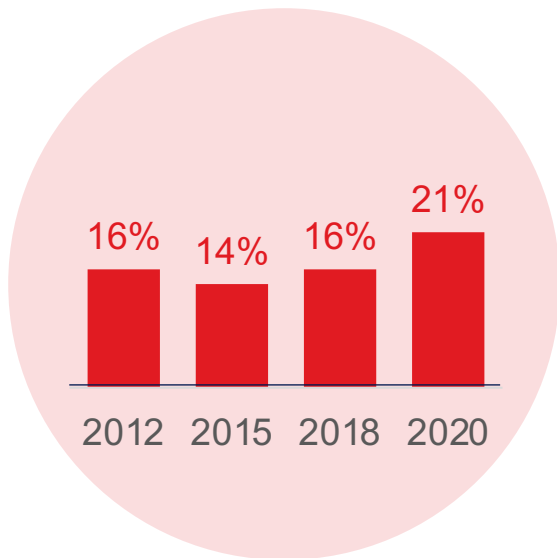


- Increased sales footprint
- Improved IFA support and engagement
- Metropolitan Life sales force turnaround
- Health winning business
- Guardrisk continued on growth path
- Momentum Insurance future secured
- India tracking ambitious plans
- Africa stabilised and grew earnings

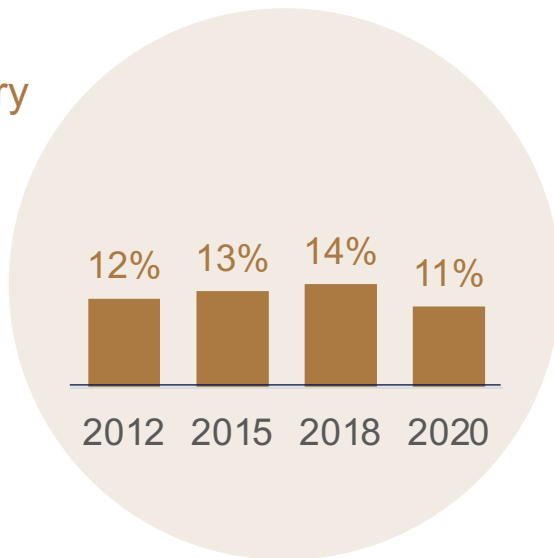
MARKET SHARES

Retail affluent APE

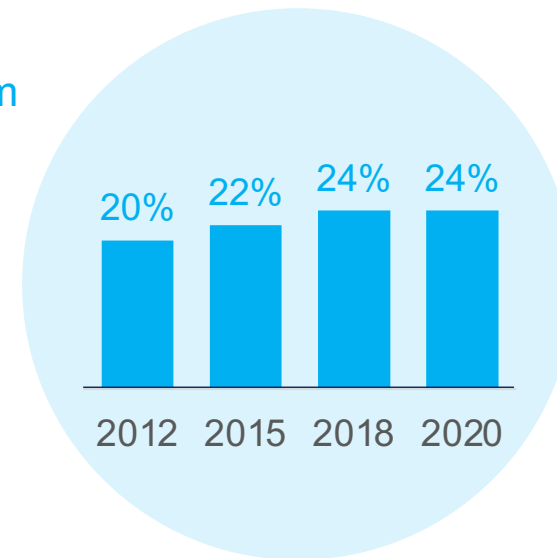
MMH



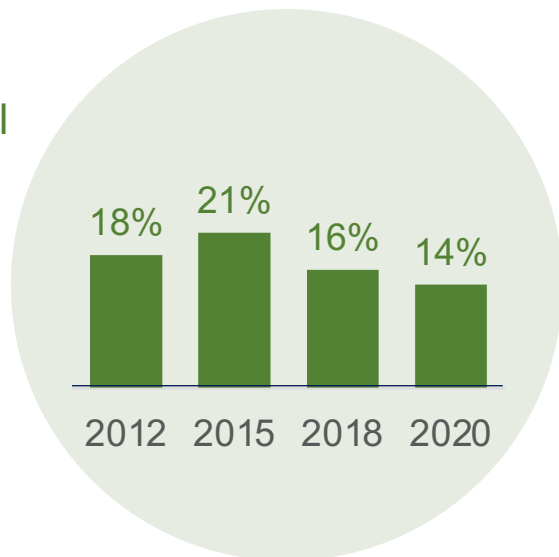
Discovery



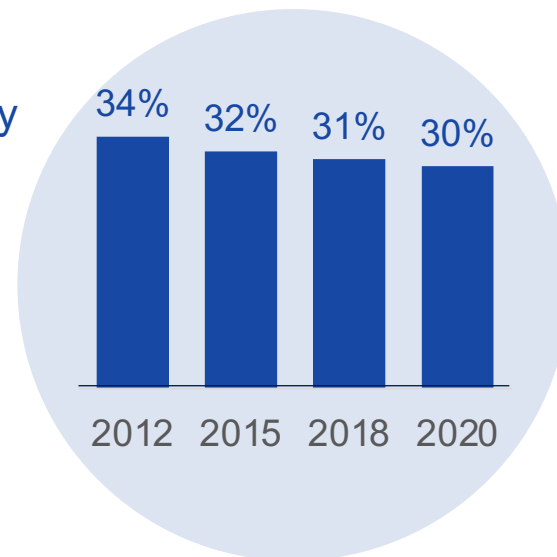
Sanlam



Old Mutual



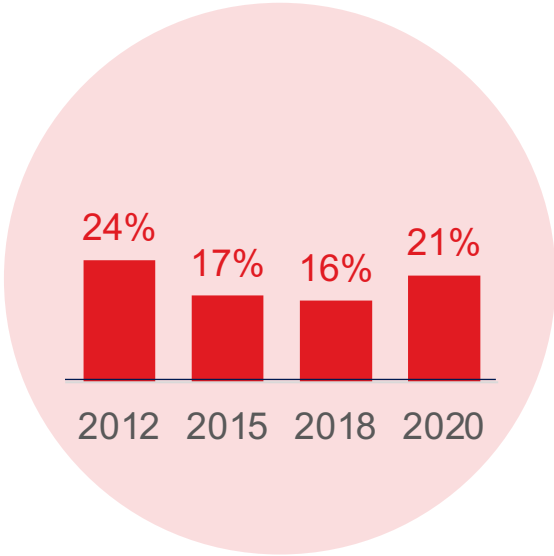
Liberty



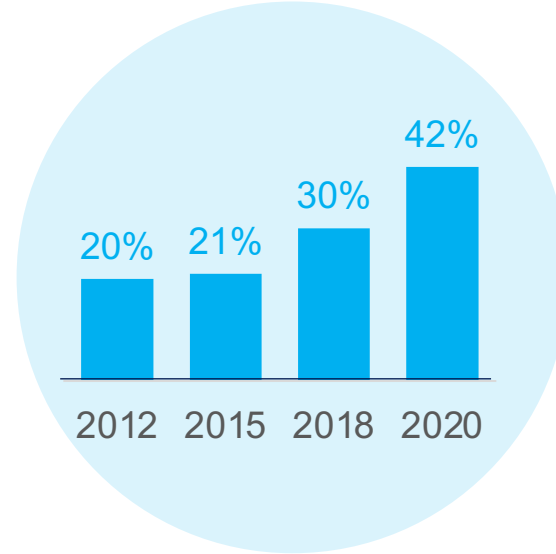
MARKET SHARES

