

Financial aspirations

Impact Strategy

Risto Ketola



Disclaimer

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Forward-looking statements

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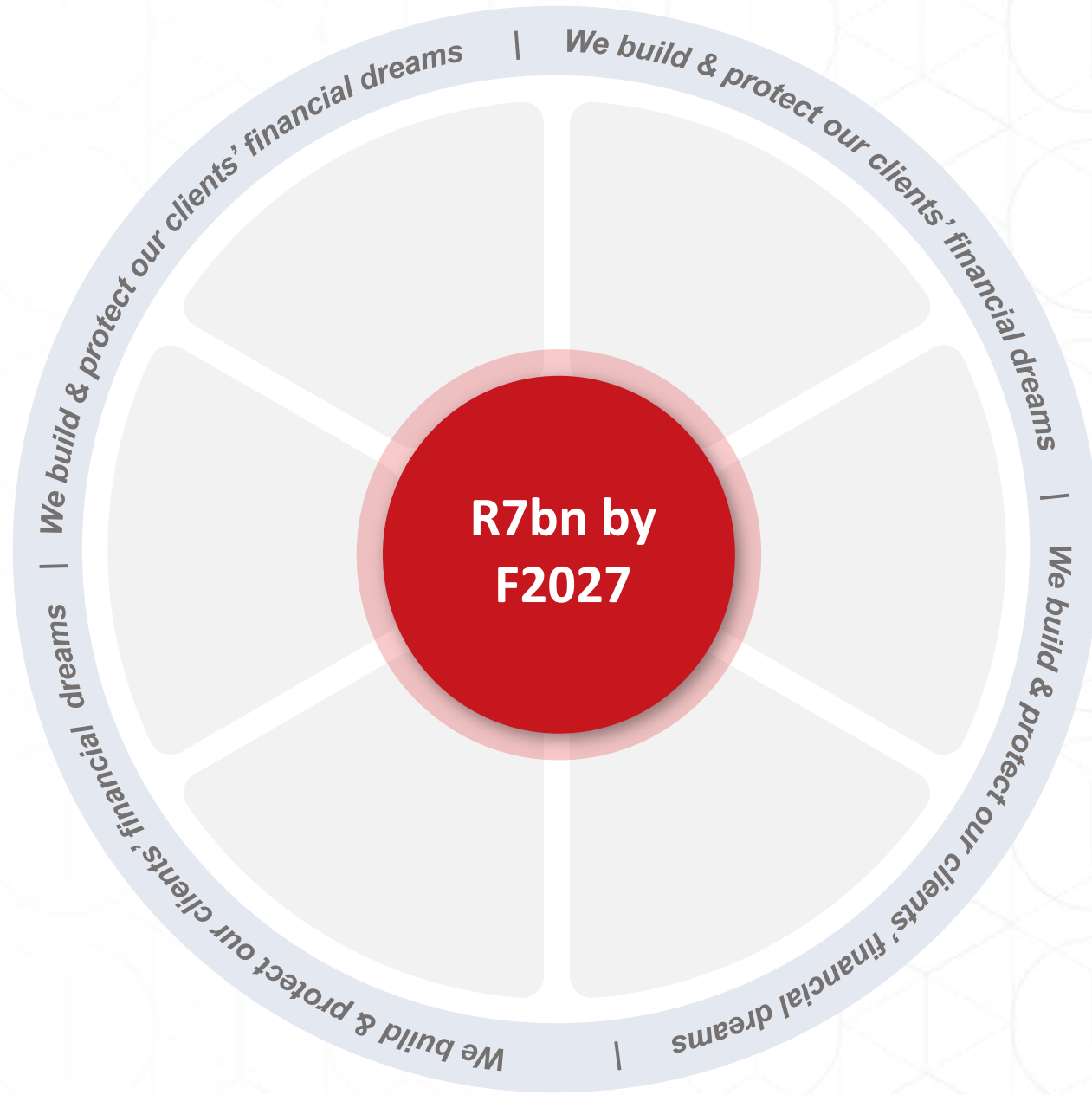
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Agenda

- 1 Earnings ambition
- 2 VNB margin
- 3 ROE ambition
- 4 Cash generation
- 5 Capital management





