



# Momentum Metropolitan announces strong results

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*Shareholders benefit from increased dividends  
and further share buybacks*





# Overview

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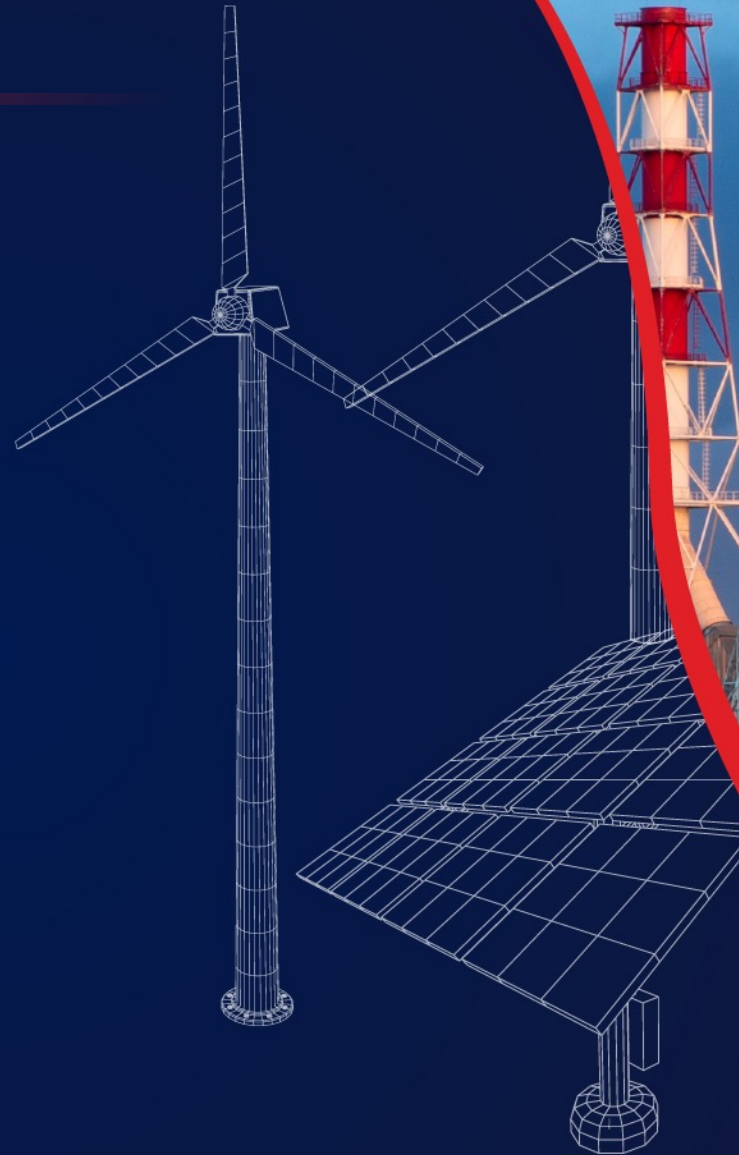
**Key take-outs**



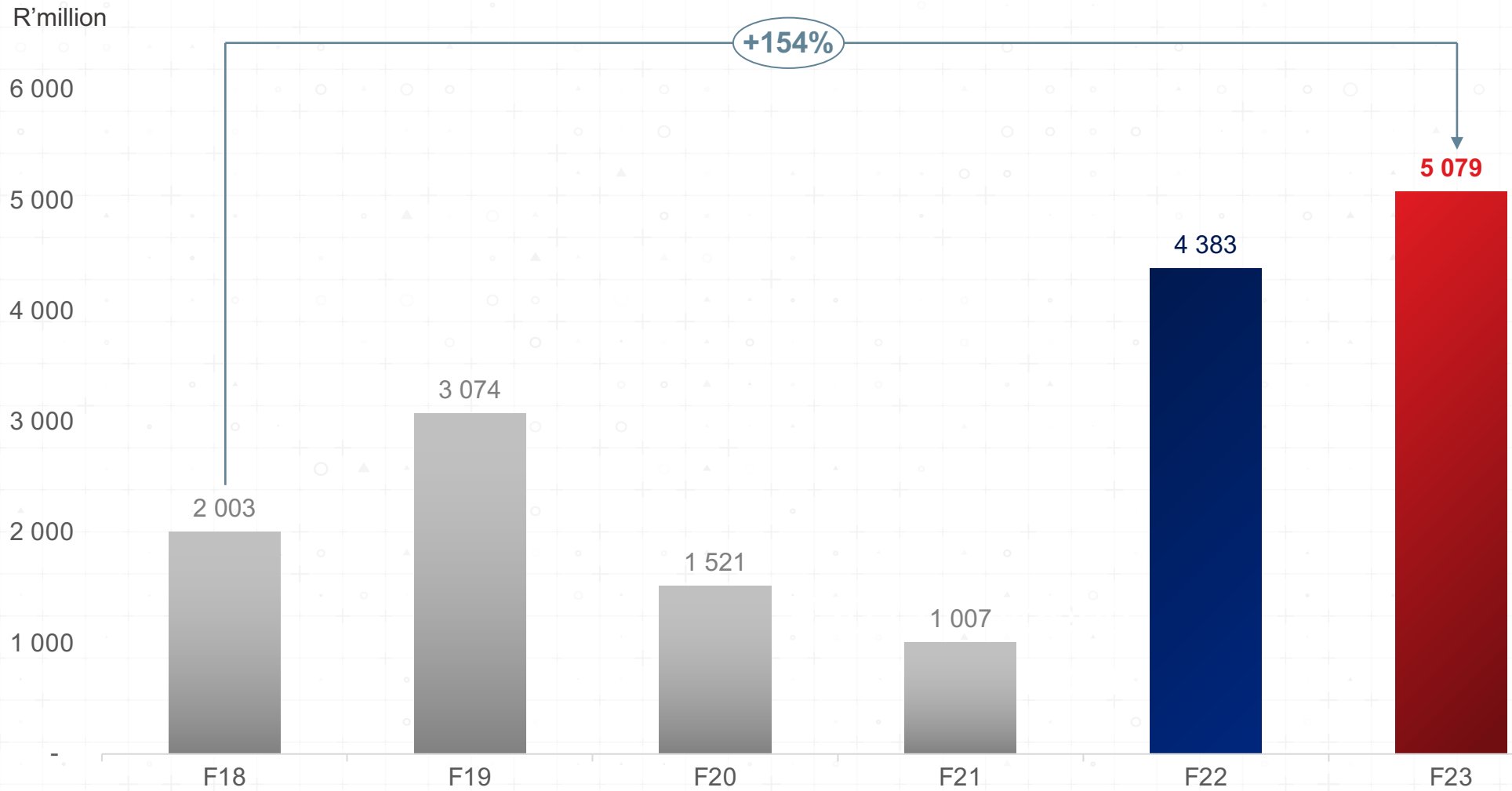
**Reinvent and Grow**

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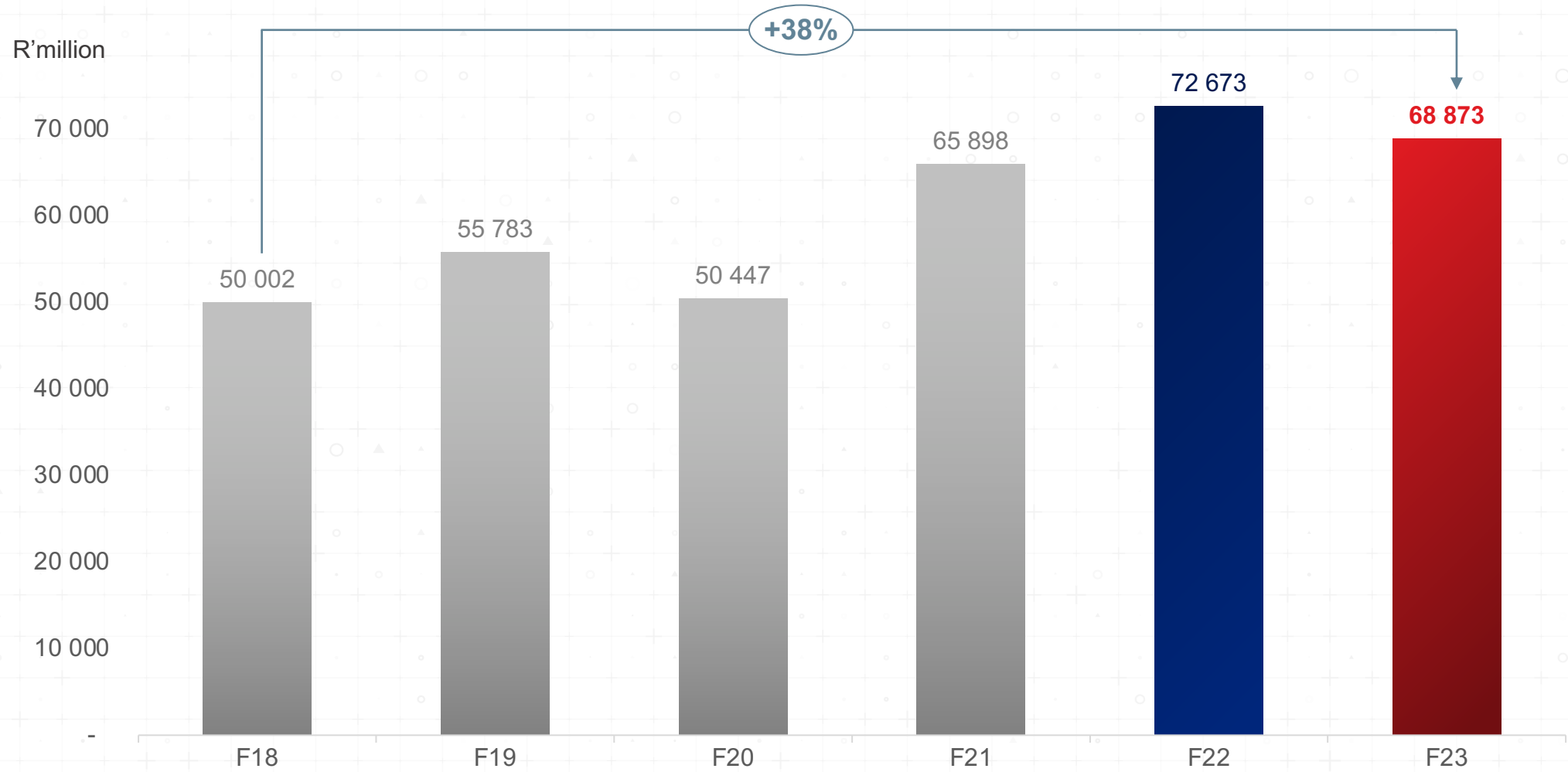
**Jeanette Marais**  
Group Chief Executive Officer