Low income market

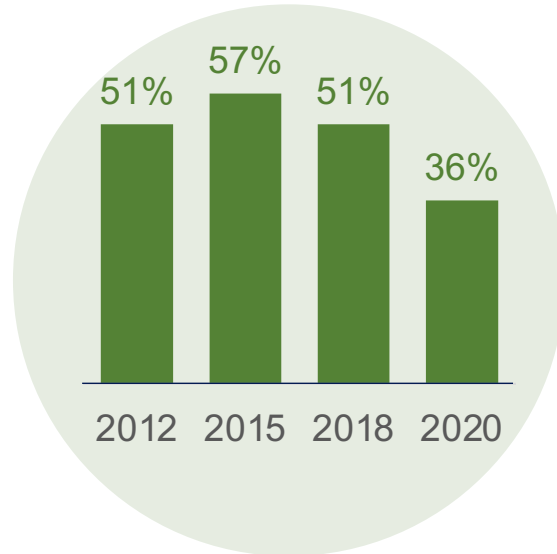
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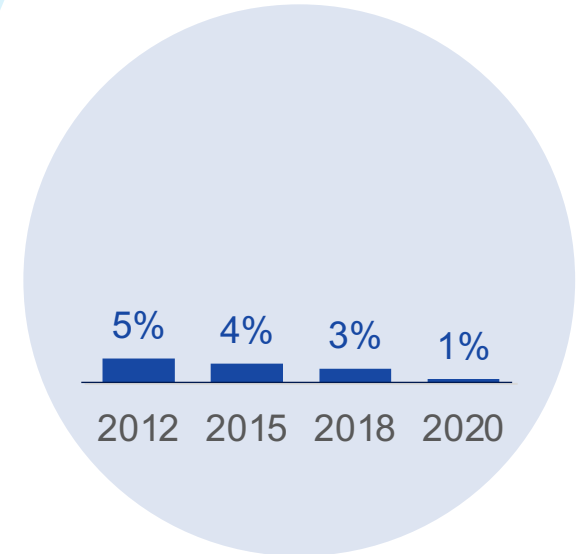
Sanlam



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

 New revenue streams emerging

Successful innovation and digital transformation have become prerequisites for outperformance

