

**Momentum Metropolitan's
good operating performance
dampened by Covid-19
second wave**



INTERIM RESULTS

21

Part
01

Hillie Meyer

Group CEO

Overview

Part
02

Risto Ketola

Group FD

Financial results



Overview

1



Highlights

New business volumes

+14%

to R29 992 million

Value of new business

+109%

to R334 million

Cost control

2%

year-on-year

Balance sheet

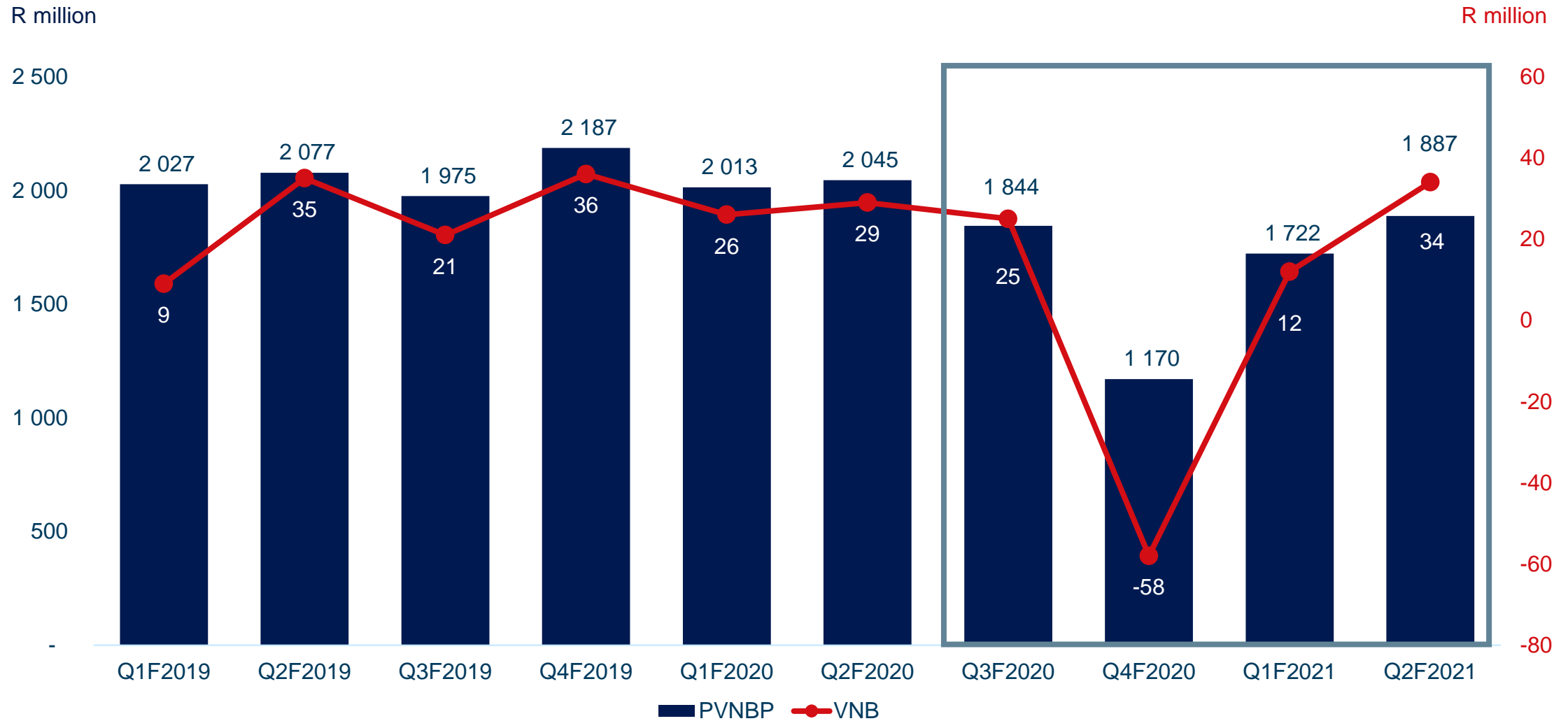
1.95x SCR

from 1.85x on 30 June 2020



Momentum Life new business

Holding its own in tough market



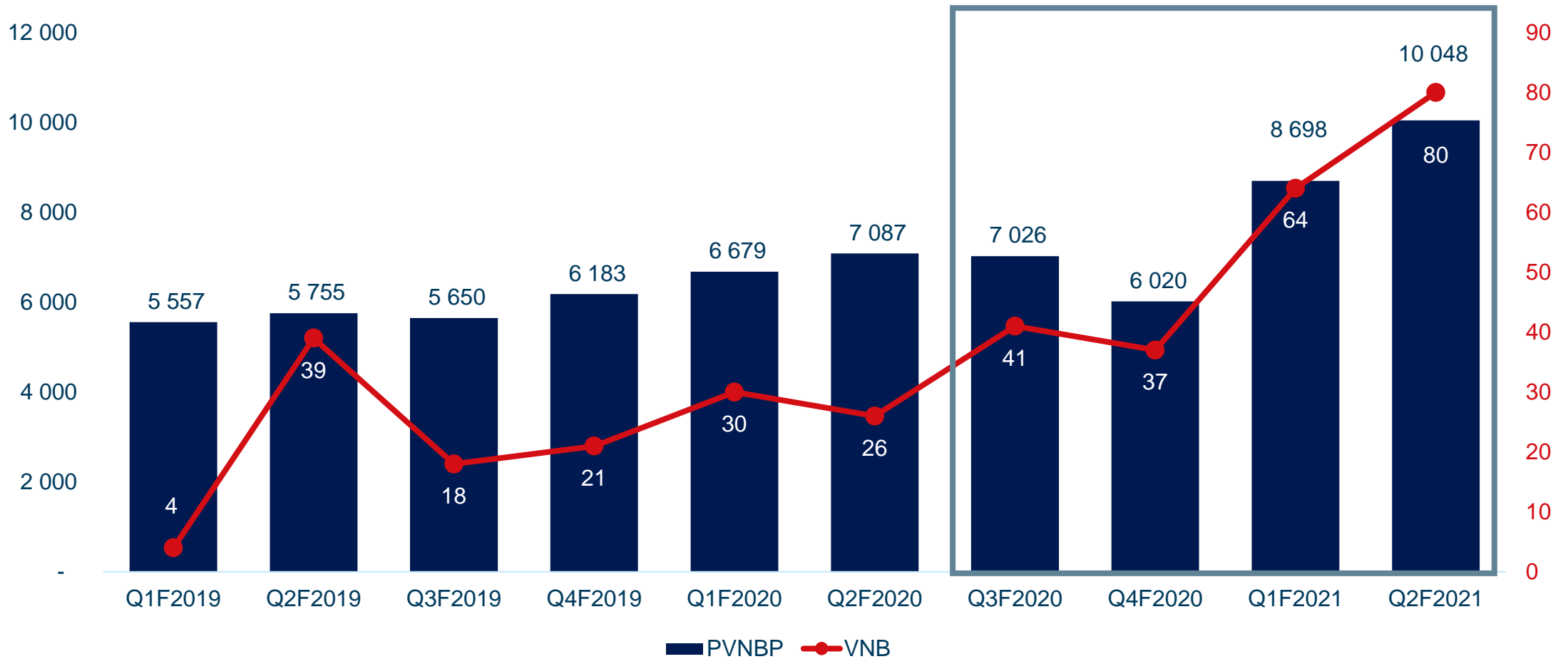


Momentum Investments new business

Excellent growth

R million

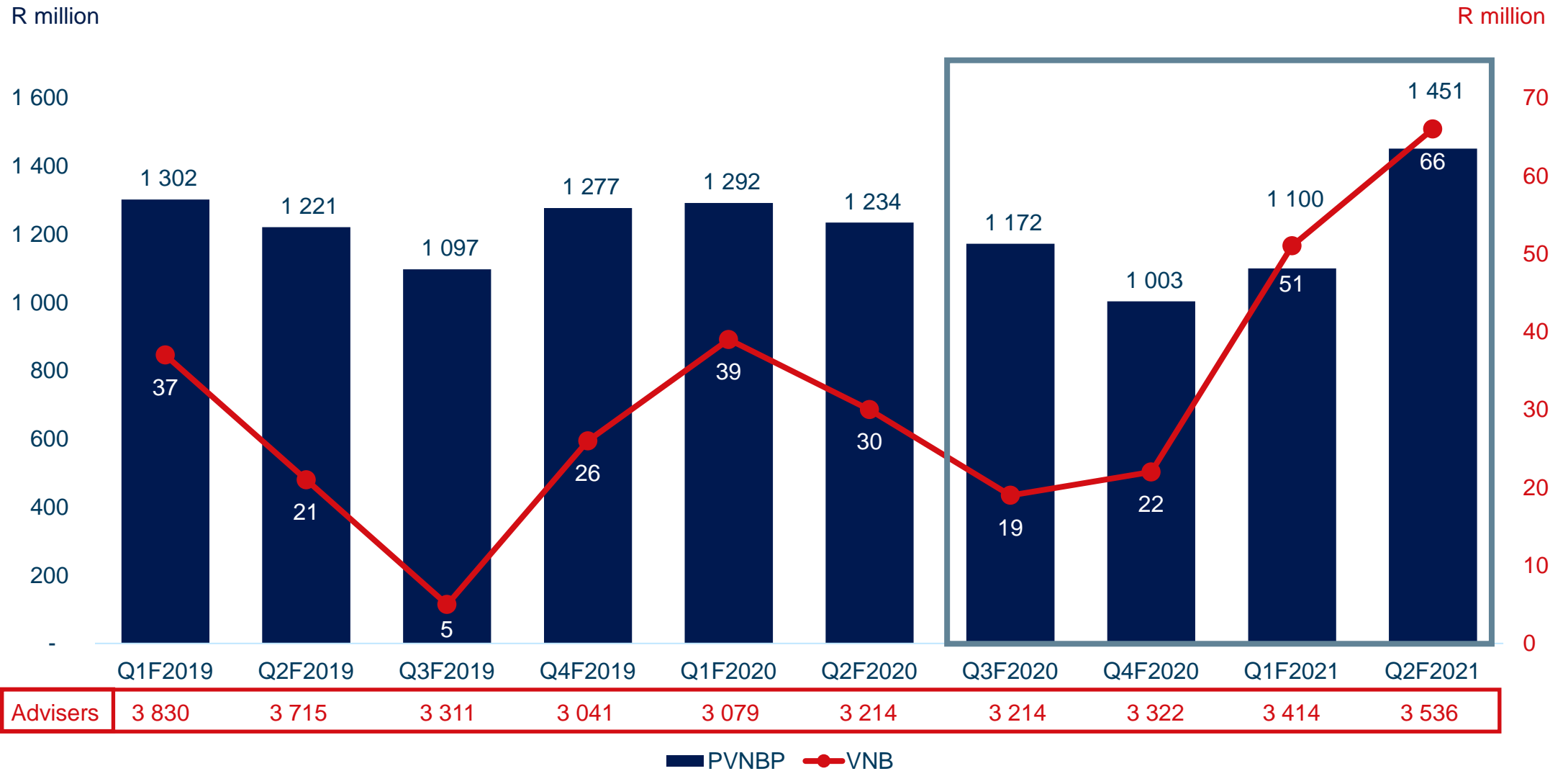
R million





Metropolitan Life new business

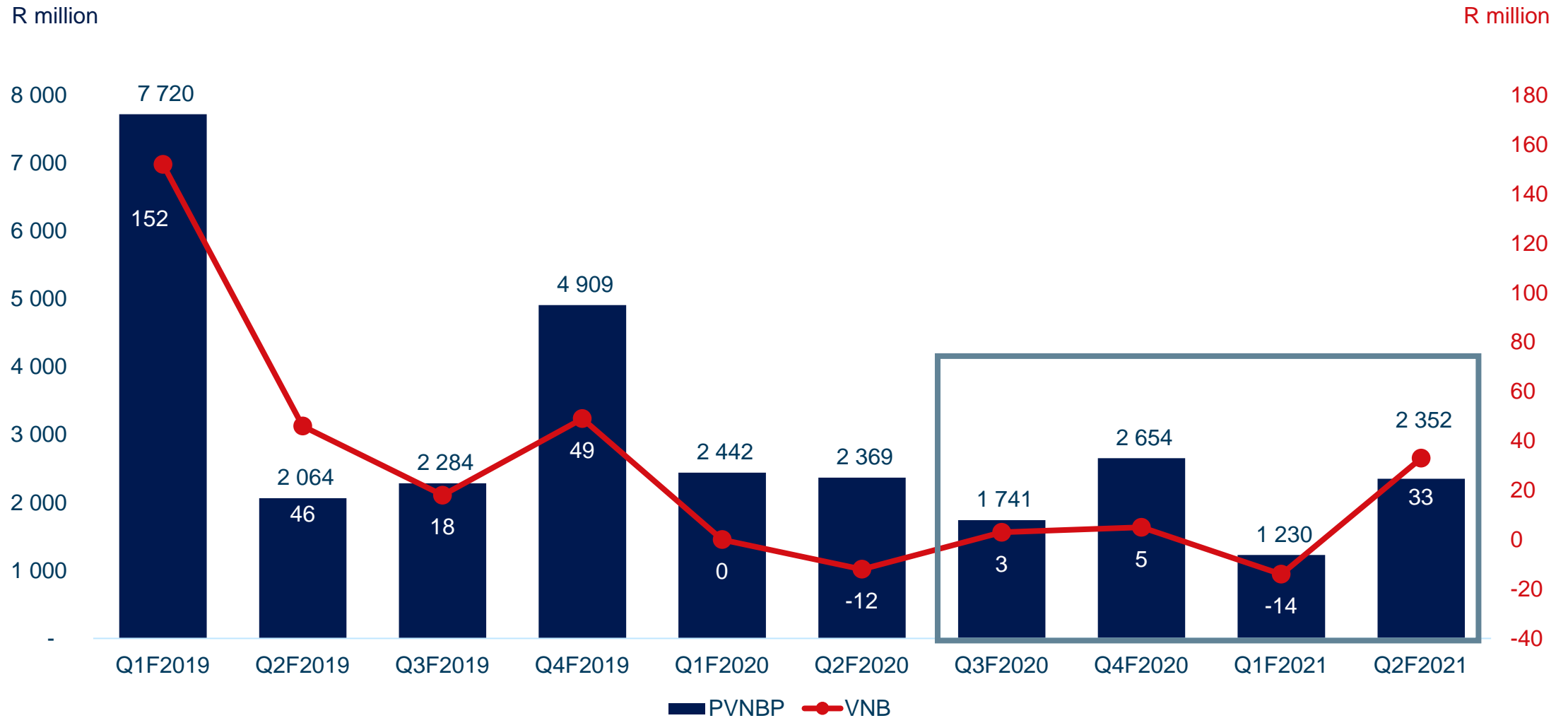
10% more business with 10% less agents





Momentum Corporate new business

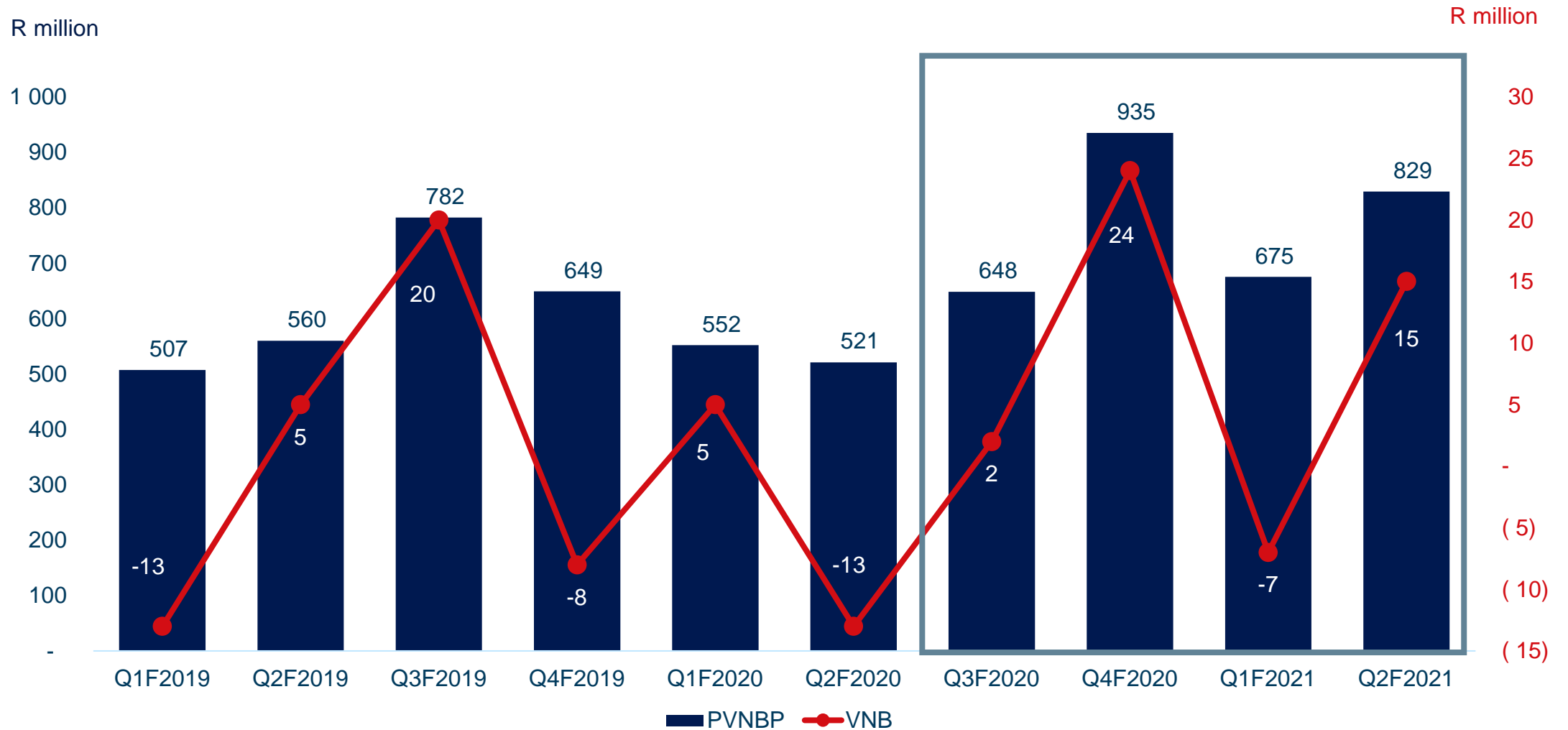
Sales lumpy but pleasing recovery in VNB