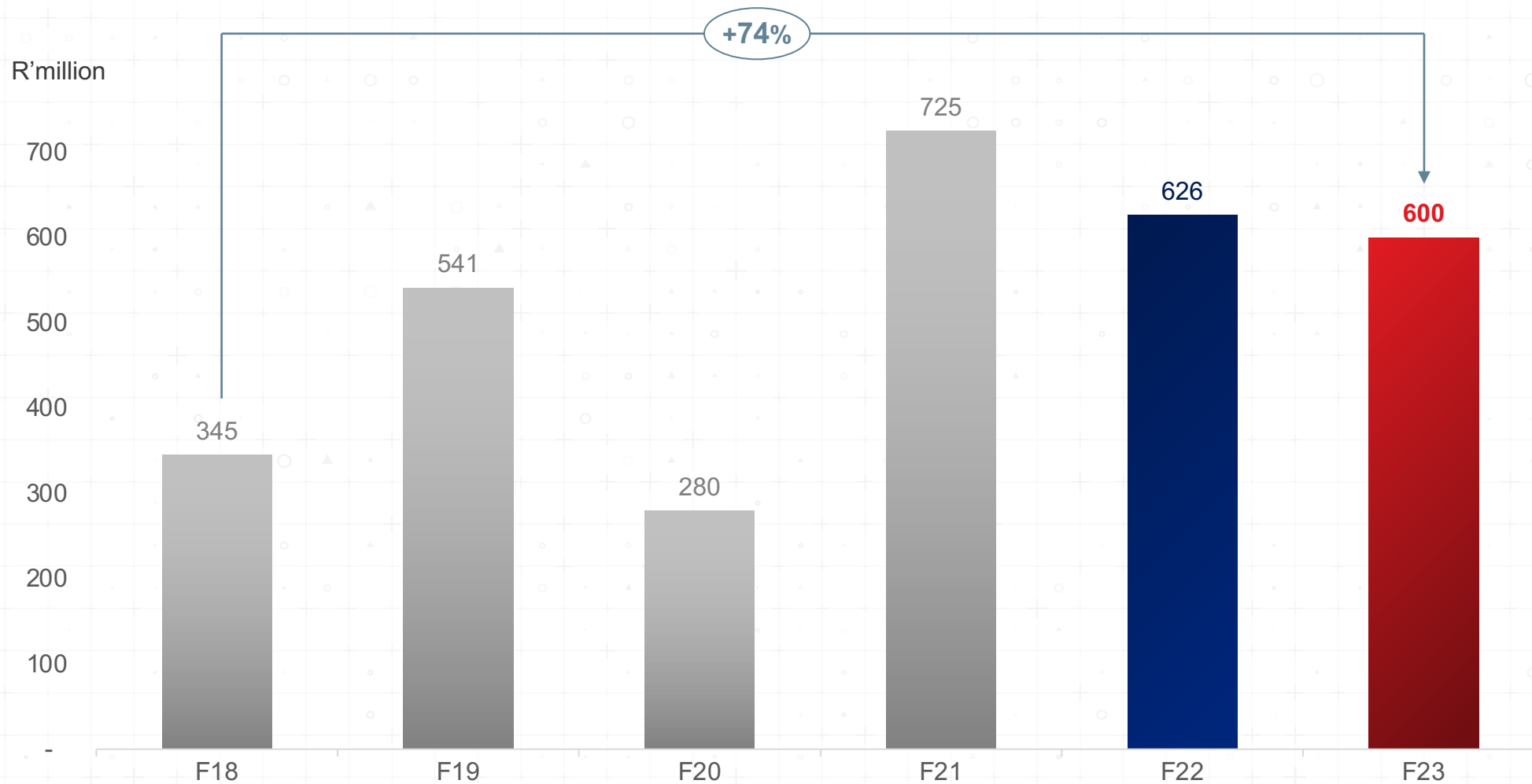
# Record high NHE of R5.1 billion



# PVNB of R68.9 billion in a challenging environment



# Horizontal movement in VNB





# Corporate portfolio performs again

## Strong contribution to earnings growth

Momentum Life

Momentum Corporate

Guardrisk

Momentum Metropolitan Africa

Momentum Metropolitan Health

## Stable contribution to earnings growth

Momentum Investments

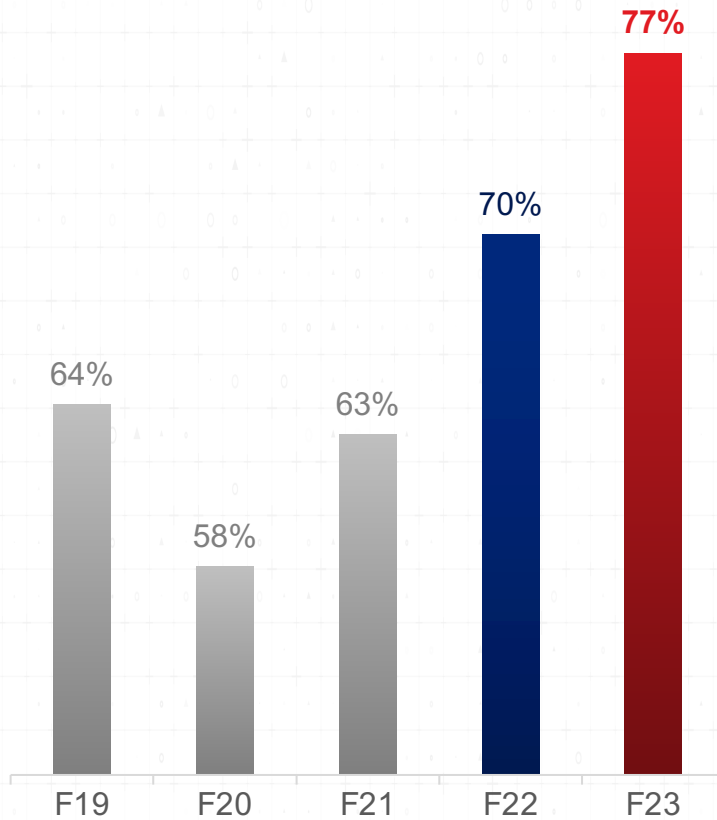
## Challenging year

Momentum Insure

Metropolitan Life

# Momentum Insure: Turnaround plan

## Claims ratio



## Plans

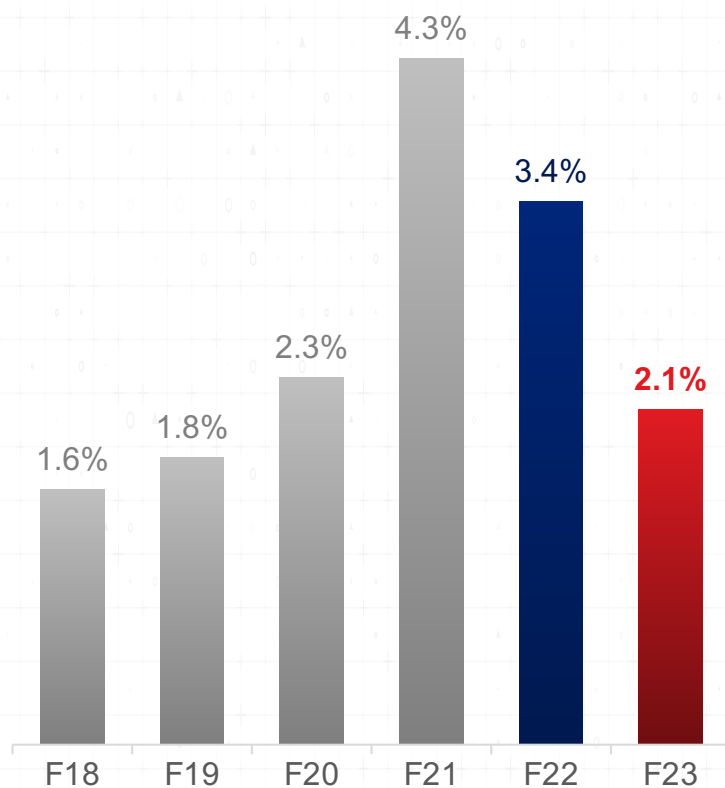
AFI integration completed

Strong management actions to curb claims ratio

- Premium corrections
- Cancellation of policies outside risk appetite
- Benefit changes

# Metropolitan Life: Turnaround plan

VNB margin



## Plans

- Dynamic product and benefit design
- New business quality management
- Cost savings



# Reinvent and Grow

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# Reinvent and Grow update



## Further growth in new channels

### Momentum Life direct initiatives

Increased from **<1%** to **7%** of Myriad APE in past two years (**25%** of new policies)

### Momentum Insure direct channel

Increased by **15%** in past year to **20%** of total GWP

### Metropolitan Life broker and telechannel

Telechannel and broker channel in combination have grown from **15%** to **19%** of Metropolitan Life APE in past year

### Guardrisk channels

General insurance GWP increased by **49%** in past year

Life third party cells GWP increased by **14%** in past year

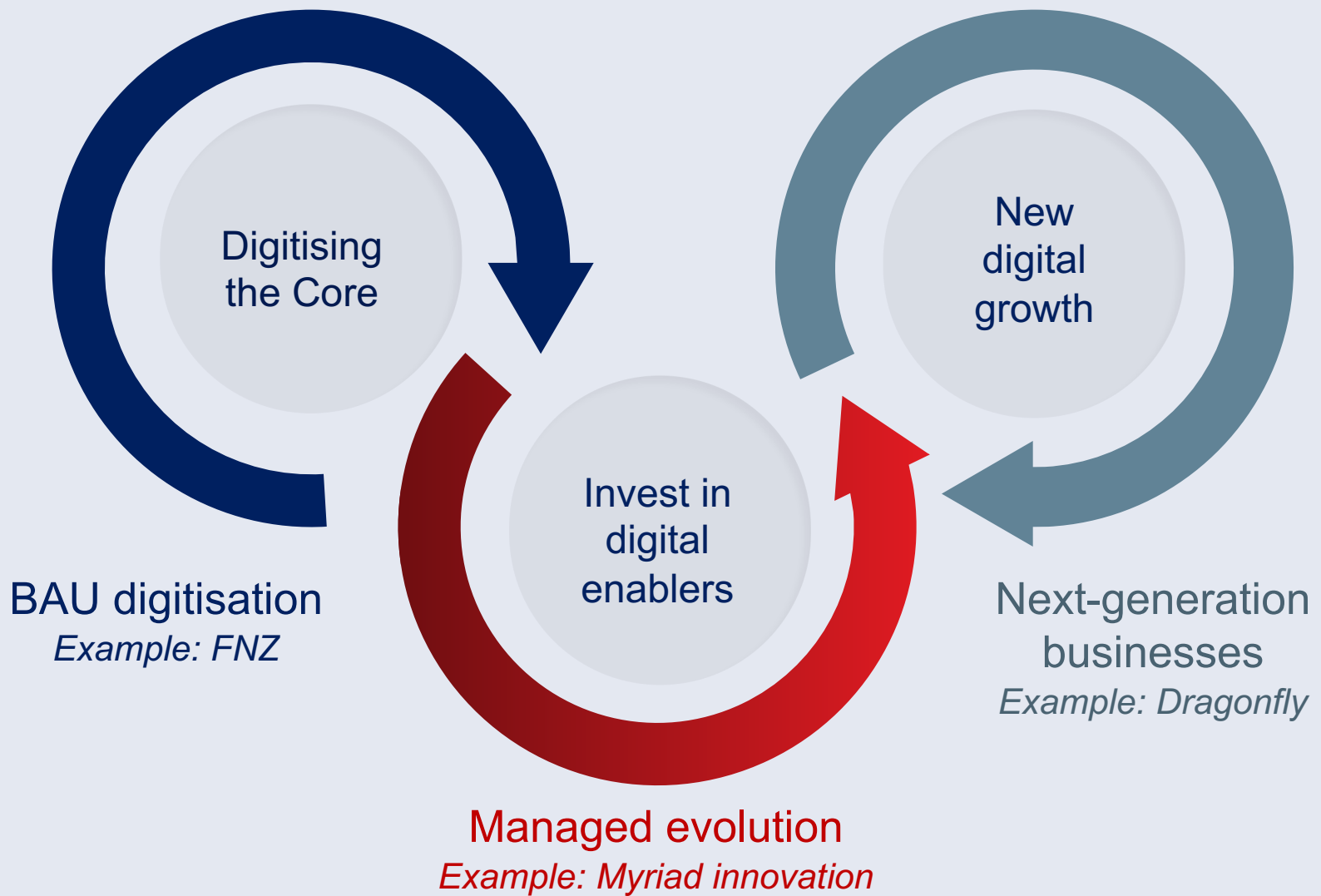
Non-life third party cells GWP increased by **26%** in past year