 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

 Weak economy amplified by Covid

 Regulatory burden will not subside

 Pressure to transform will continue

 Continued consolidation opportunities

Technology is enabling new distribution models

Ways in which advice is dispensed will change

Powerful hybrid advice models likely to emerge

New battle lines are being drawn

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Reinvent and Grow



REINVENT AND GROW STRATEGY



REINVENT AND GROW

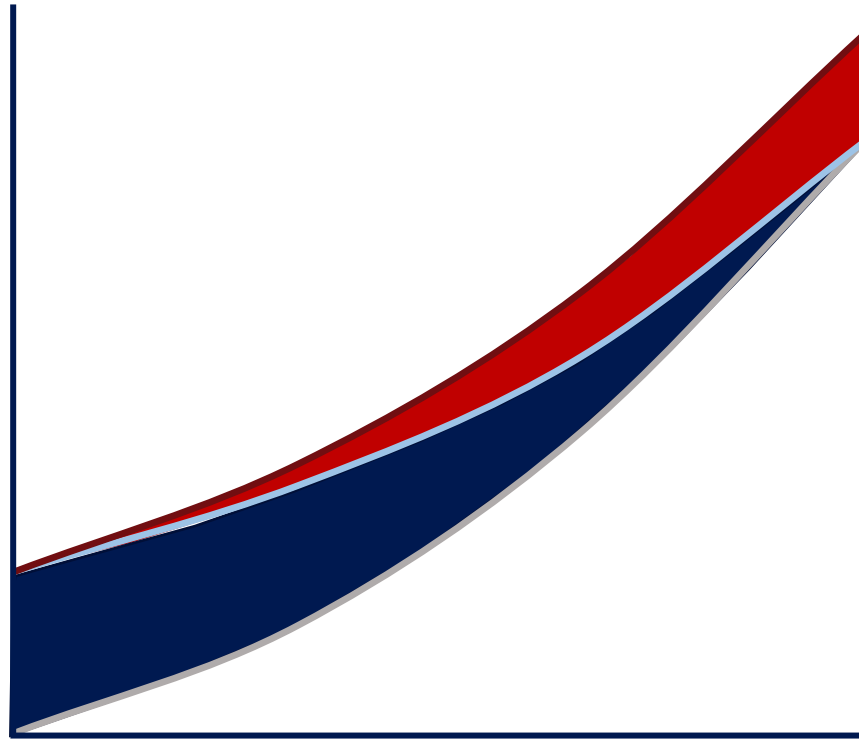


Grow existing channels

Establish new channels

Accelerate digital

Product and service leadership



Stretch

Target

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

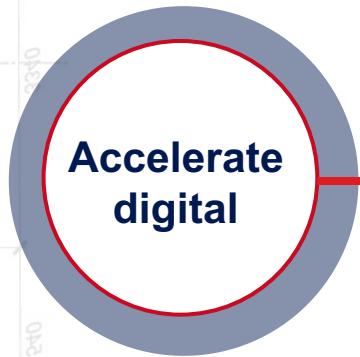
Momentum Life

- 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

Health will use digital platforms to

- Improve access to care
- Improve accuracy of care

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

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

Momentum Life will

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

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



Product and service leadership

Continuous product innovation to become a habit

Guardrisk awarded first Micro-insurance cell-captive licence

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

Metropolitan Life has started to improve its client value proposition offering

Momentum Investments plans to

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

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

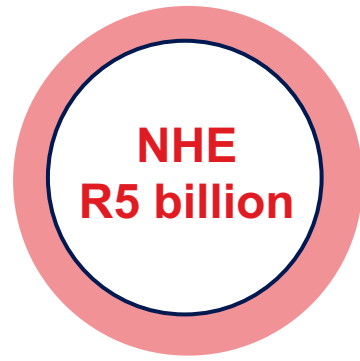
GROW

**NHE
R5 billion**

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)
Group Total	3 200 – 3 600

GROW



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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%
5 000	39%