Momentum Metropolitan Africa new business

Step-up in new business sales

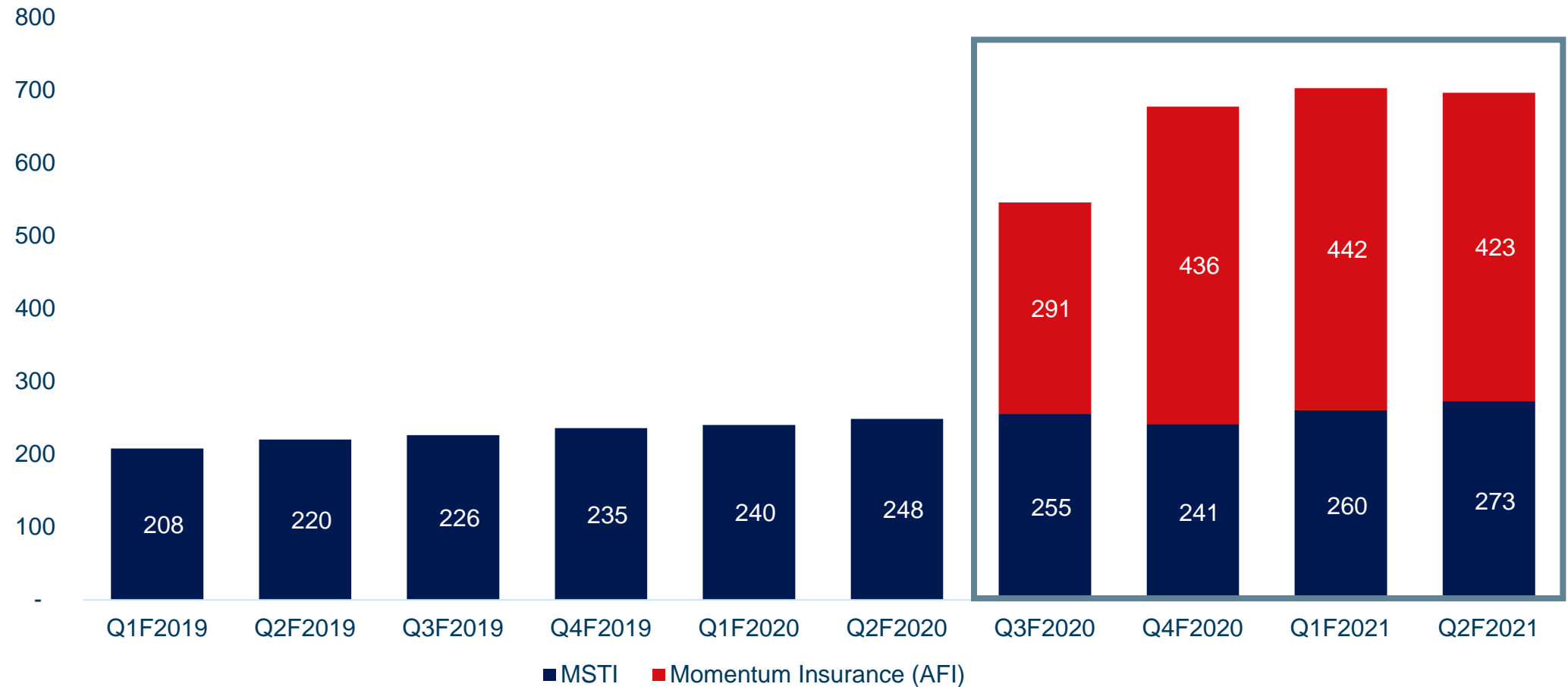




Momentum Short-term Insurance new business

AFI transaction delivering according to plan

R million

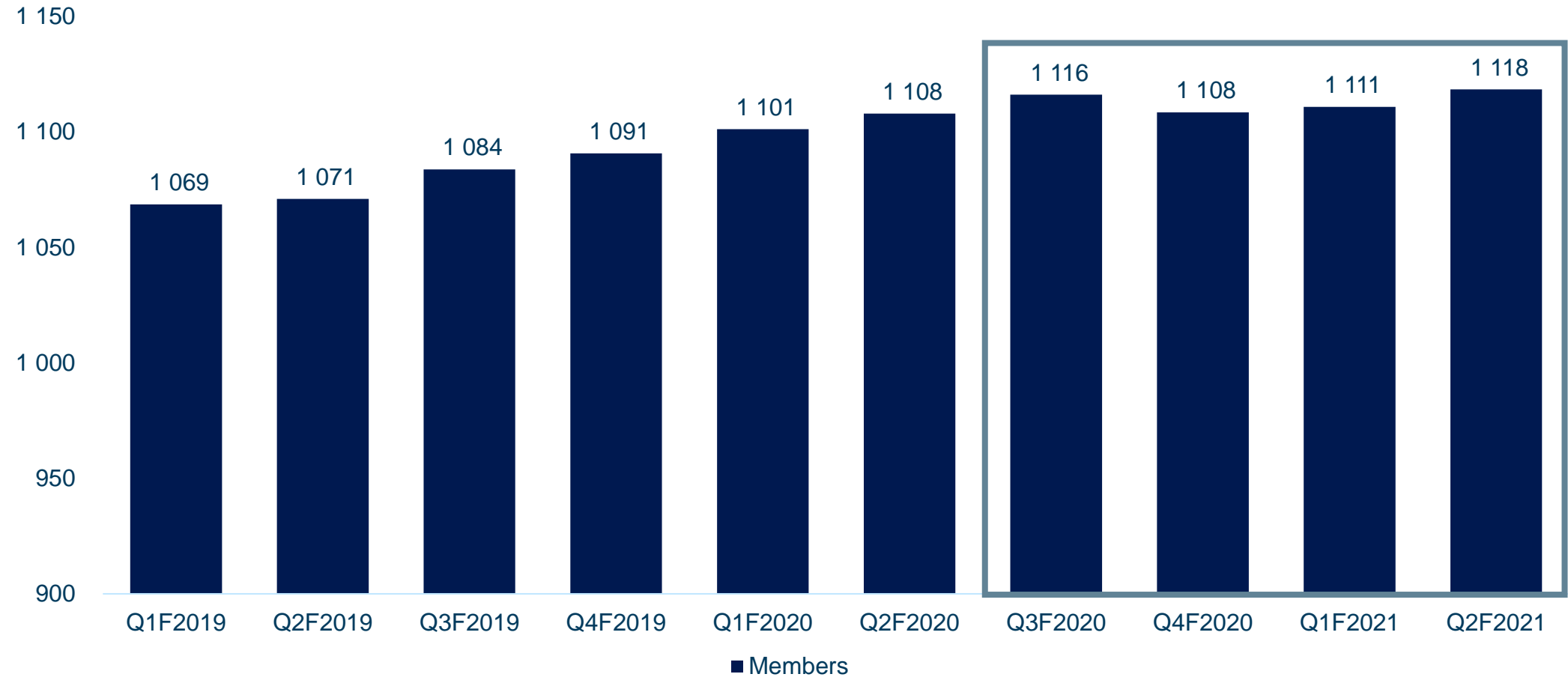




Momentum Metropolitan Health members

Marginal growth in stagnant market

Thousands

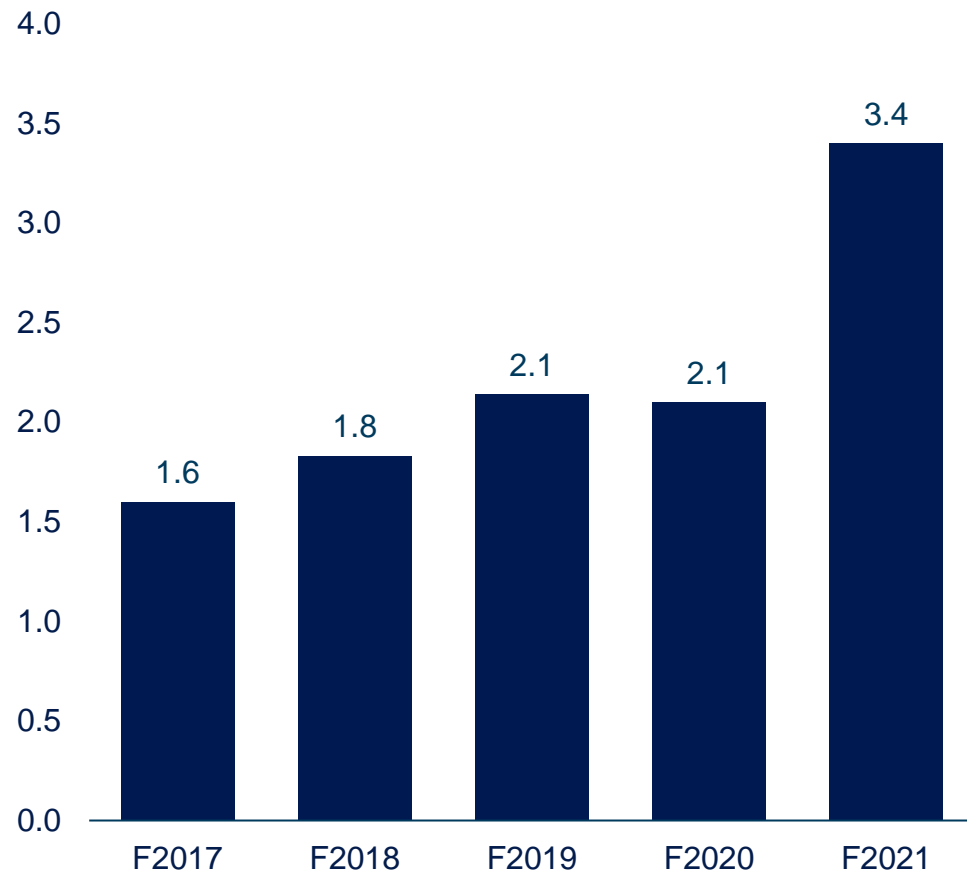




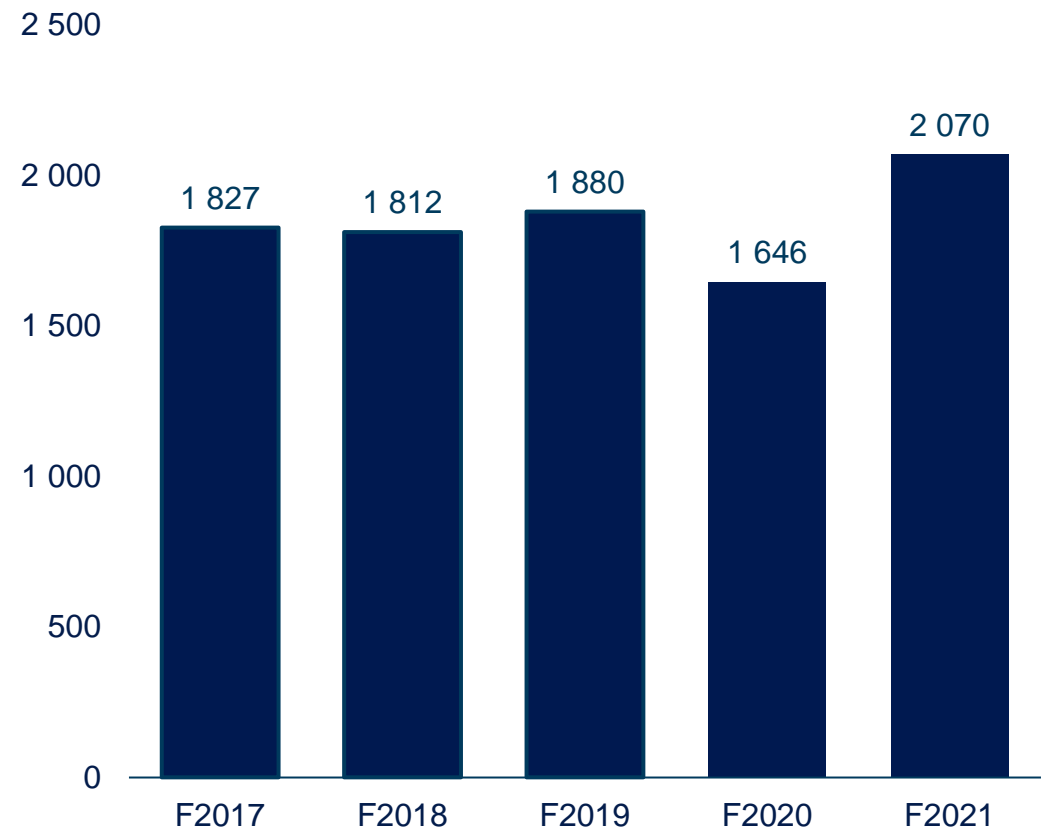
Footprint growth and productivity

Tracking Reset and Grow targets

Metropolitan Life Adviser productivity



MDS (IFA distribution)
Supporting brokers

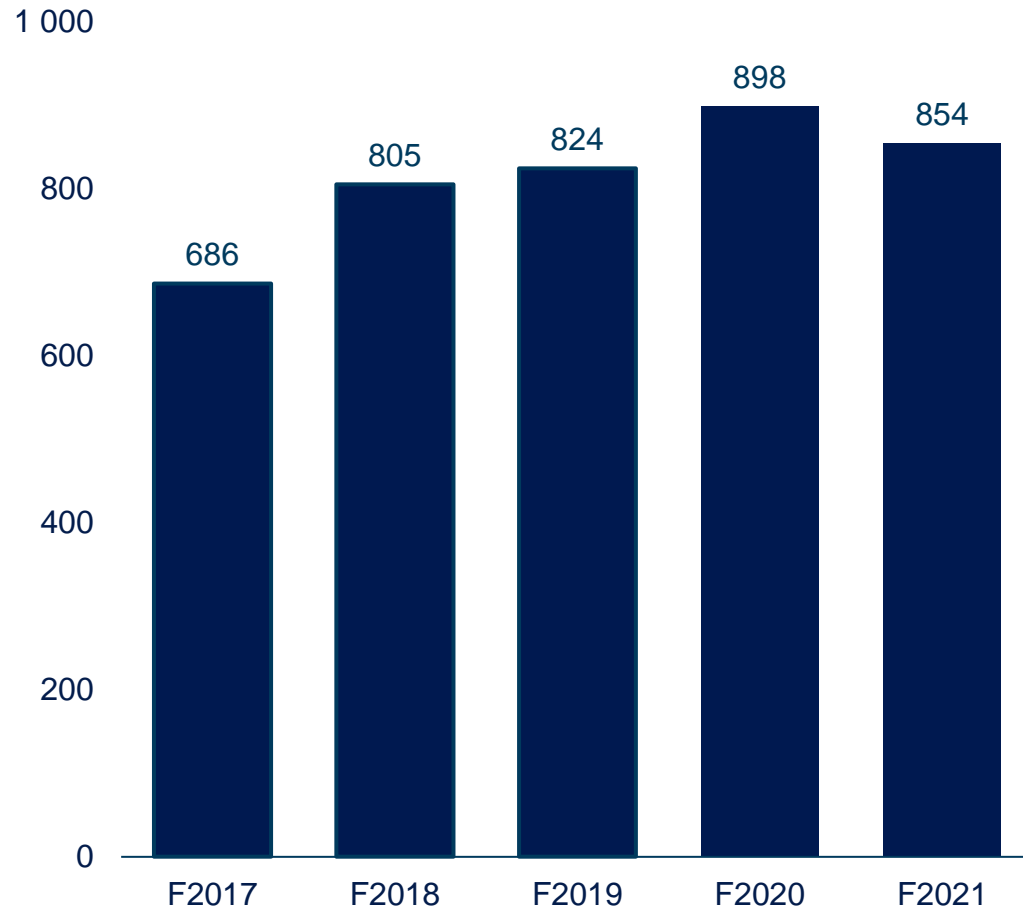




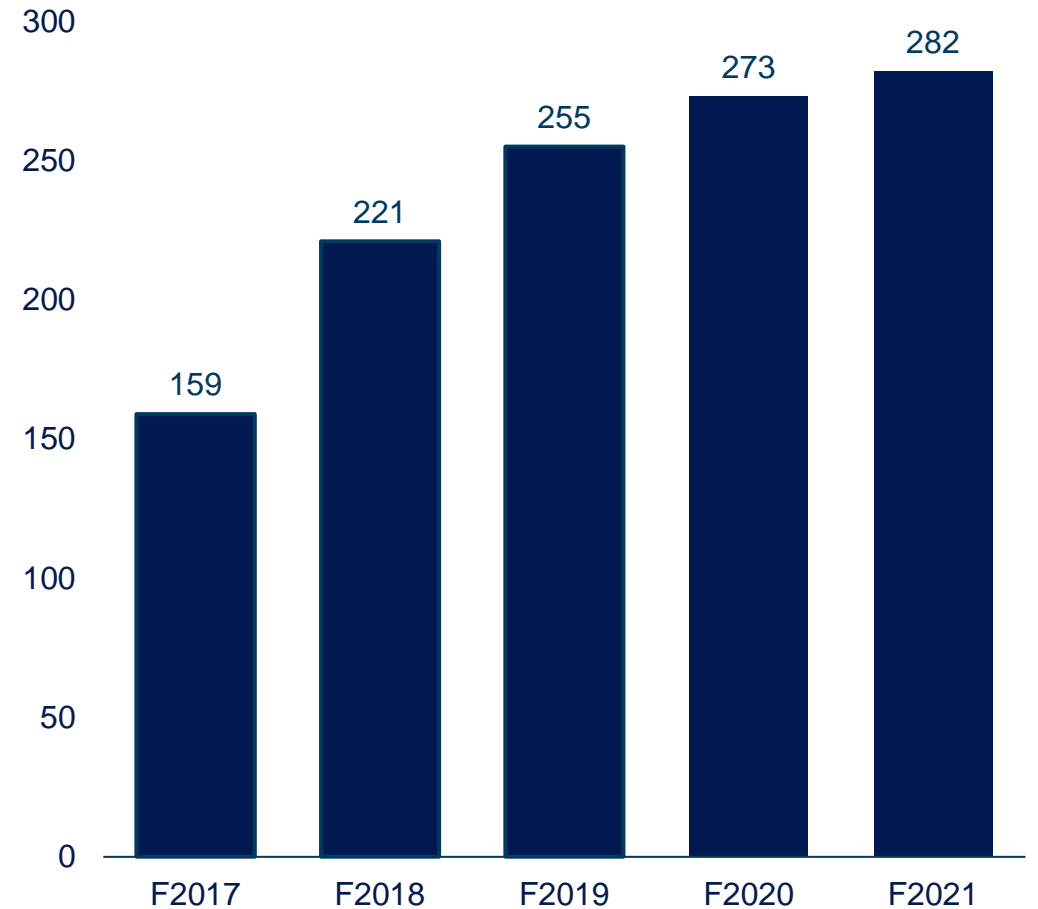