### Momentum Corporate retailisation

Group captures **41%** of annuities

Group captures **34%** of preservations

# Three horizons approach



# Improvement in Employment Equity ACI representation

## Top Management

**F2023: 36%**

F2022: 36%

F2021: 36%

## Senior Management

**F2023: 44%**

F2022: 39%

F2021: 36%

## Middle Management

**F2023: 47%**

F2022: 45%

F2021: 42%

## Junior Management

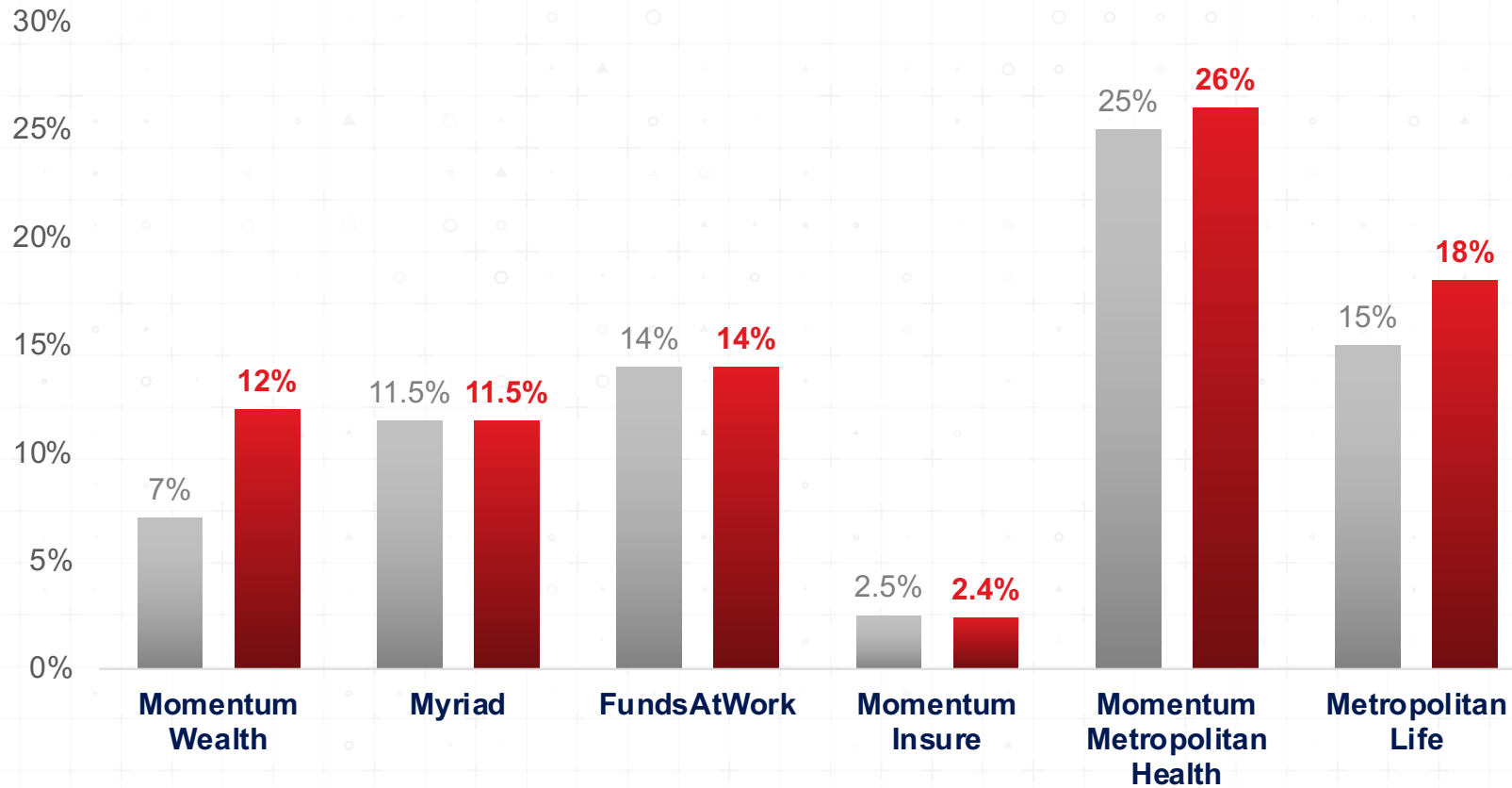
**F2023: 85%**

F2022: 85%

F2021: 84%

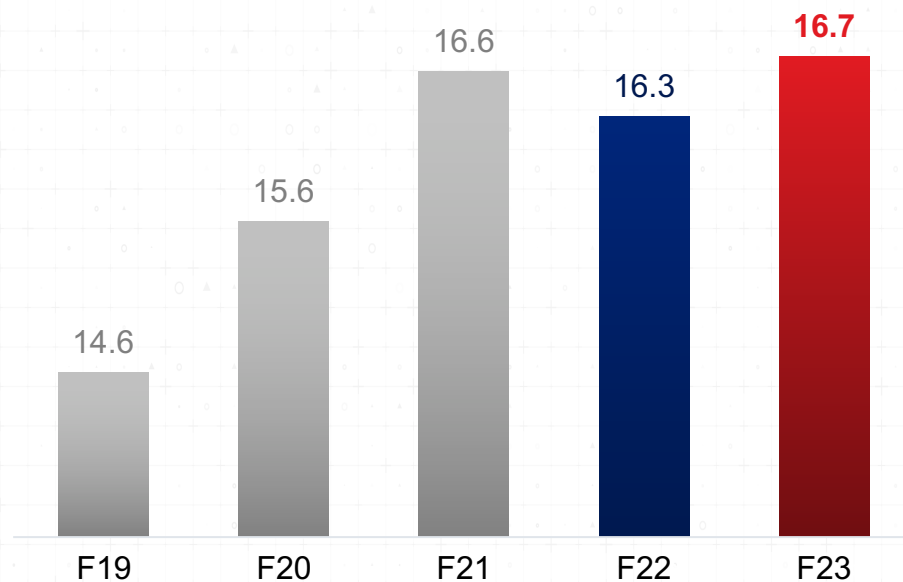
# Overall market share of businesses

F2020 to F2023

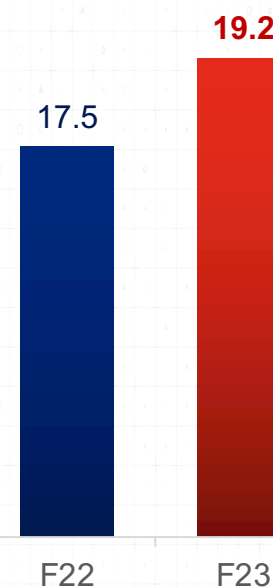


## Winning market share in the IFA space

Myriad IFA market share %



Wealth IFA market share %



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





# Conclusion

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**2** Continuing to focus on achieving F2024 Reinvent and Grow targets.

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# Financial results



**Financial overview**



**Cash generation**



**Other topical matters**



**Conclusion**

**Risto Ketola**  
Group Finance Director







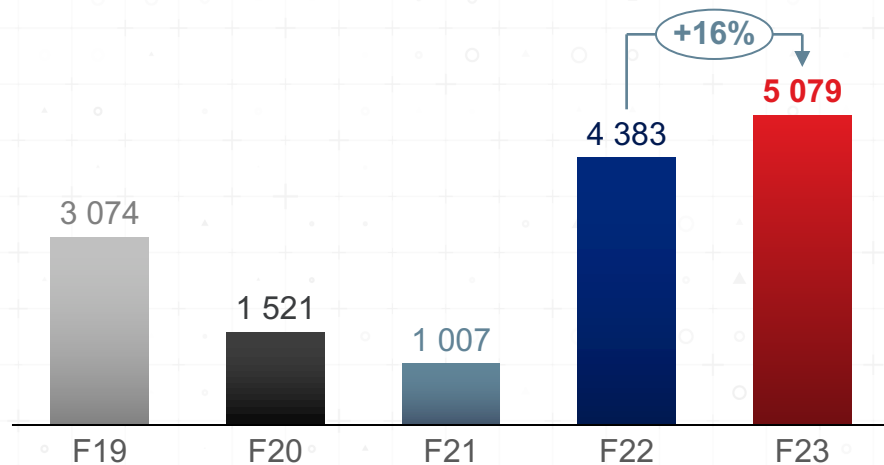
# Financial overview

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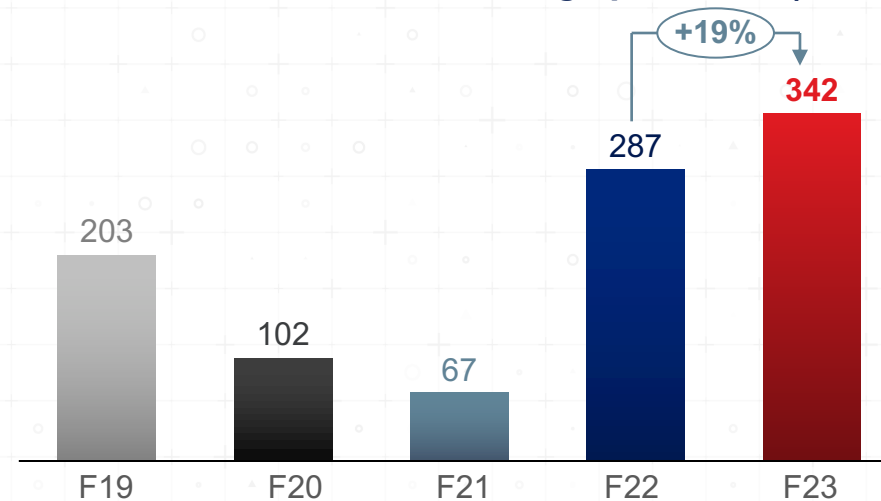


# Key financial measures

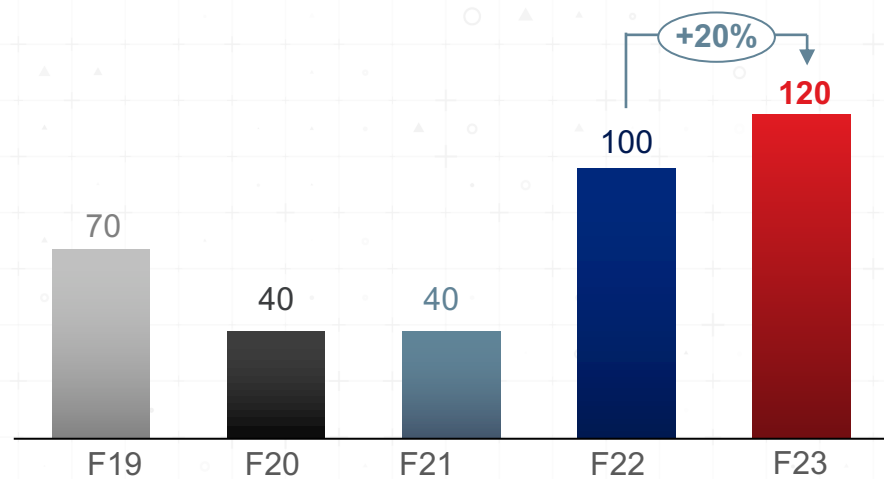
Normalised headline earnings (R'million)



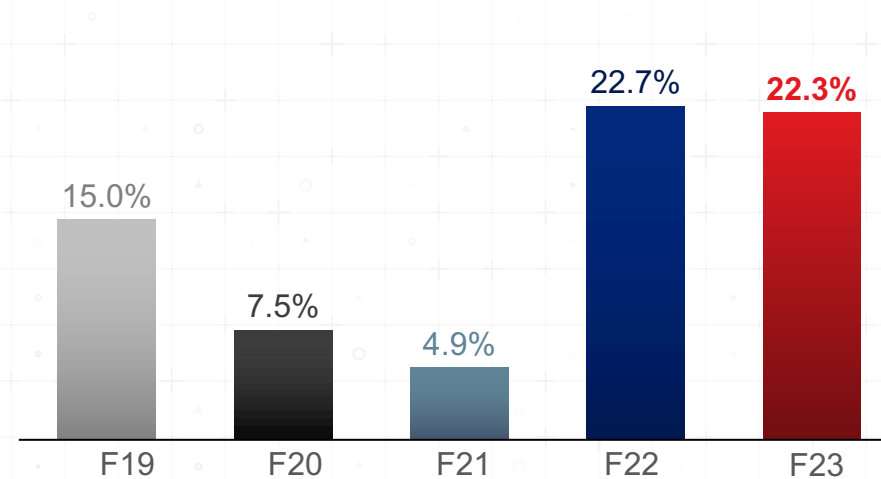
Normalised headline earnings per share (cents)



Dividend per share (cents)