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

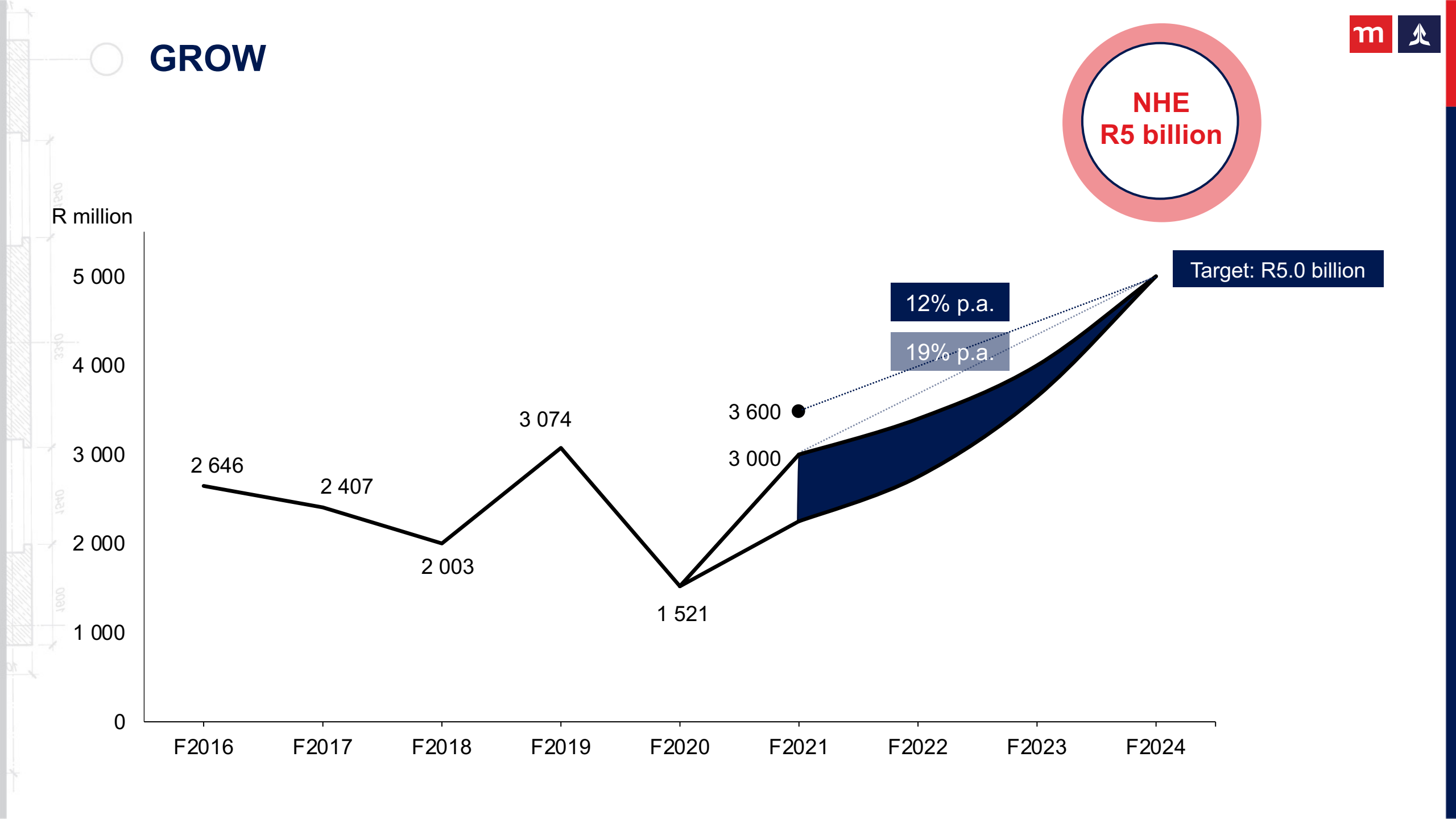
3 000

3 600

12% p.a.

19% p.a.