Footprint growth

Catch-up required to meet Reset and Grow

Momentum agents footprint



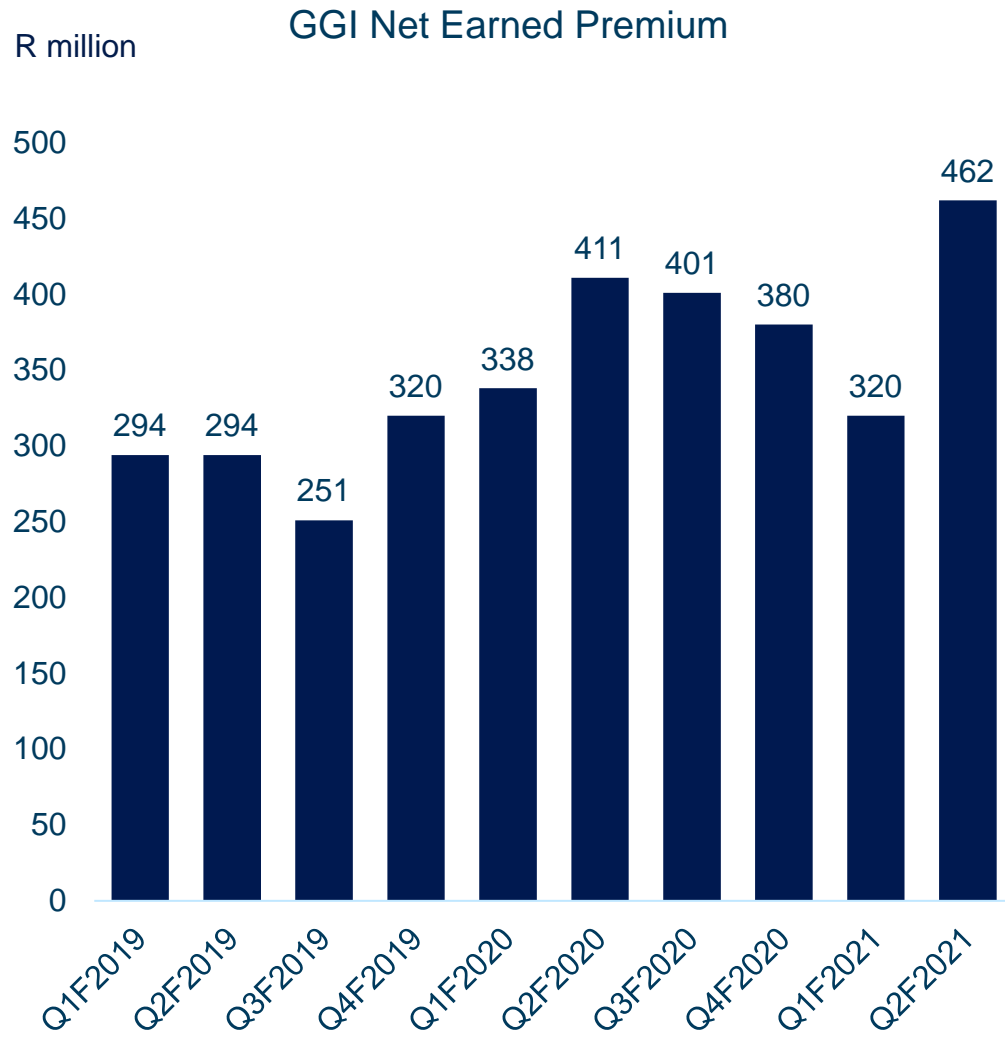
Momentum Consult footprint



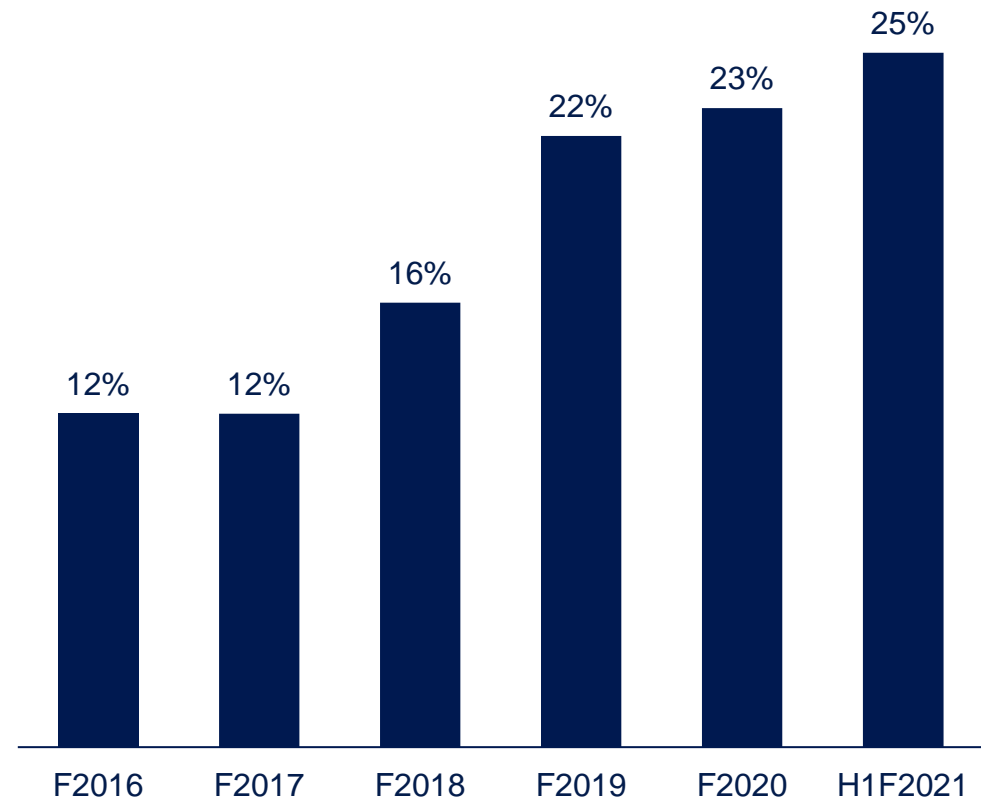


Guardrisk

Underwriting profit tracking Reset and Grow



Underwriting profit as % of net revenue



Reset and Grow

Normalised headline earnings target range

RESET



Fix the basics



Address cost base

GROW



Distribution



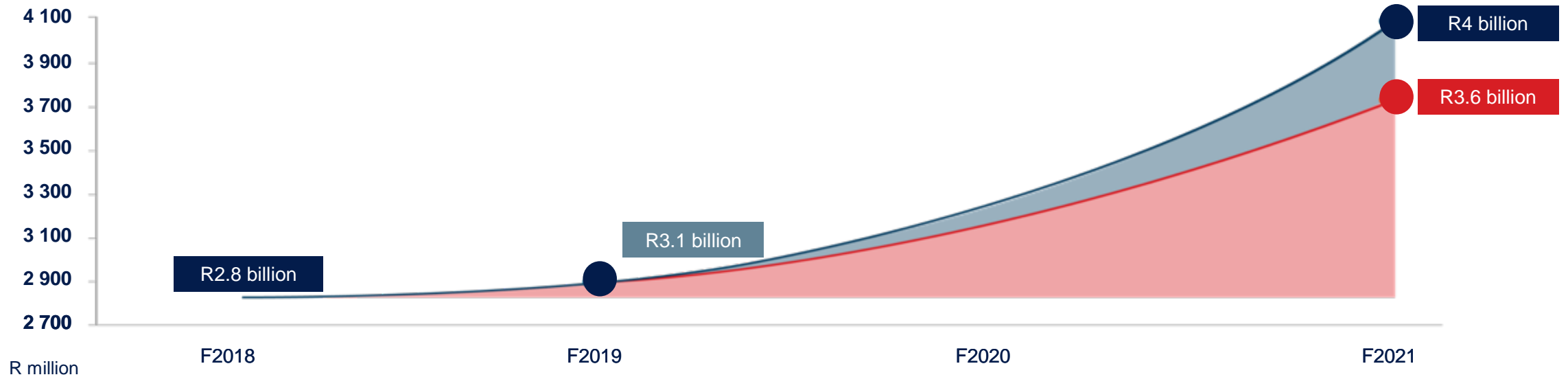
Service



Products

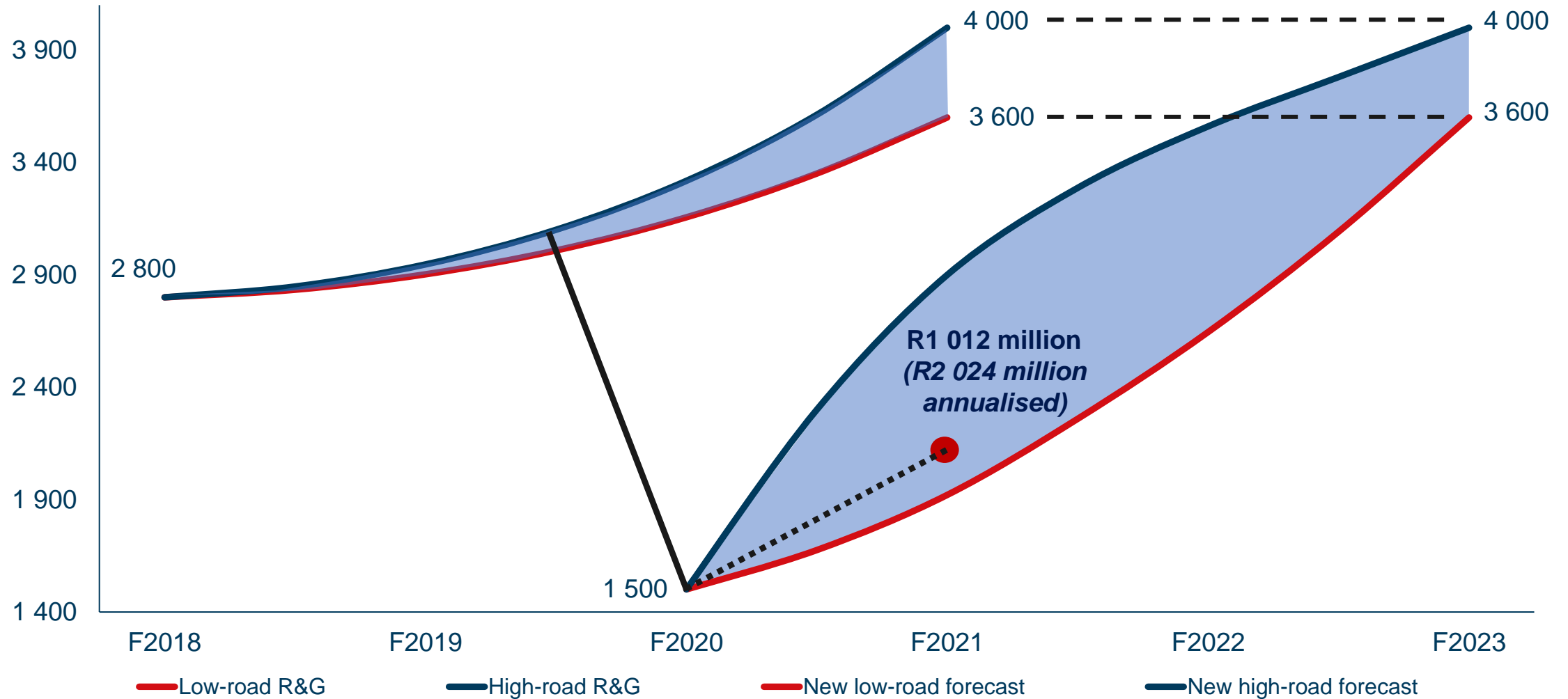


Marketing



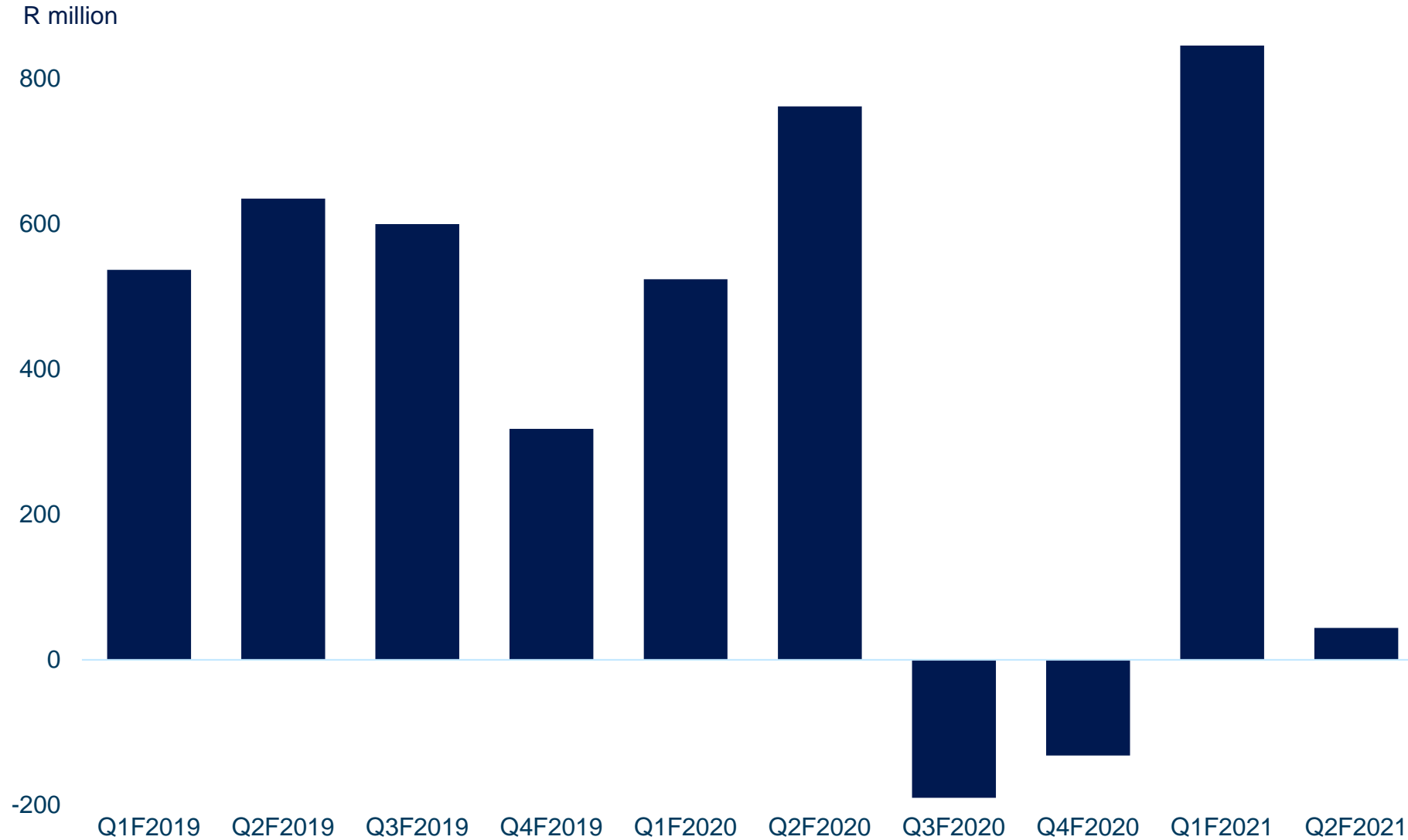
Reset and Grow

Revised normalised headline earnings target range