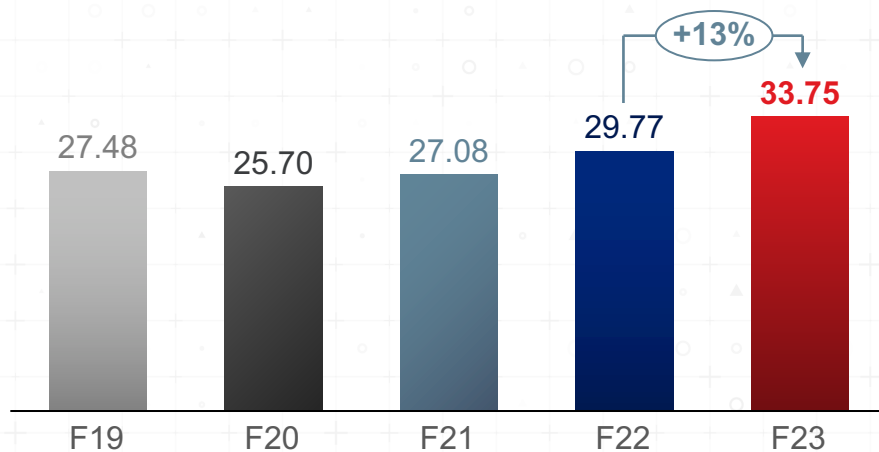


Return on equity (%)

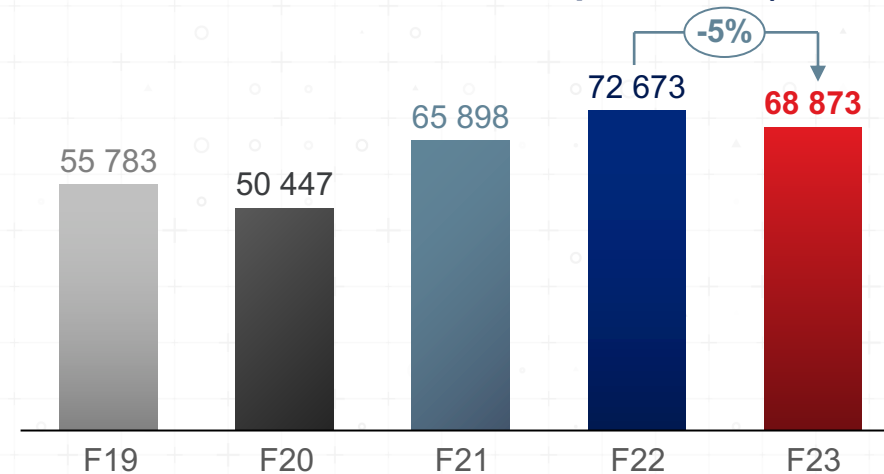


# Key financial measures

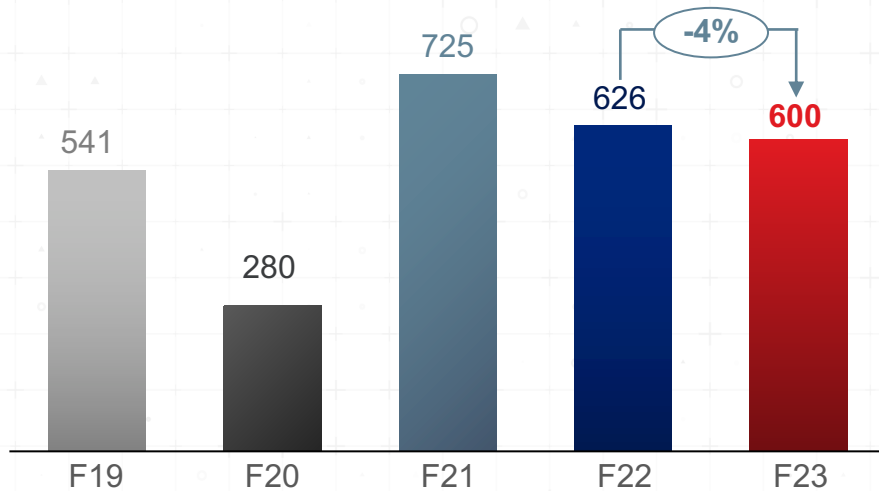
## Diluted embedded value per share (R)



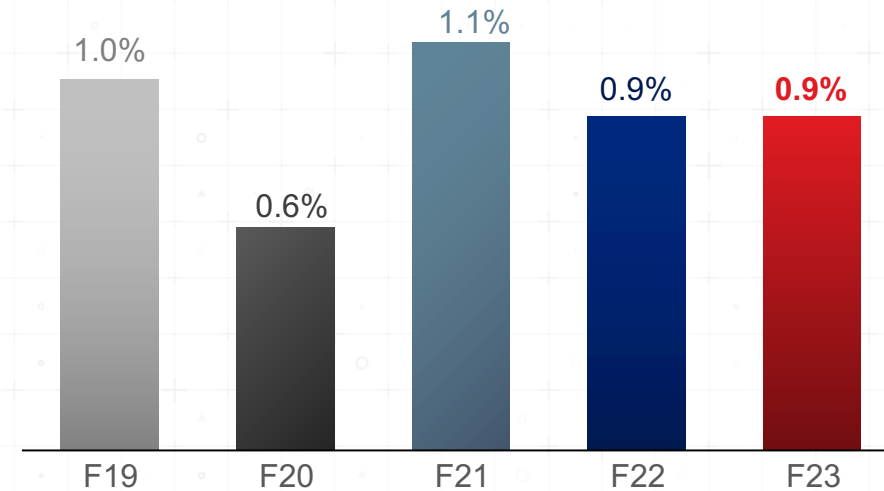
## Present value of new business premiums (R'million)



## Value of new business (R'million)



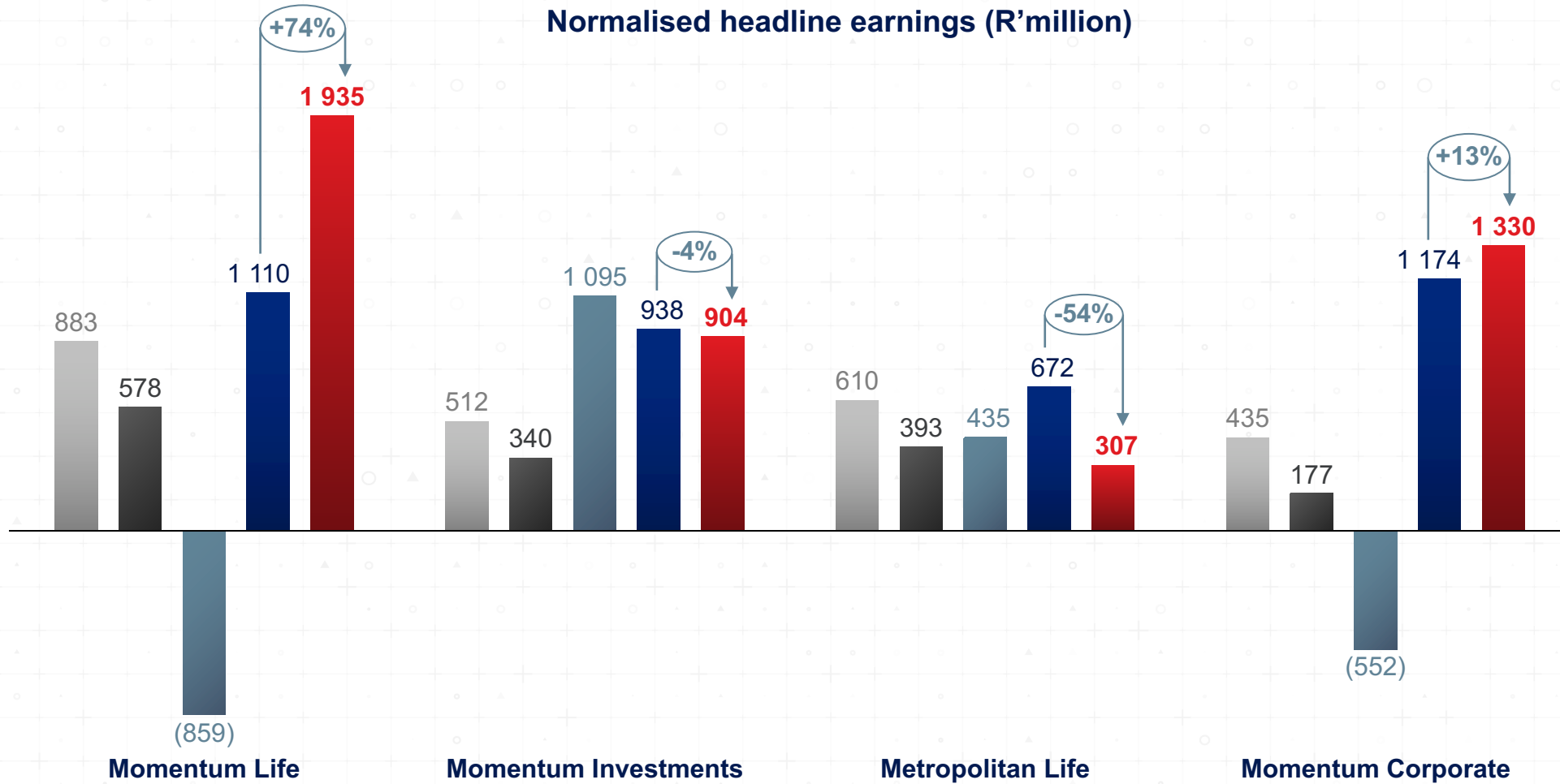
## New business margin (%)



# SA life businesses



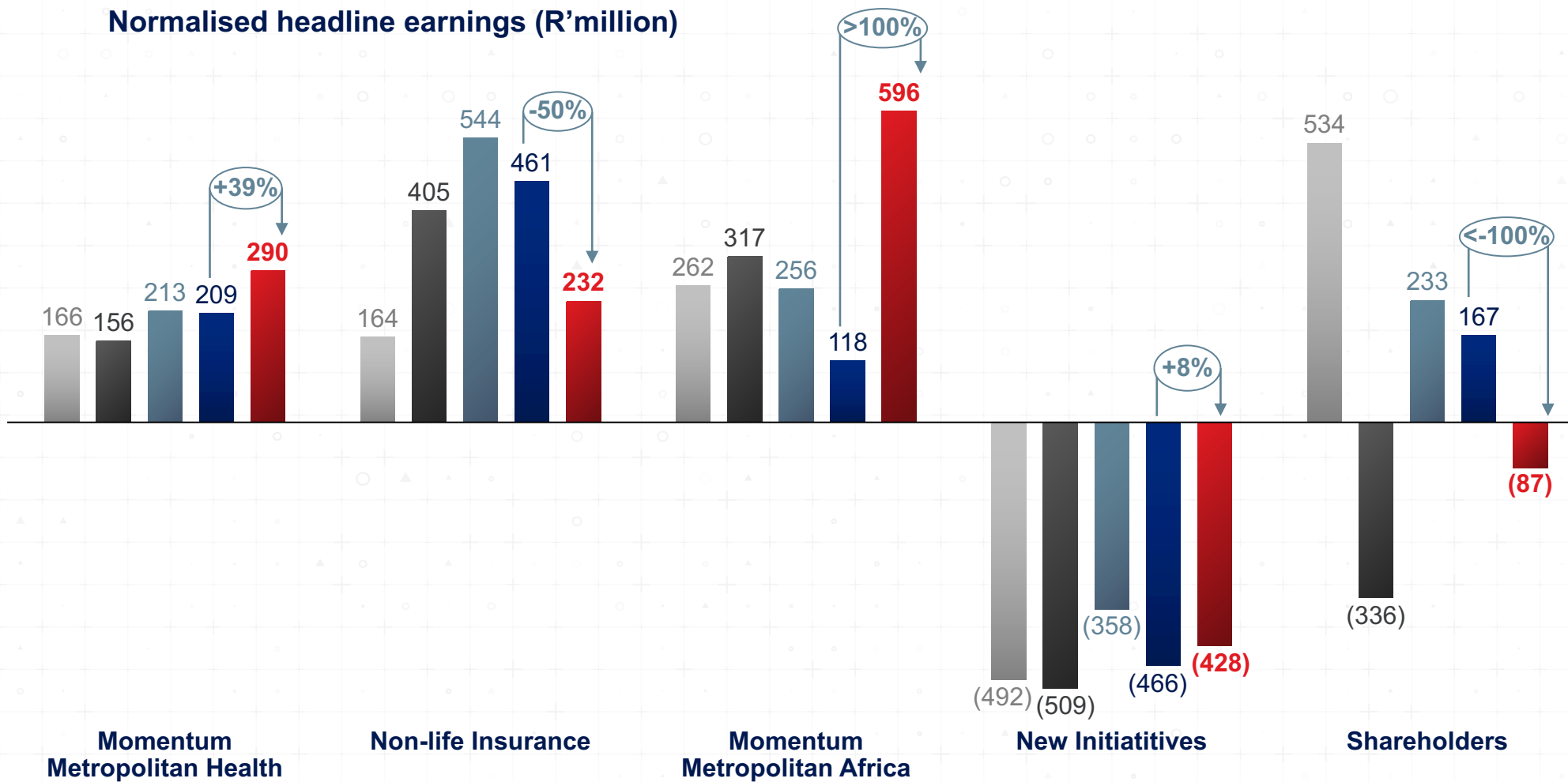
Normalised headline earnings (R'million)