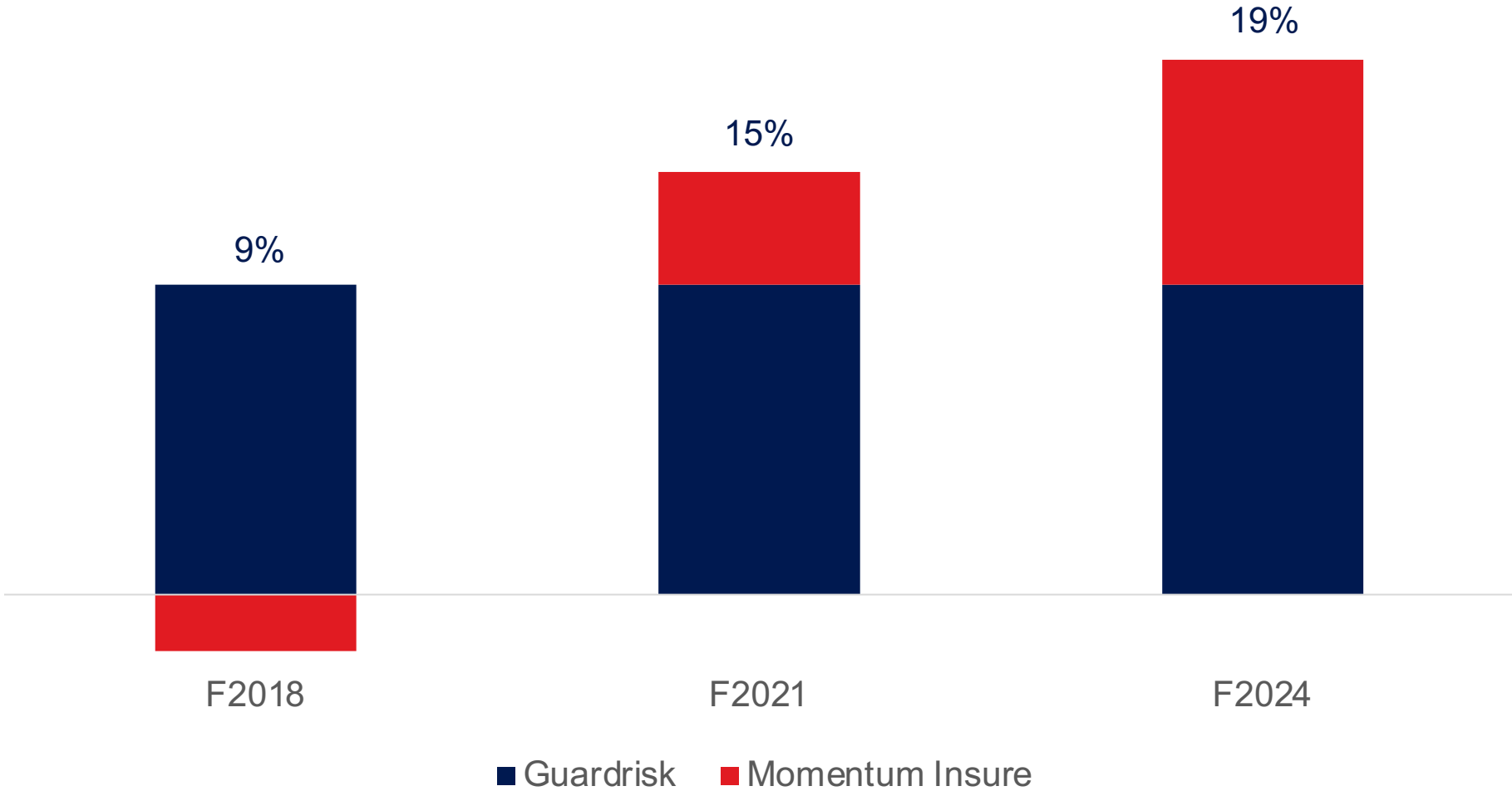
Target: R5.0 billion



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Non-life insurance contributes 20% of NHE