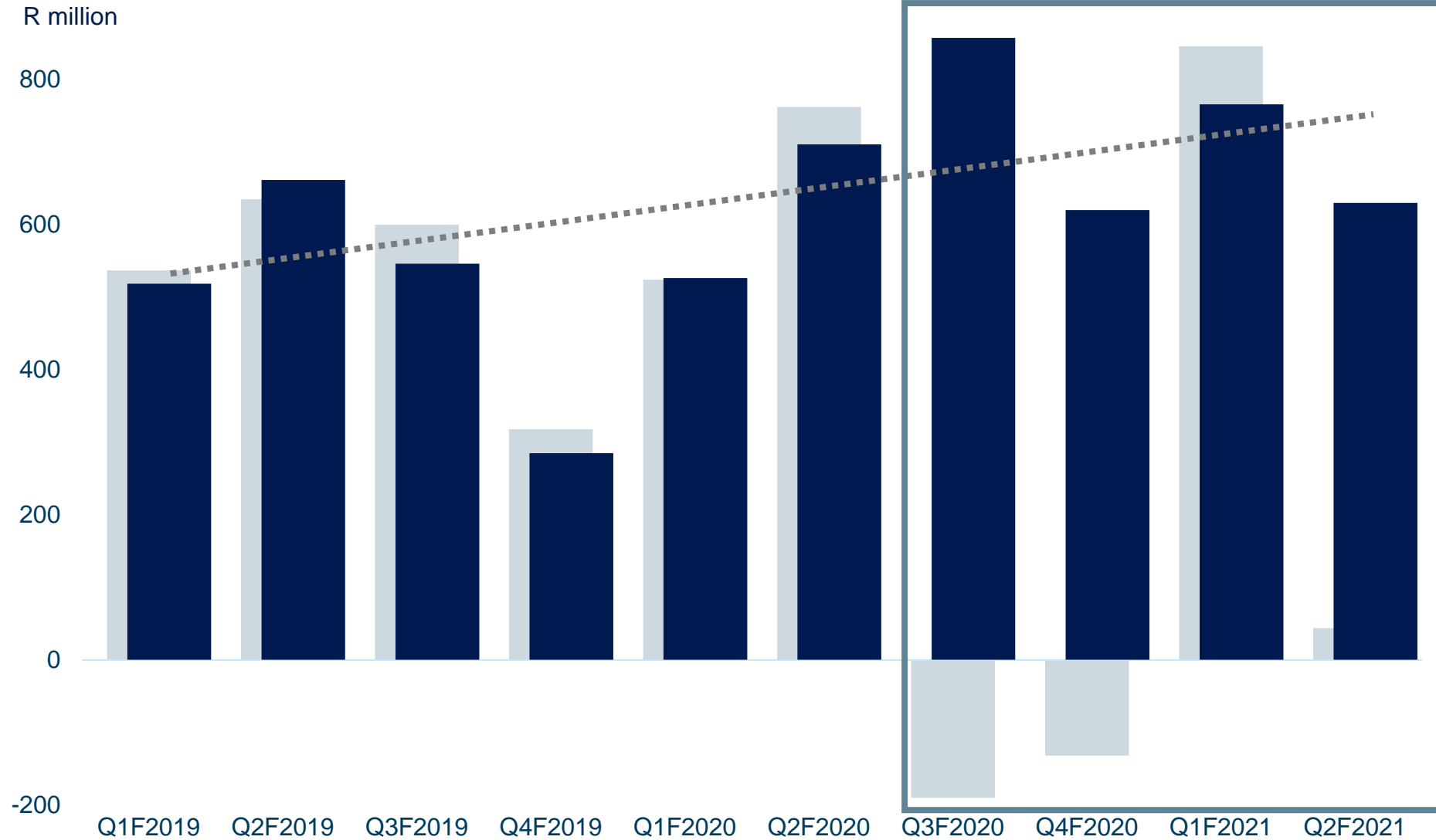
Impact of Covid-19 on profitability

Three shocks in last four quarters



Impact of Covid-19 on profitability

Solid growth in underlying operating profit



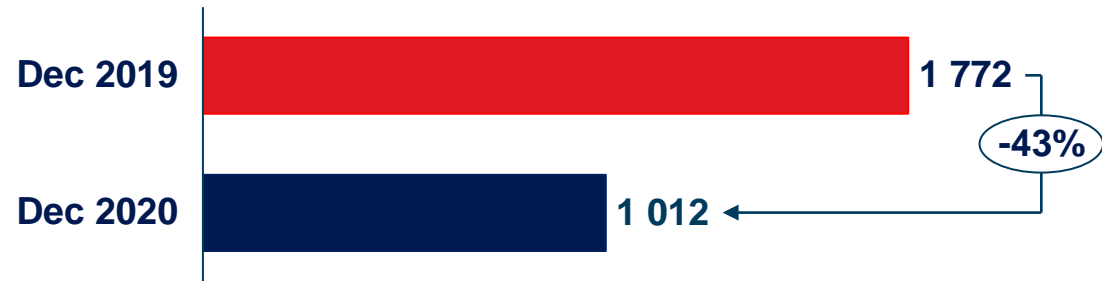
Financial results for the 6 months ended 31 December 2020

2

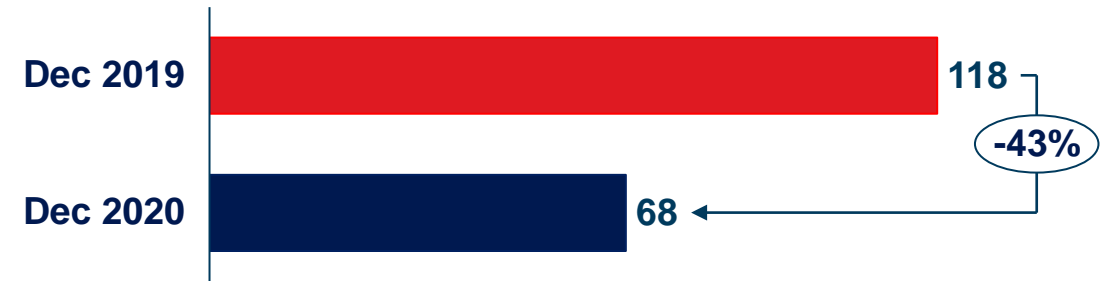


Key financial measures

Normalised headline earnings (Rm)



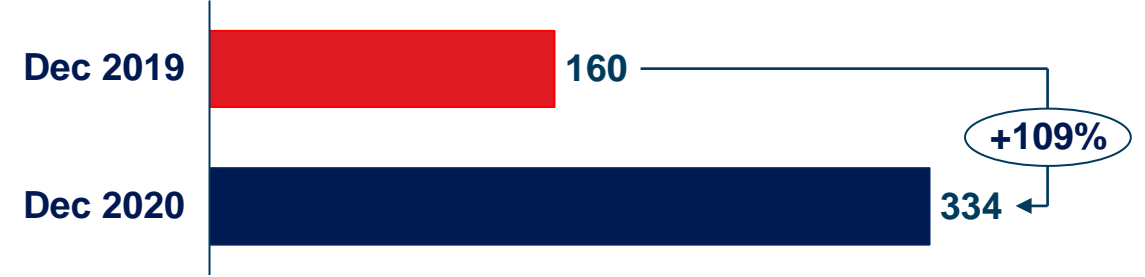
Normalised headline earnings per share (cents)



Present value of premiums (PVNBP, Rm)



Value of new business (Rm)



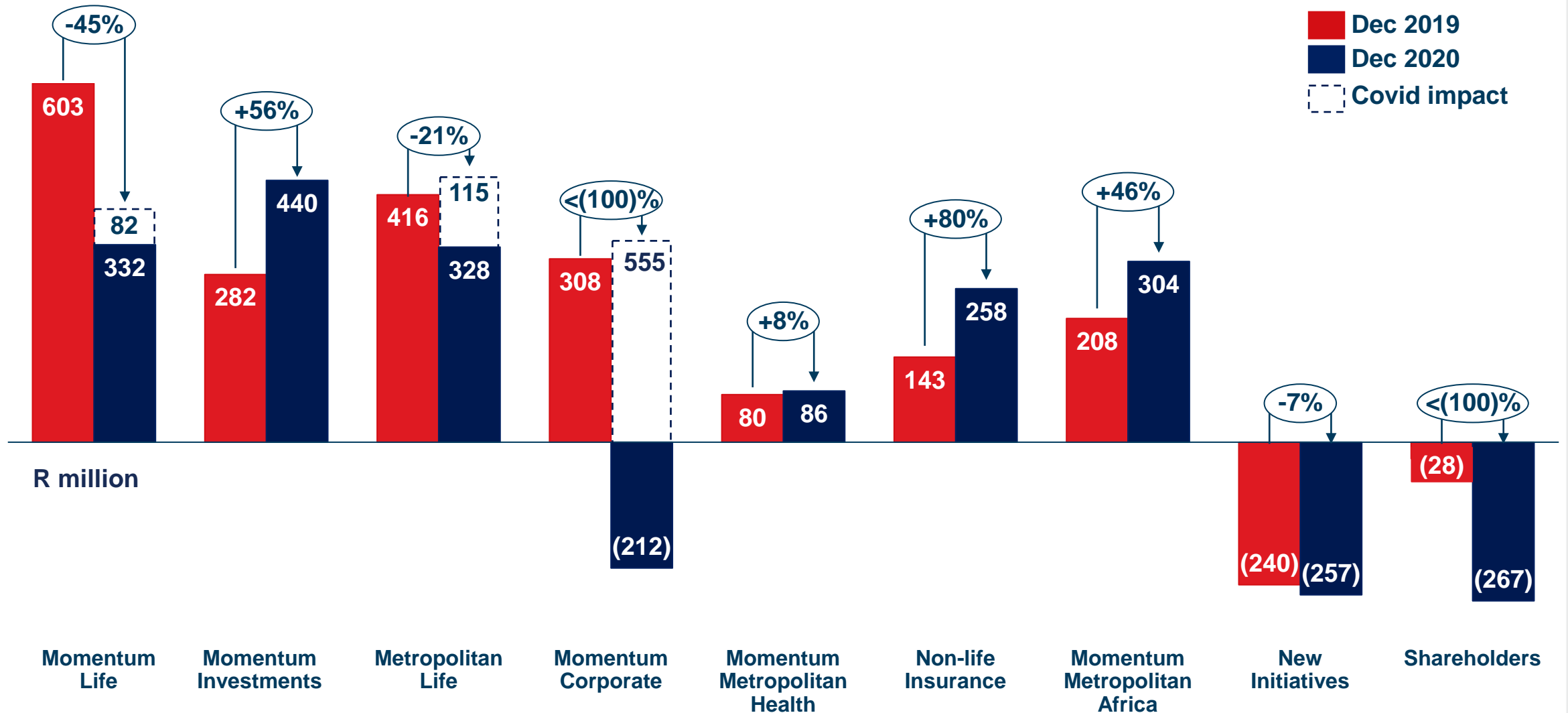
Embedded value per share (EVPS, R)