# Other businesses



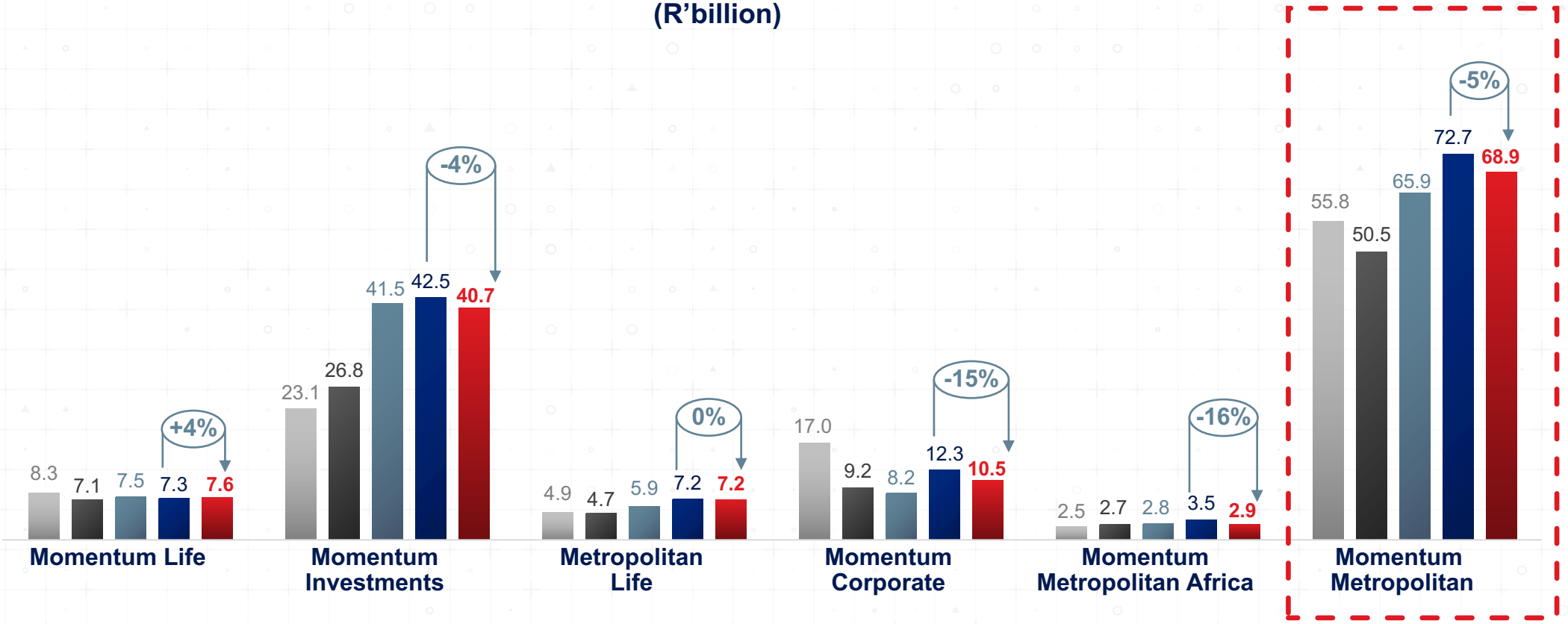
Normalised headline earnings (R'million)