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

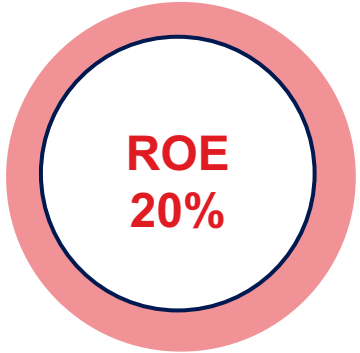


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Market share +1% to +6%

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%

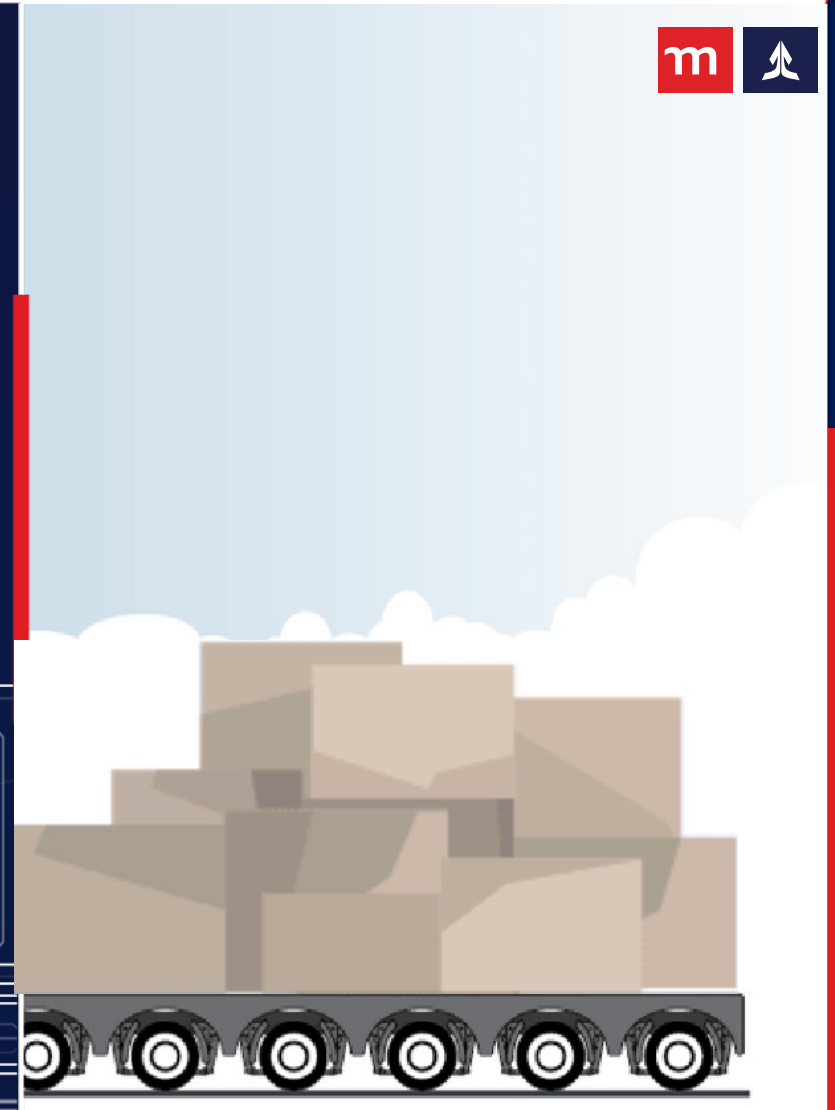
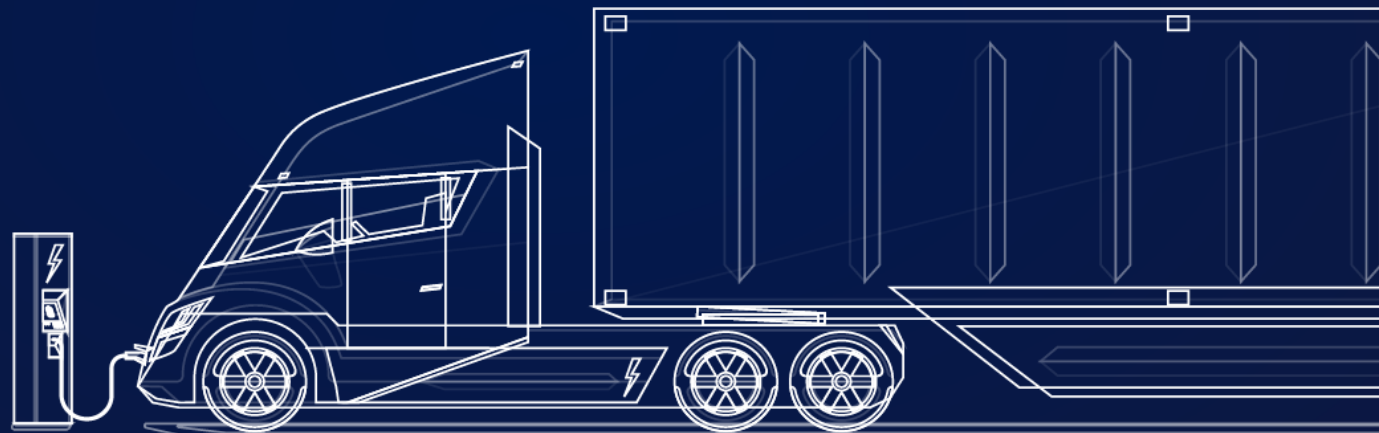
GROW



	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



Thank you