Return on embedded value per share (%)



Normalised headline earnings by business unit



Covid-19 provision linked to recent mortality experience

R million	Momentum Life	Metropolitan Life	Momentum Corporate	Total
Mortality experience	(123)	(136)	(248)	(507)
Annuity experience	-	50	8	58
Release of provision	111	55	138	304
Net mortality experience	(12)	(31)	(102)	(145)
Additional provision	(70)	(84)	(453)	(607)
Total impact	(82)	(115)	(555)	(752)

Second Covid-19 wave was more severe than expected

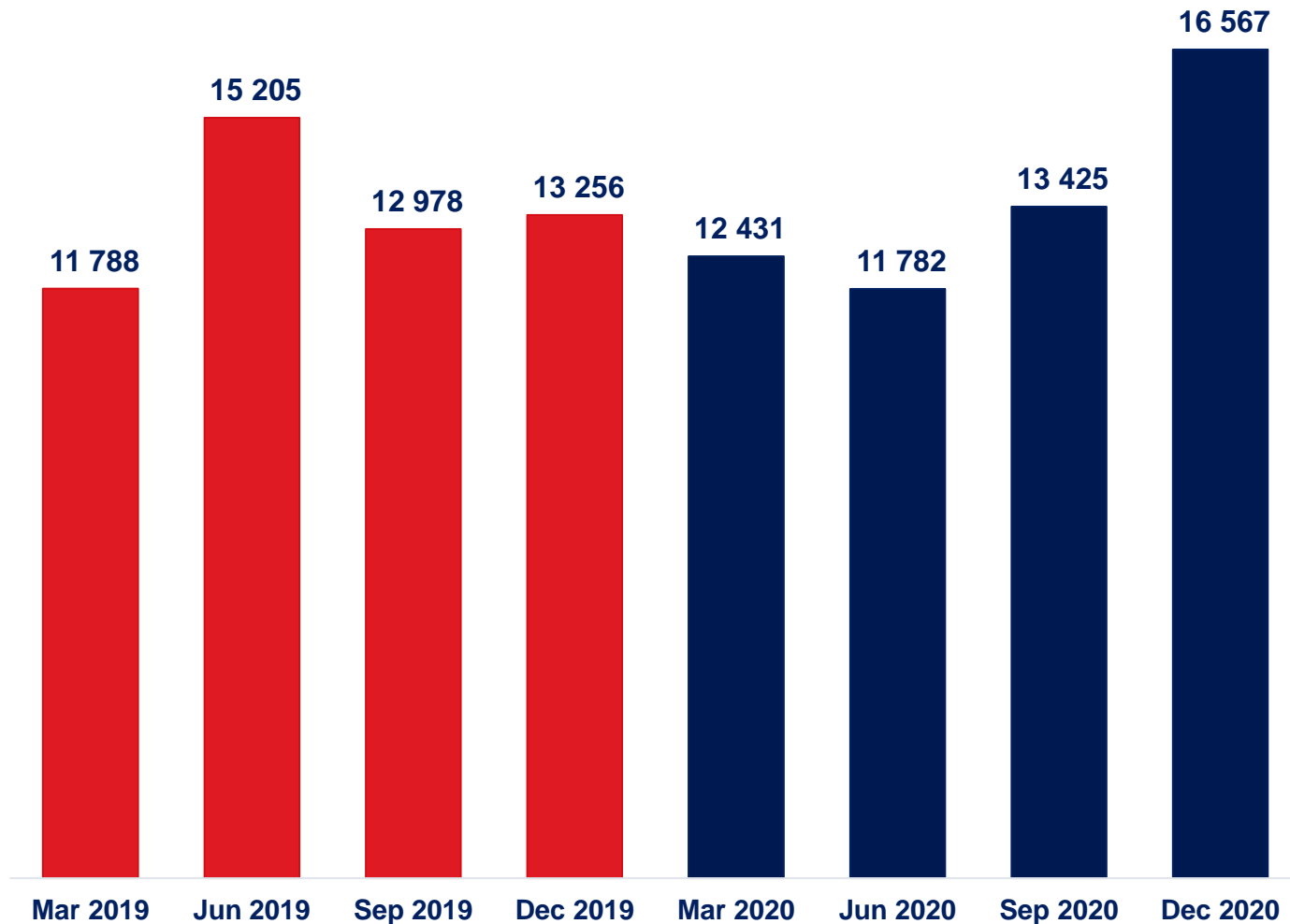
Group results

3



Sales up by 14% year-on-year

Present value of premiums (PVNBP, Rm)