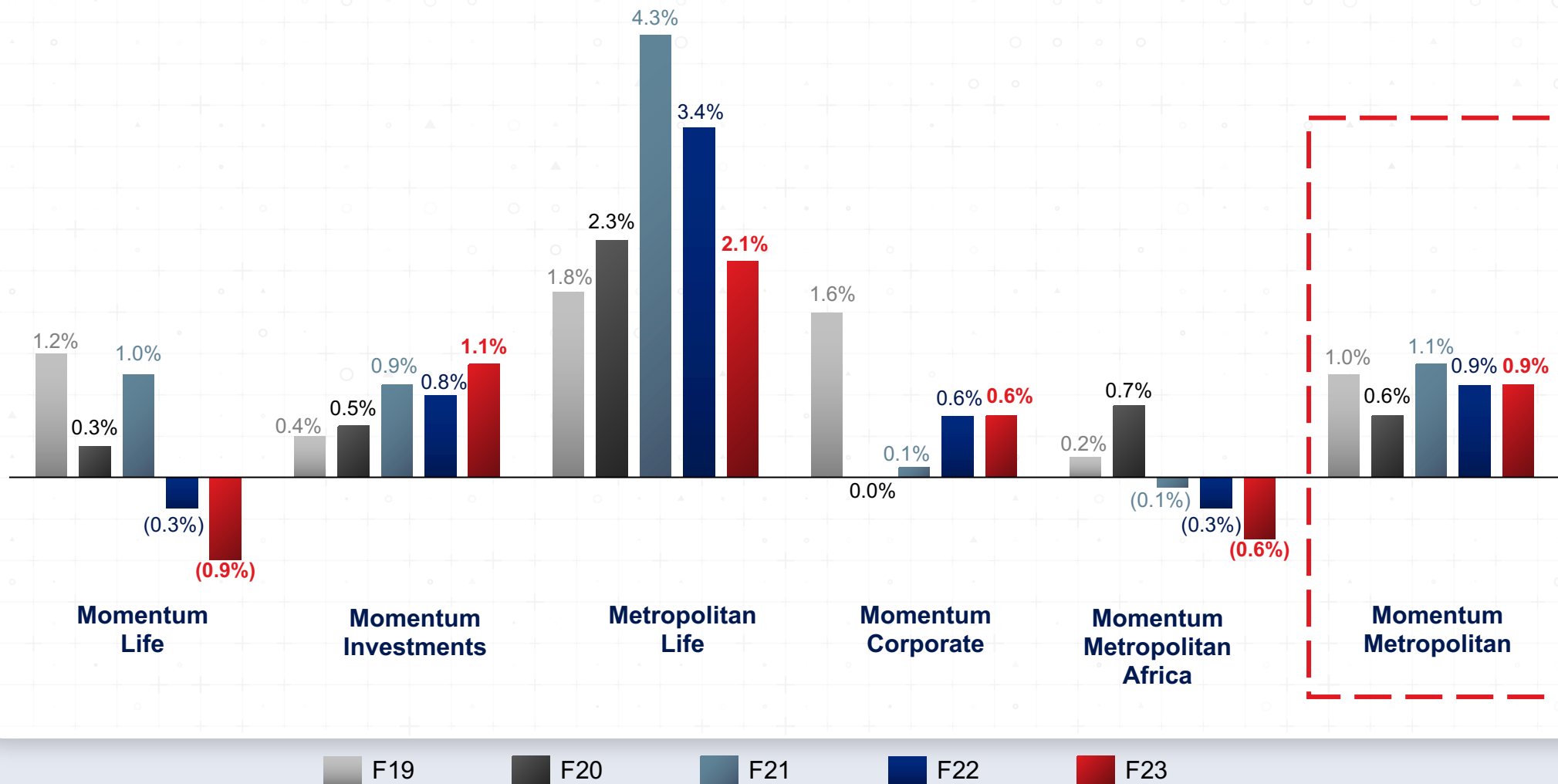
# New business volumes down 5%



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



# New business margin steady

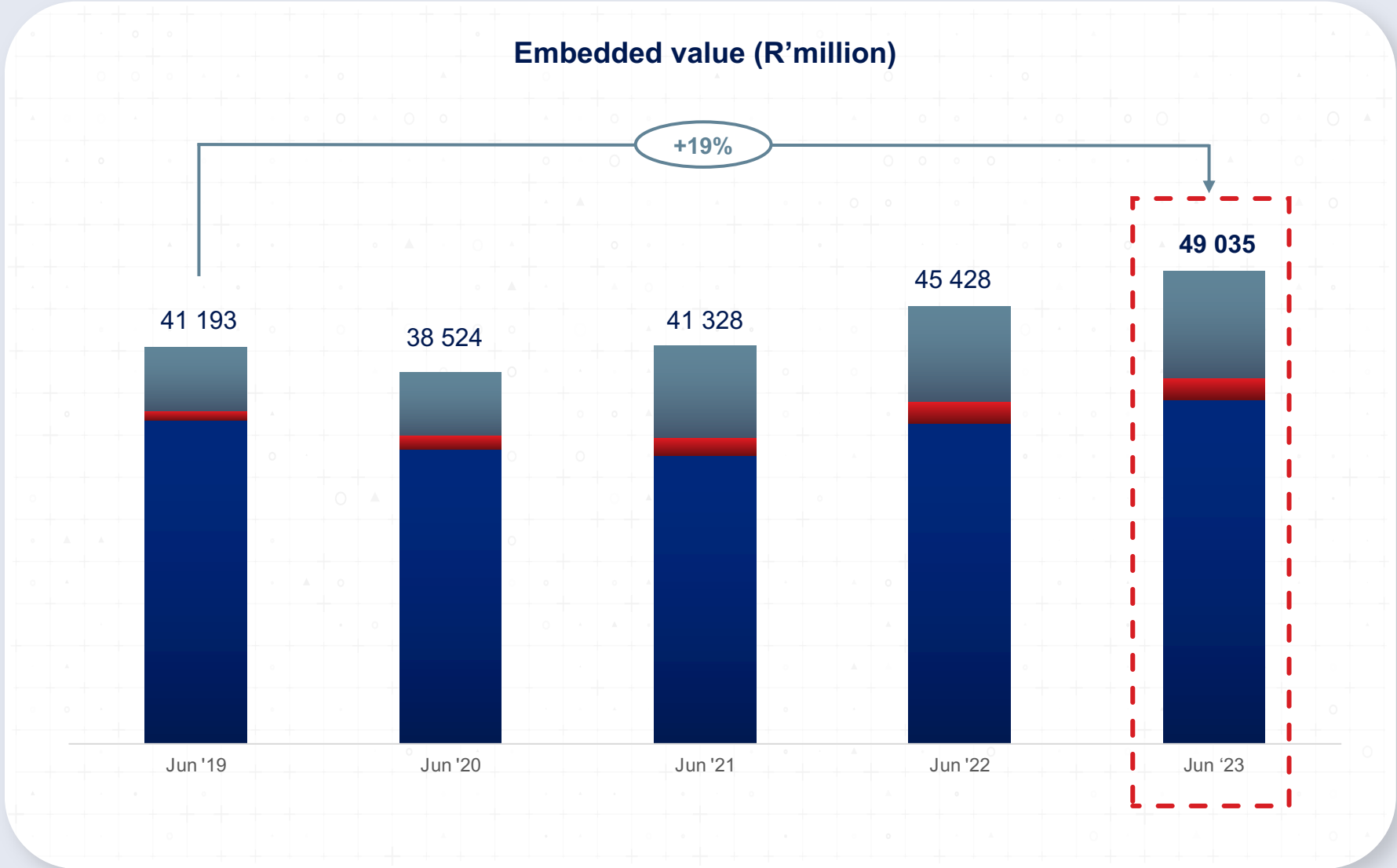




# 8% p.a. RoEV per share since F2019

**R33.75**  
EV per share

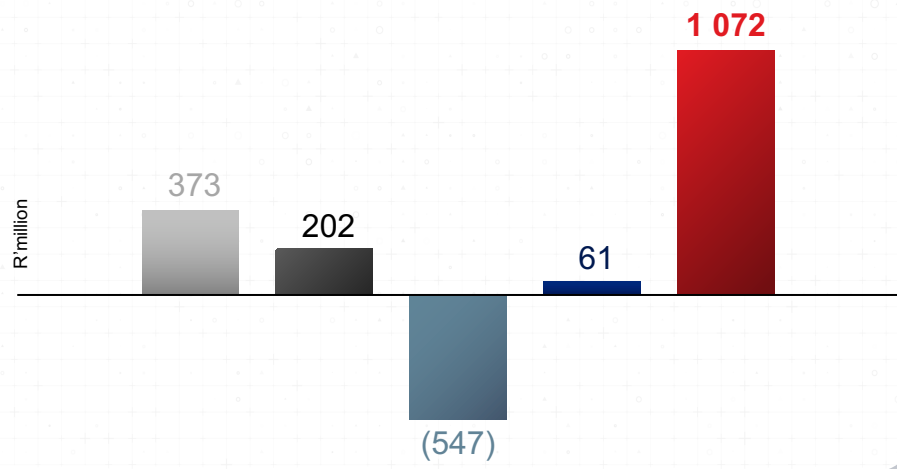
**17%**  
ROEV per share  
for F23



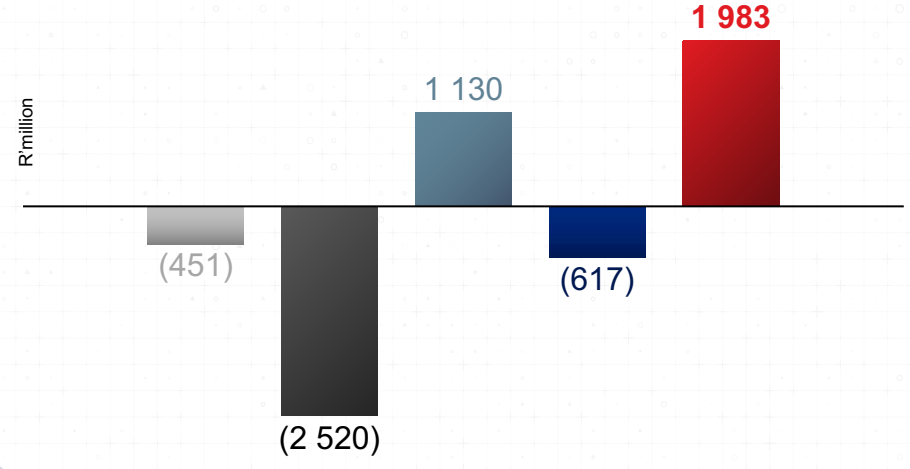
■ Covered business   ■ Non-covered: New Initiatives   ■ Non-covered: Established business

# Covered EV variances

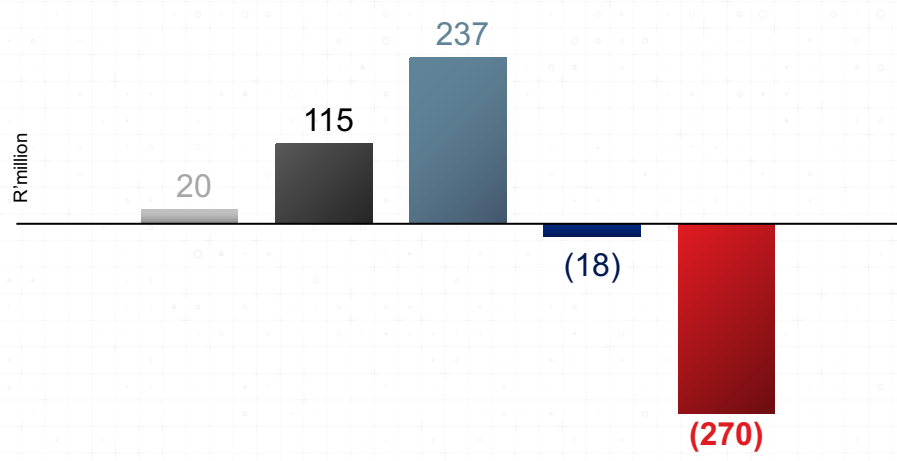
### Mortality and morbidity



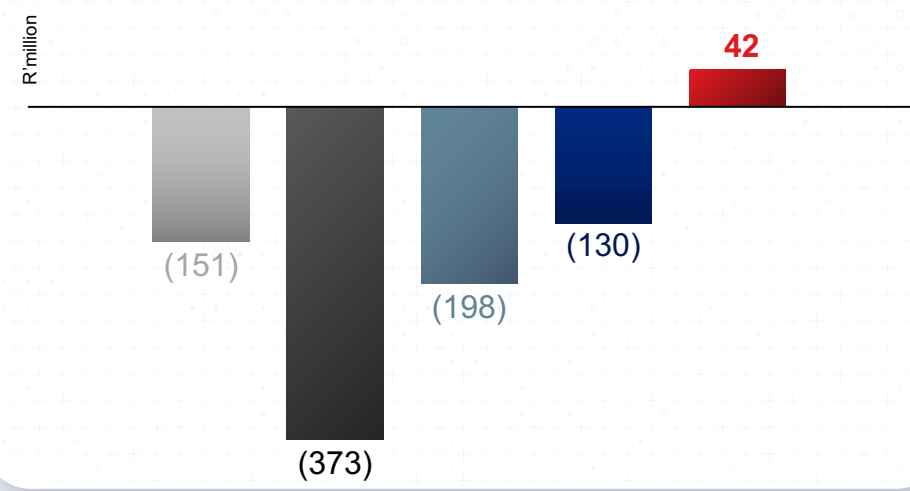
### Investment variances



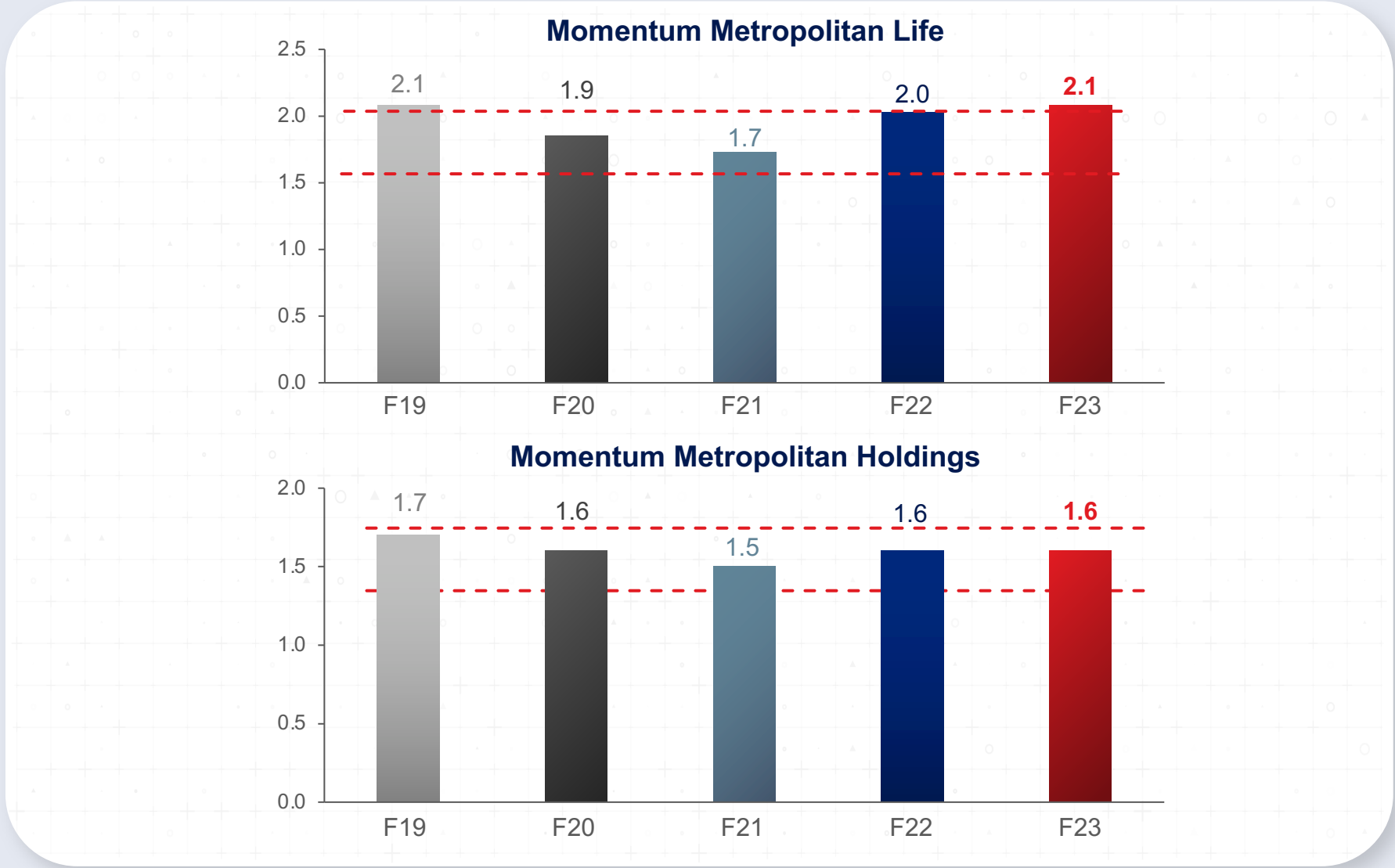
### Expense variances



### Terminations



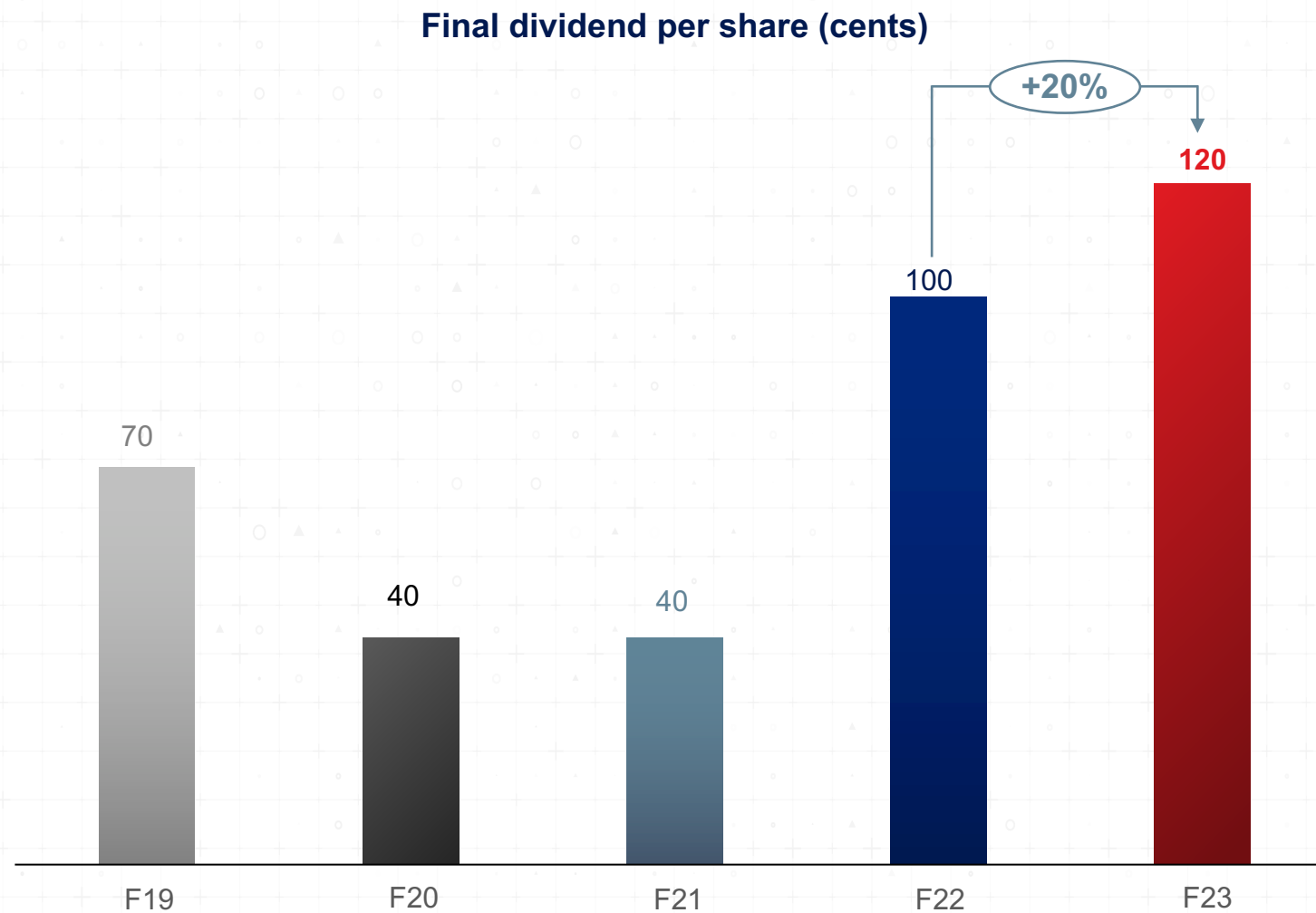
# Capital cover remains toward the upper end of specified target ranges



## Total dividend increased

Total dividend is **35%** of NHE

Final dividend payout target range remains at **33% to 50%** of NHE



## Continuing to unlock value for shareholders

Average share price of **R17.20**

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Net EV uplift of **R914 million**

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**

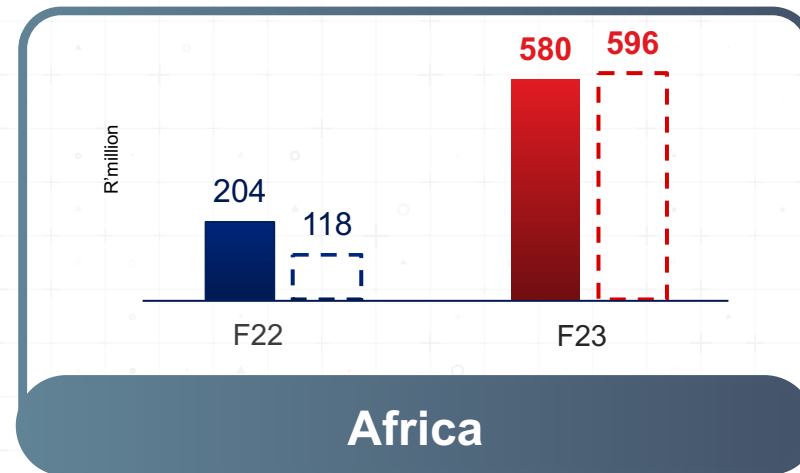
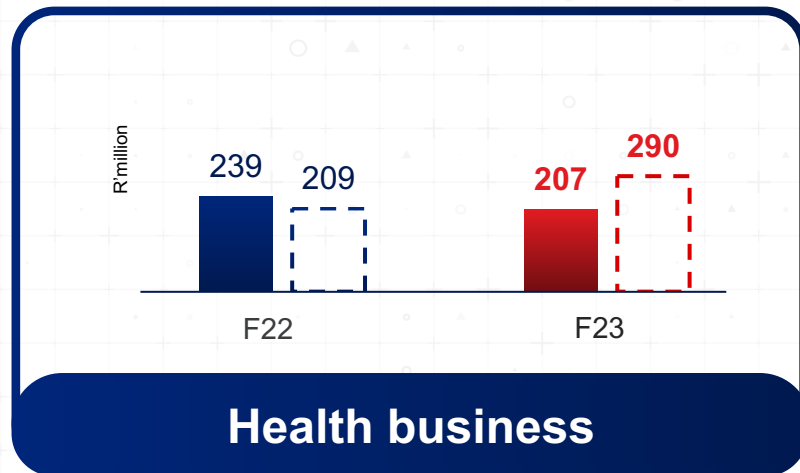
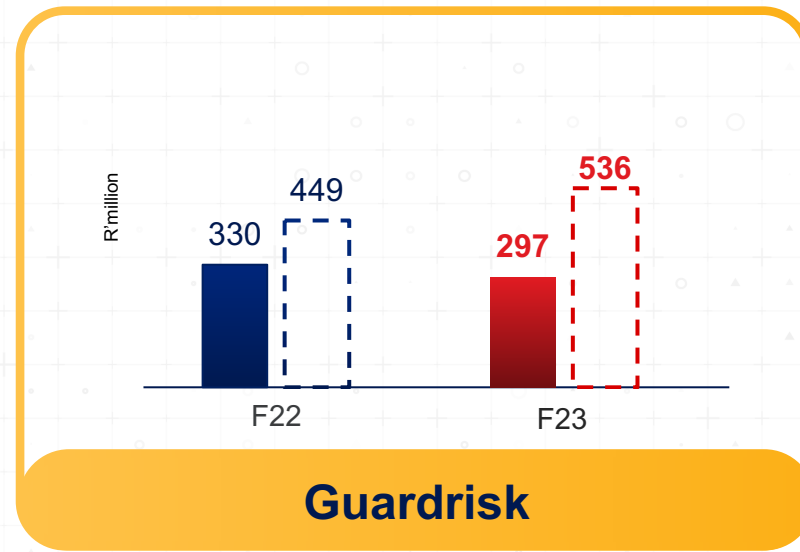
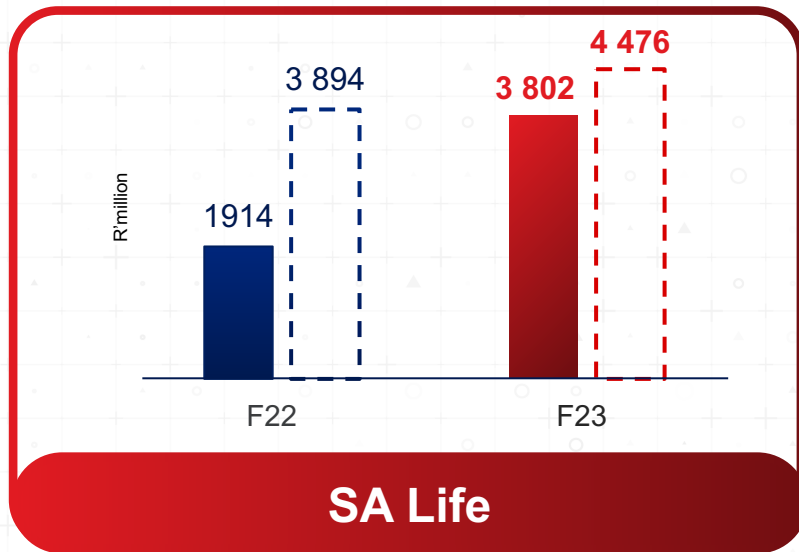


# Cash generation

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# Remittances to MMH from the four cash generating entities



— Cash remittances to MMH

- - Normalised headline earnings



# Strong cash generation in F2023

## Net capital flow

R'million	F2023	F2022
SA Life	3 802	1 914
Guardrisk	297	330
Health	207	239
Africa	580	204
M&A disposal	11	192
India	-	(433)
Momentum Insure	(580)	-
MM Finance company	(153)	-
Momentum Money	(160)	-
Other operations	(56)	62
Preference shares	(524)	(108)
<b>Cash generated to MMH</b>	<b>3 424</b>	<b>2 400</b>
Ordinary dividend	(1 816)	(1 498)
<b>Net of dividend payment</b>	<b>1 608</b>	<b>902</b>
Approved buyback	(1 000)	(750)
<b>Net of buyback &amp; dividend</b>	<b>608</b>	<b>152</b>

## Other topical matters

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**1** ABHI journey

**2** VNB

**3** IFRS 17 Transition note

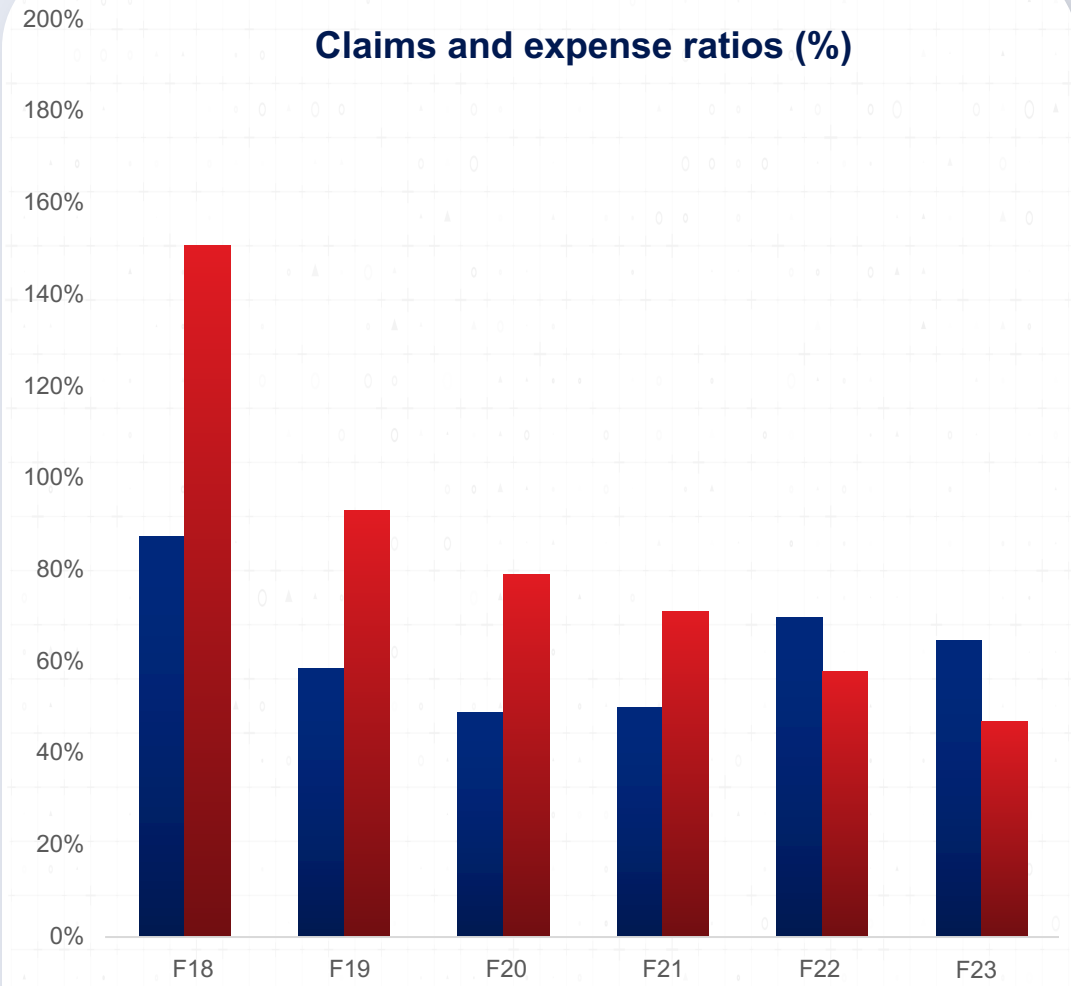
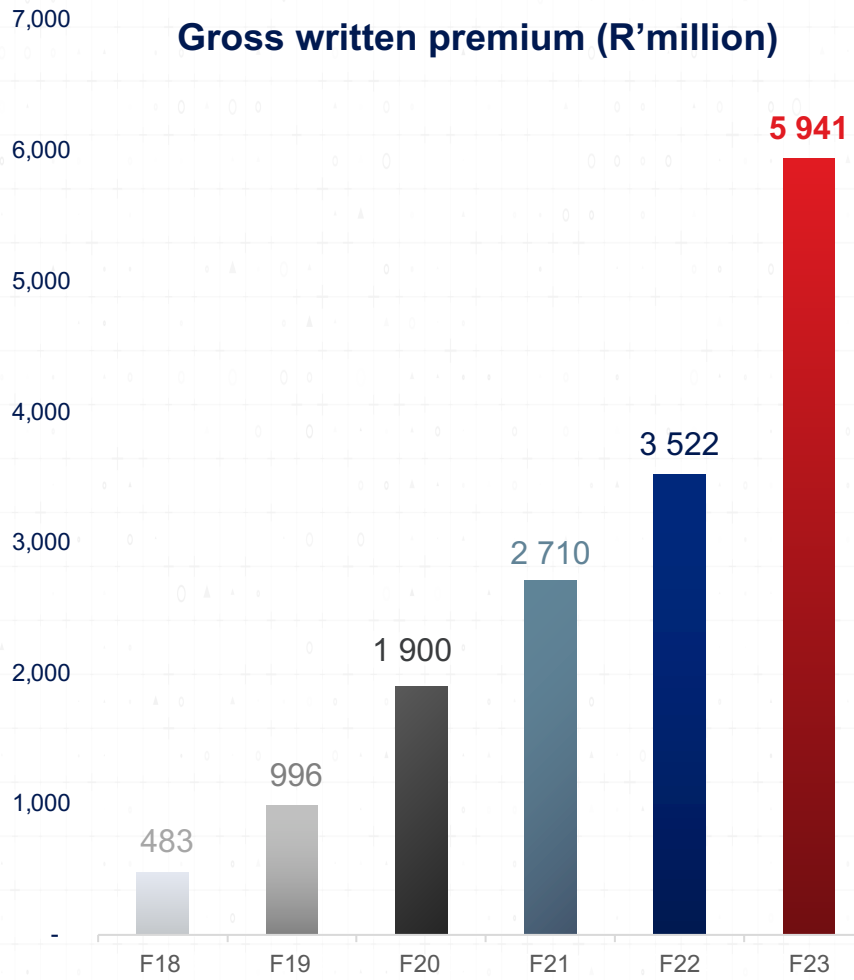