Year-on-year movements

Momentum Life **-11%**

Momentum Investments **+36%**

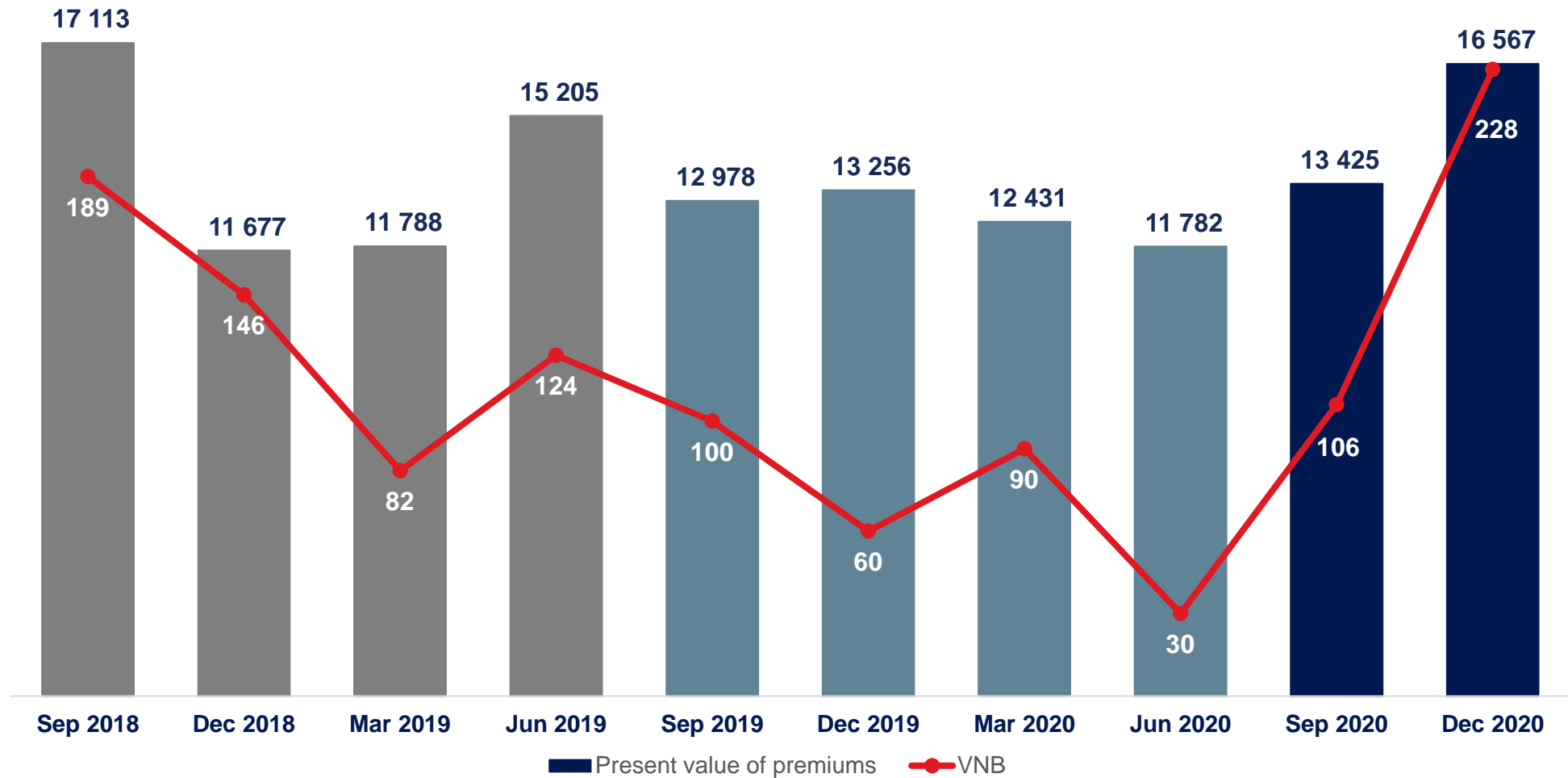
Metropolitan Life **+1%**

Momentum Corporate **-26%**

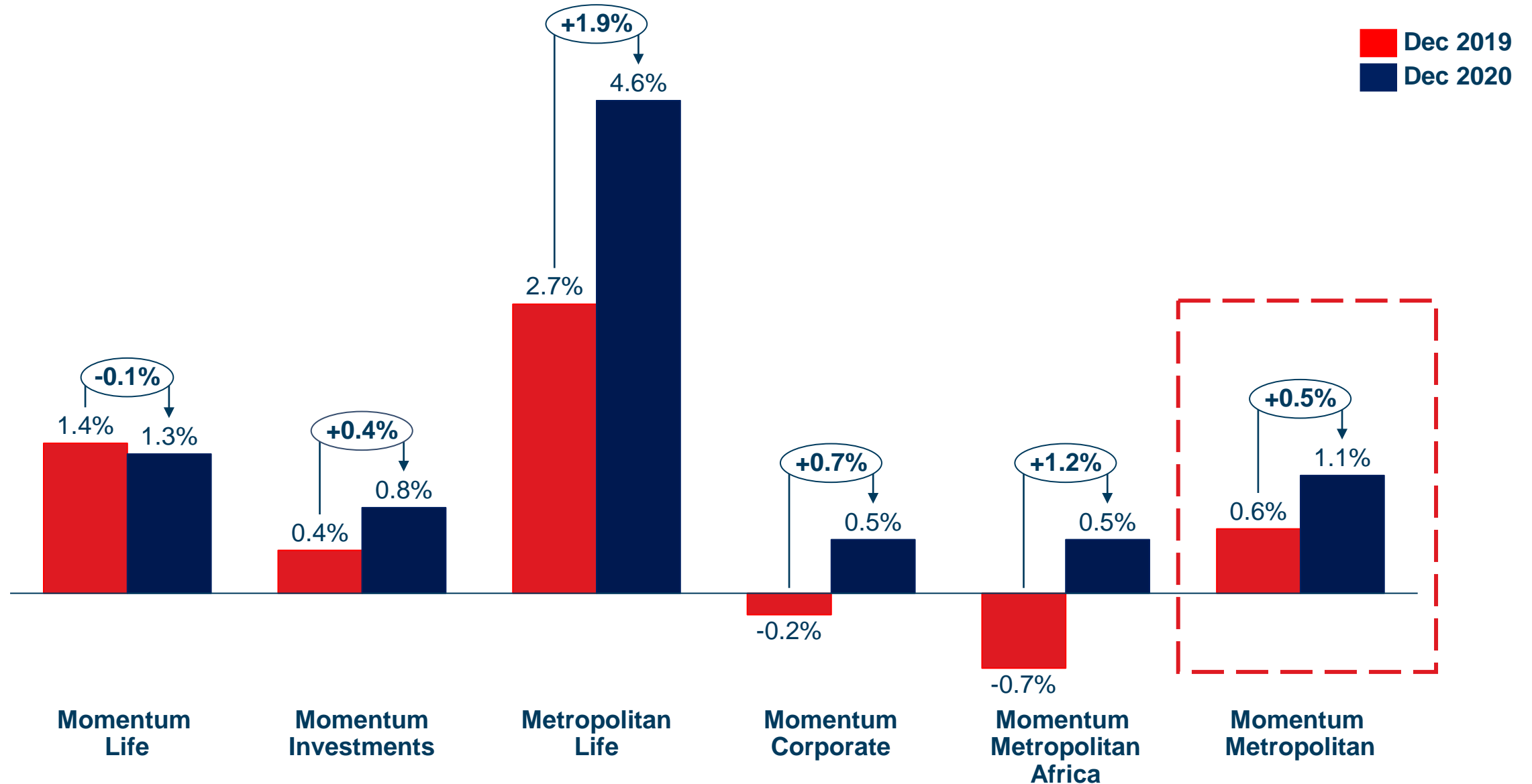
Africa **+40%**

Sales up by 14% year-on-year

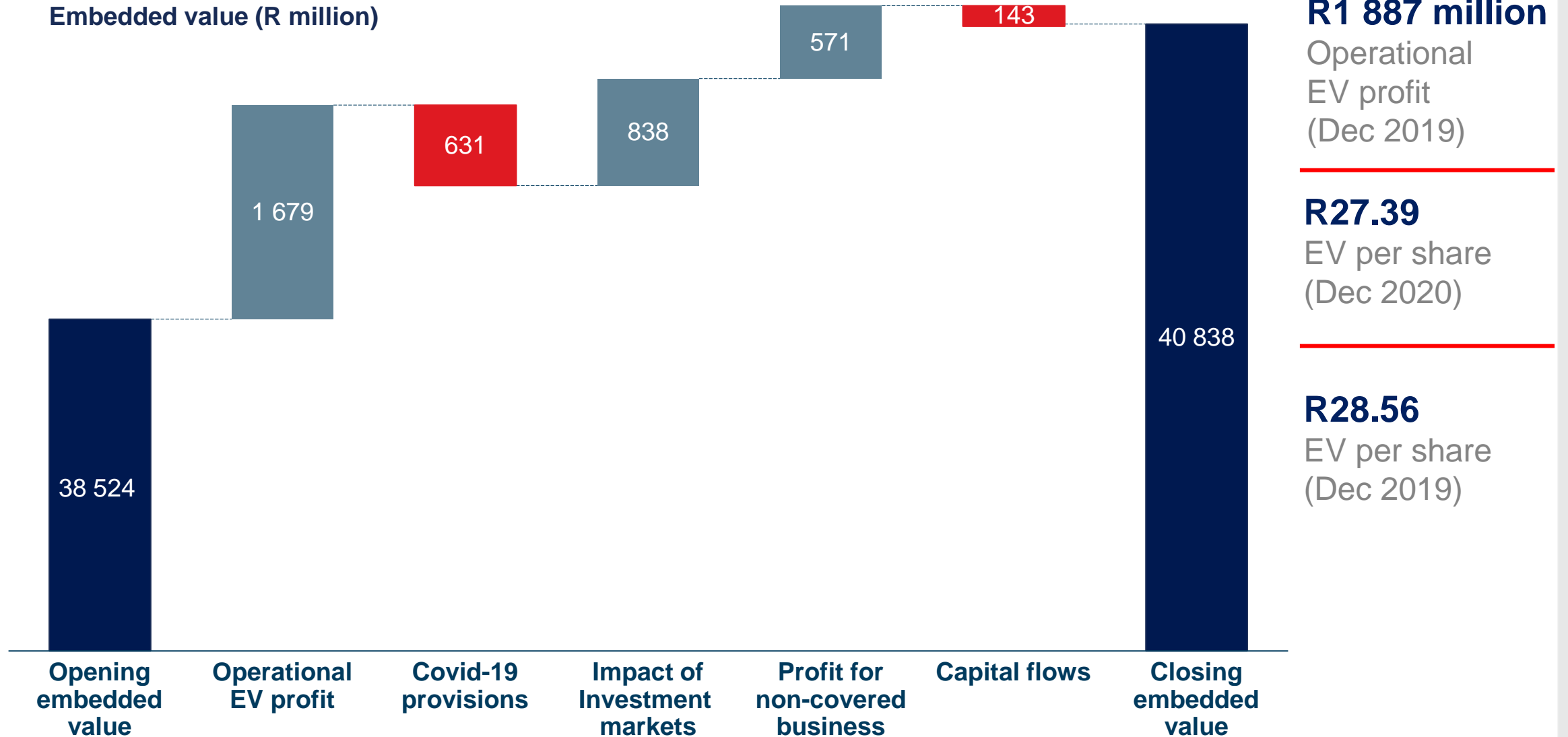
Present value of premiums (PVNBP, Rm)



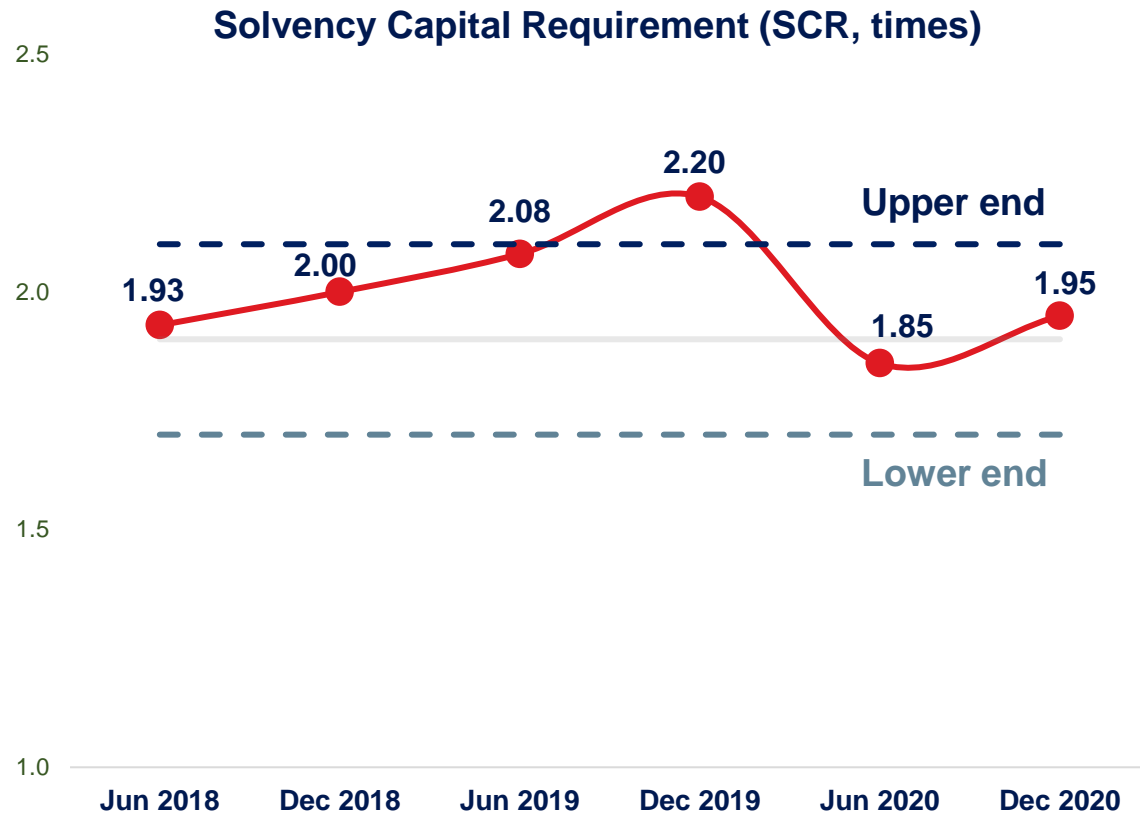
New business margin increased to 1.1%



ROEV per share up to 13.6%



Capital cover ratio remains within target range



Impact of yield curve at medium to longer term durations was observable

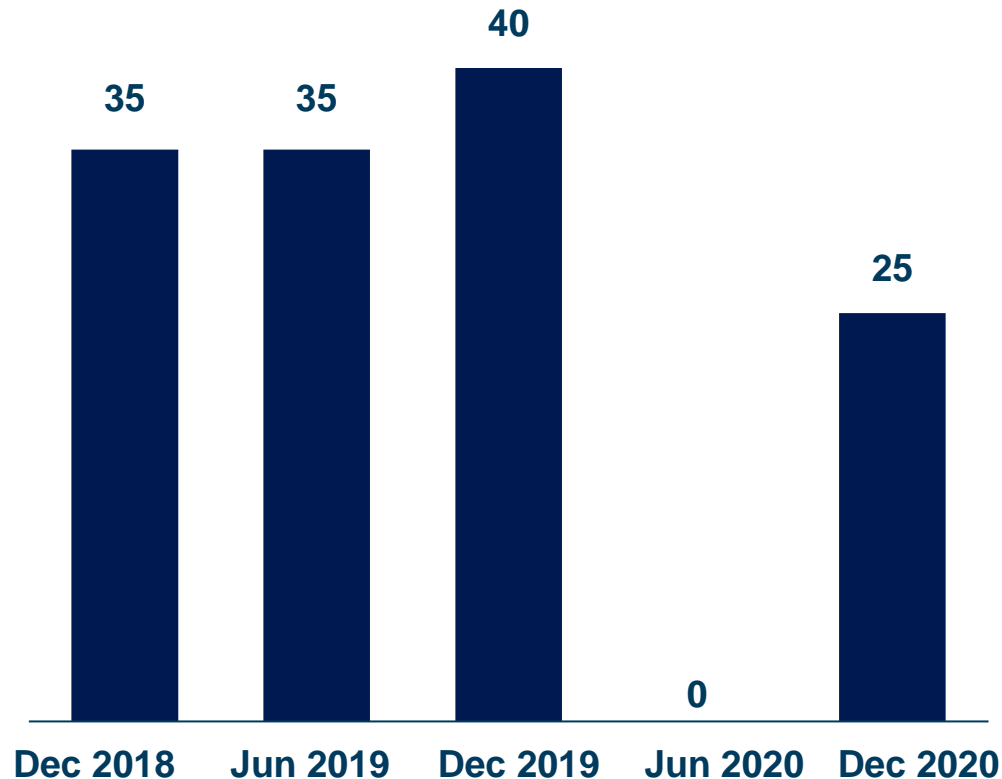
Recovery in markets had a positive impact on capital cover

Covid-19 provisions are included in the valuation basis

Capital cover target range is 1.7 to 2.1 times the SCR

Interim dividend up to 25 cents per share

Dividend per share (cents)



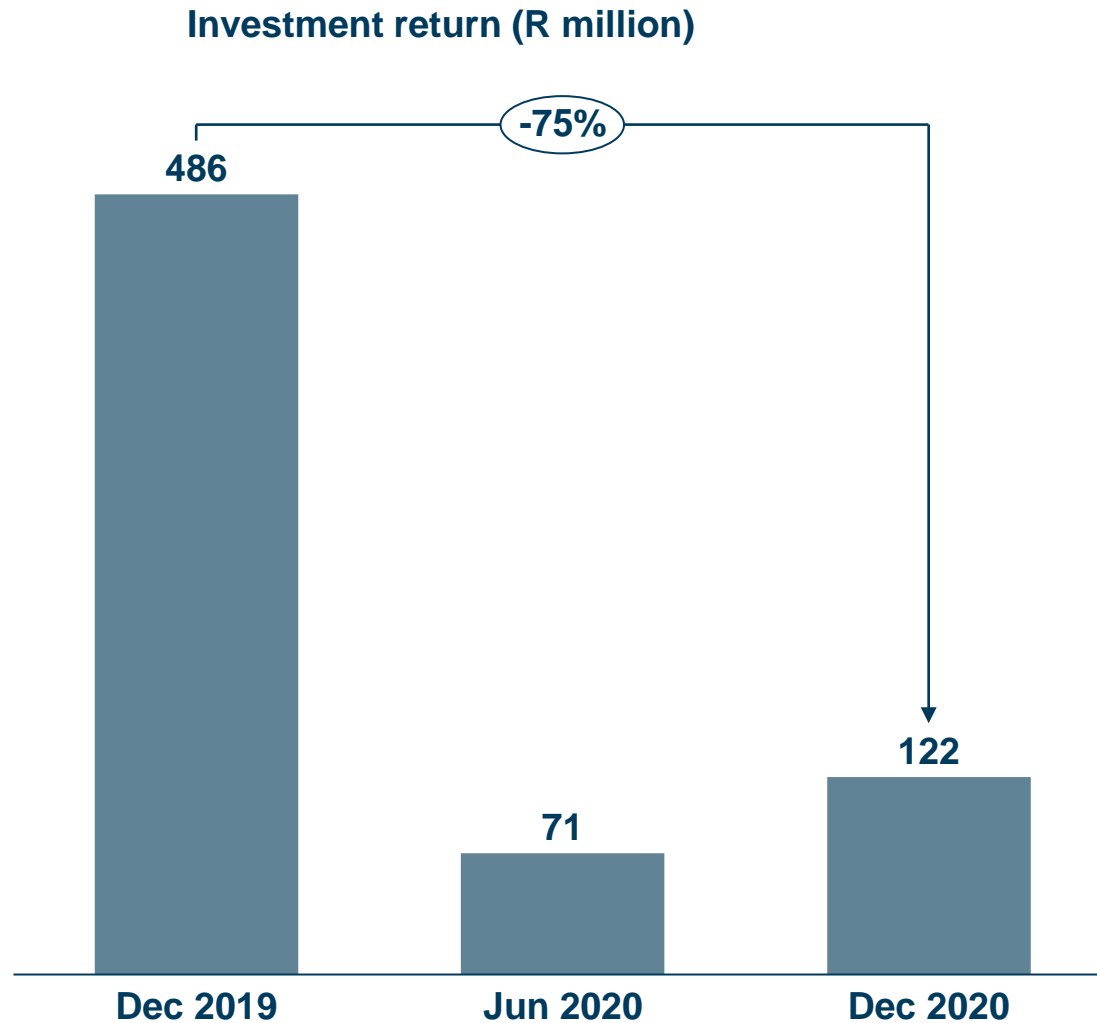
Interim ordinary dividend has been reinstated for the six months