# ABHI journey

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# India story to date



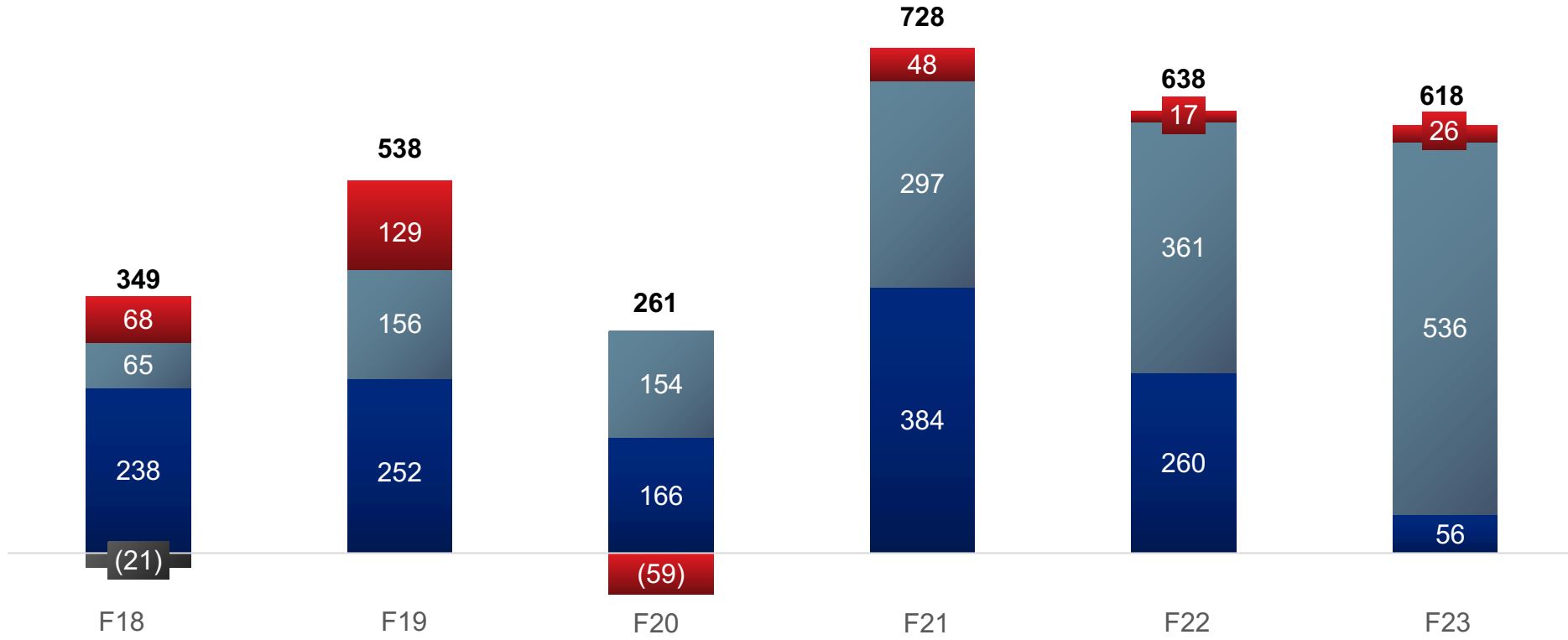
■ Claims ratio ■ Expense ratio



VNB

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# MML VNB contribution by product type



■ Protection   
 ■ Annuities and Structured   
 ■ Long-term savings   
 ■ Traditional



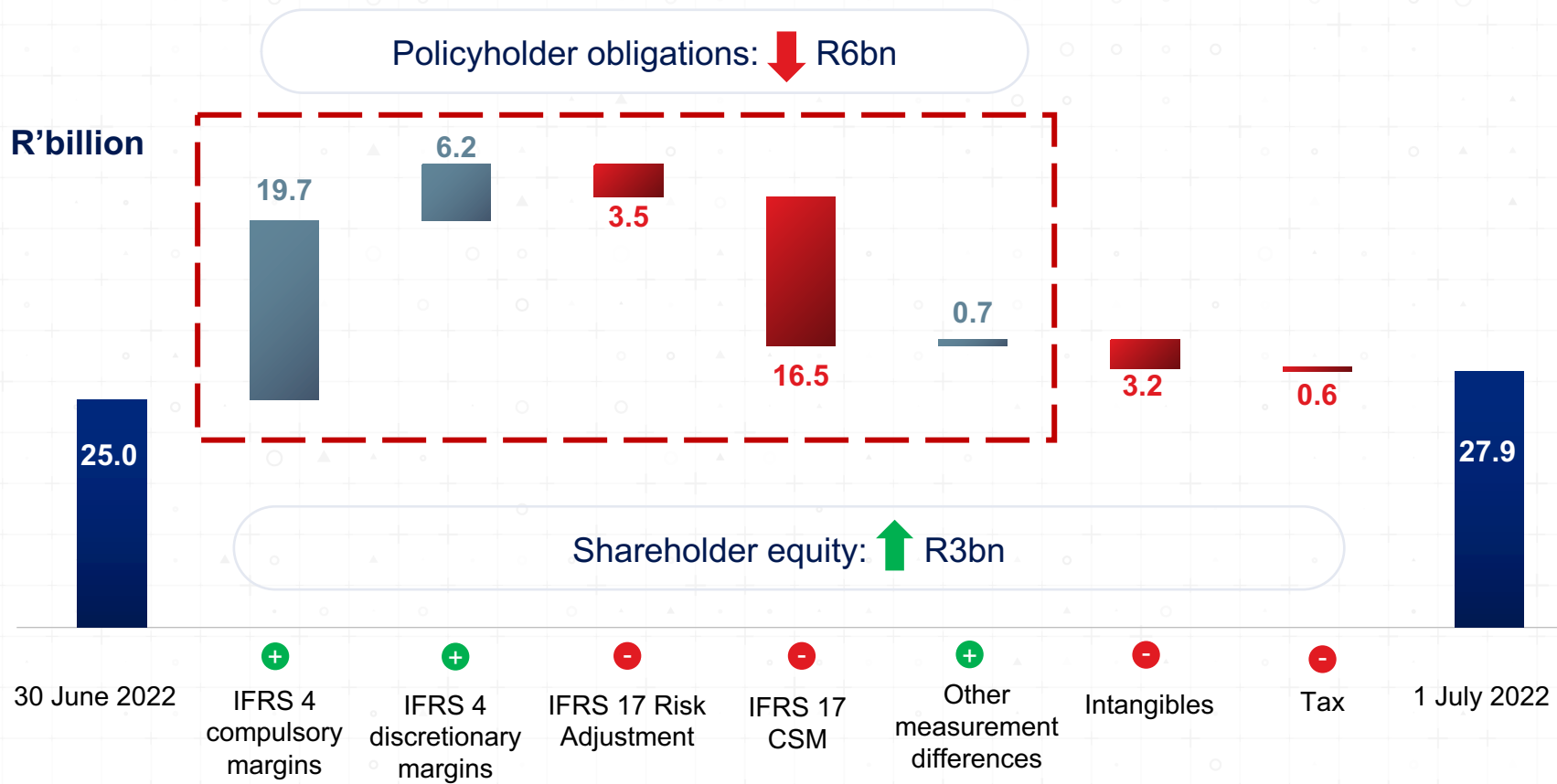


# IFRS 17

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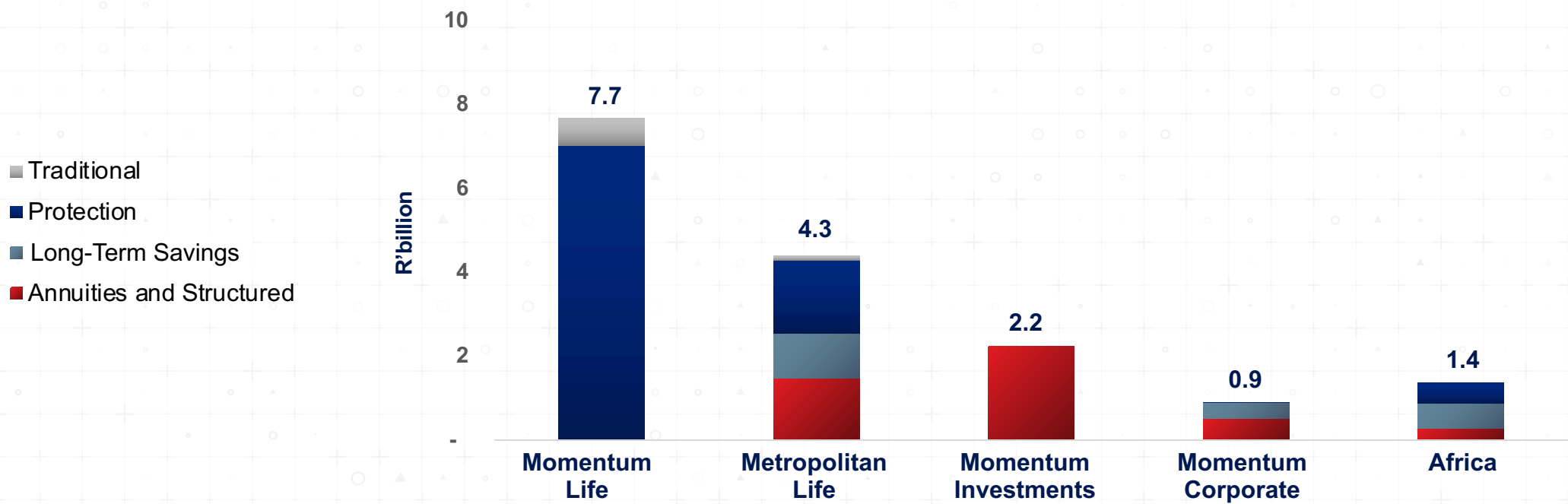
# Expected shareholder equity impact on 30 June 2022



## Contractual Service Margin (CSM) on transition

<b>Transition approaches 1 July 2022 R'billion</b>	<b>Fully retrospective approach</b>	<b>Fair value approach</b>	<b>Total</b>
General measurement model	11.6	1.7	13.3
Variable fee approach	0.4	2.8	3.2
<b>Total</b>	<b>12.0</b>	<b>4.5</b>	<b>16.5</b>

# Opening CSM



Operating segment	Momentum Life	Metropolitan Life	Momentum Investments	Momentum Corporate	Africa
CSM (R'billion)	7.7	4.3	2.2	0.9	1.4
Expected 1-year release rate	14%	16%	11%	11%	16%



# Conclusion

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- 5 Congratulations to our employees and thank you to our clients, advisers and Hillie.

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