25 cents per ordinary share translates to **2.7 times** normalised headline earnings

Dividend cover target range remains at **2.0 to 3.0** times normalised headline earnings

Dividend payout ratio is **33% to 50%** of normalised headline earnings

Investment return for the Group



Fall in share price caused a decline in performance of share scheme hedge

Returns from credit assets negatively impacted by low interest rate environment

Yields on short dated variable assets were lower than 1H20

**Other current
topical matters**

4



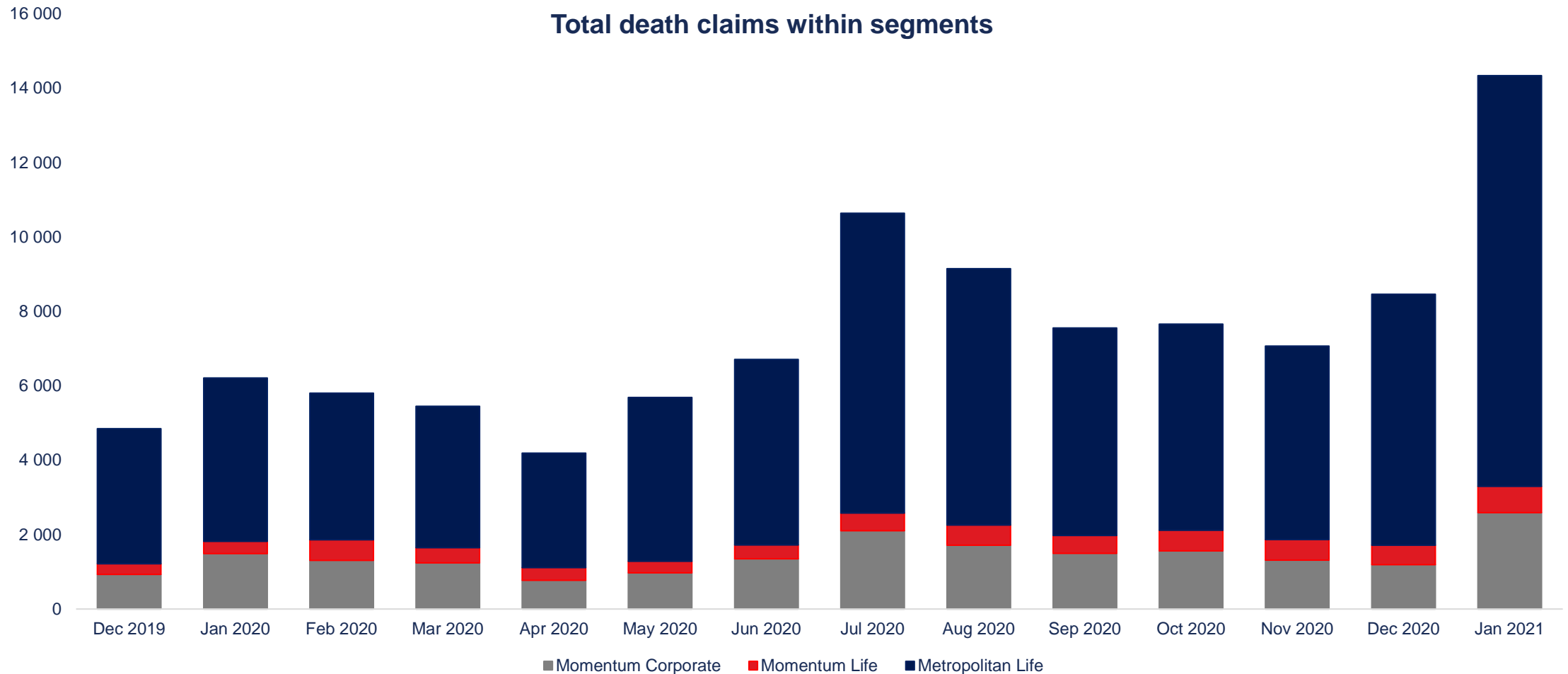
Other current topical matters

- 1** Covid-19 trends across segments

- 2** Business interruption update

- 3** Impact of operational gearing on VNB

Covid-19 trends across segments





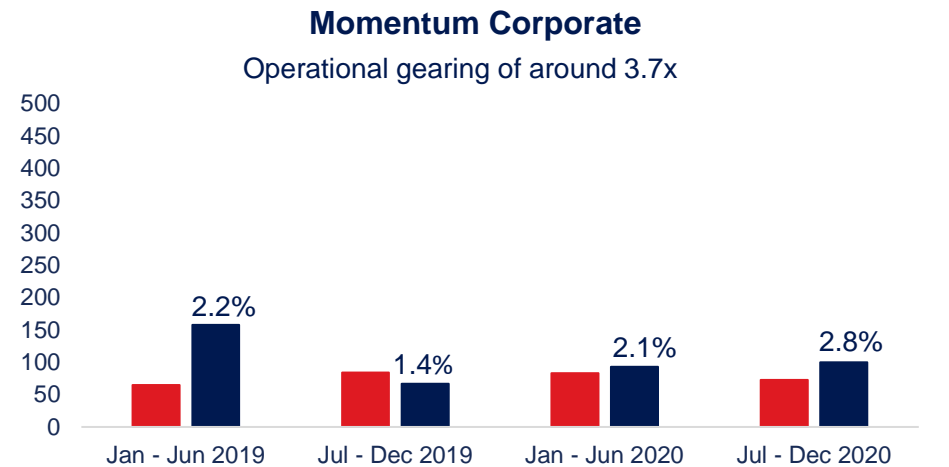
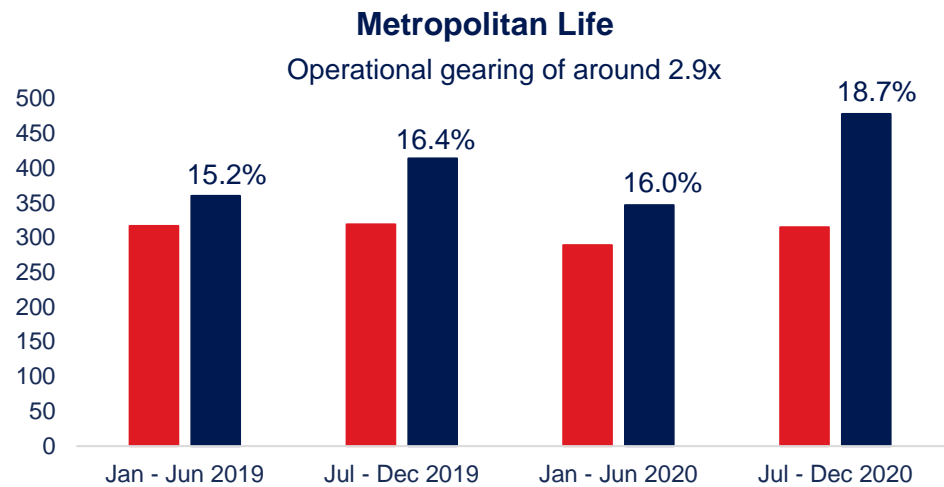
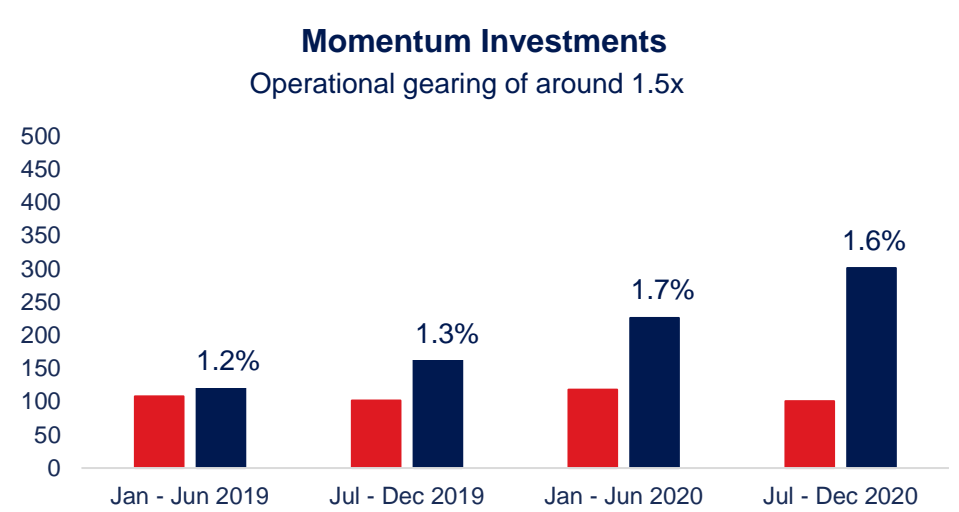
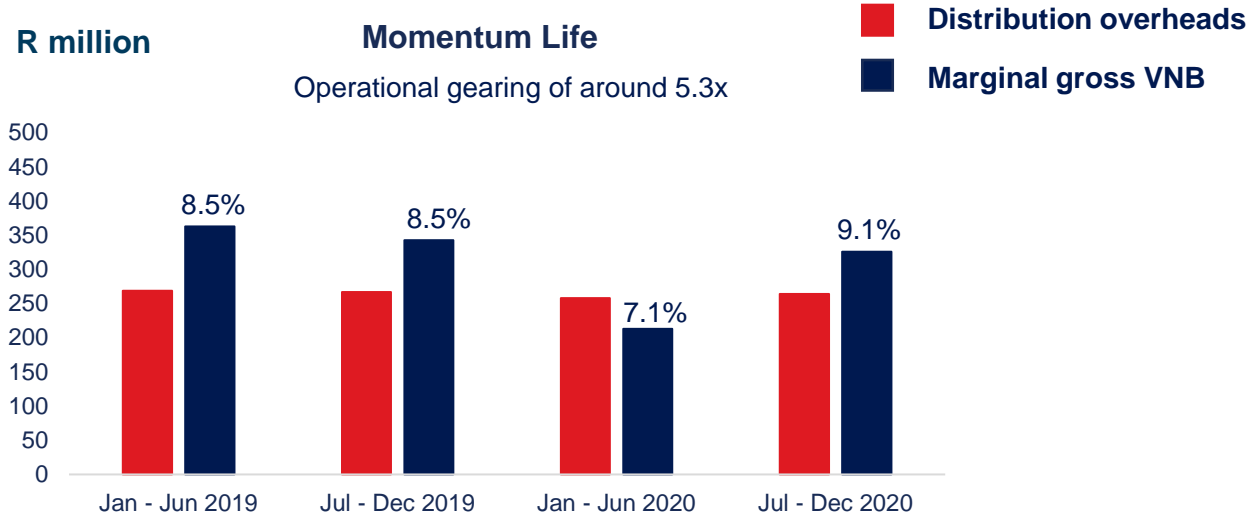
Business interruption update

Gross claims of
R335 million
have been paid out to our clients

There are only another
121
claims on BI that still need to be finalised

Our conservative reinsurance strategy means total net cost estimated at
R64 million
to Guardrisk

Impact of operational gearing on VNB



In closing

5



In closing

- 1 We are very proud of the results with most operational metrics (volumes, margins, sales activity, expenses, persistency) trending in the right direction.

In closing

1 We are very proud of the results with most operational metrics (volumes, margins, sales activity, expenses, persistency) trending in the right direction.

2 The few disappointments include (i) Wave 2 and (ii) the impact of remote work.

In closing

1 We are very proud of the results with most operational metrics (volumes, margins, sales activity, expenses, persistency) trending in the right direction.

2 The few disappointments include (i) Wave 2 and (ii) the impact of remote work.

3 Big thank you to all of our staff for yet another six months of excellent delivery under yet another six months of trying circumstances.