People | Transformation | Digital | Sustainability | Capital deployment

Group earnings ambition

**NHE ambition
of R7bn by
F2027**

R'million

F2027

Momentum Retail

1 500

Momentum Investments

1 000

Momentum Corporate

1 000

Guardrisk

1 000

Metropolitan Life

750

Health

600

Africa

450

Momentum Insure

350

India

300

Shareholders

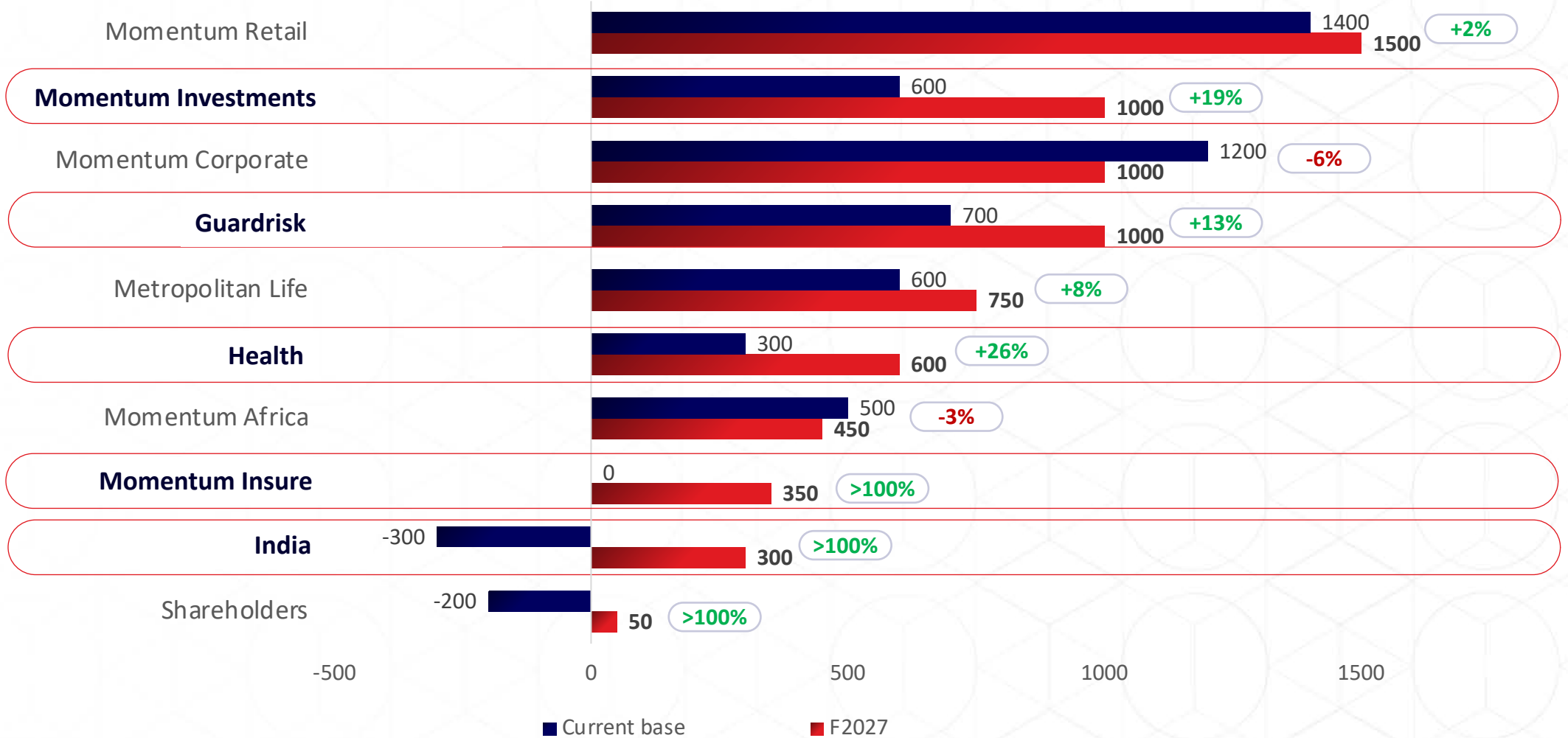
50

Total

7 000

Group earnings ambition

R'million



*Growth expressed as CAGR over 3 years

**The current base represents double the 1HF2024 earnings, rounded to the nearest R100 million.

Earnings ambition

Momentum Retail



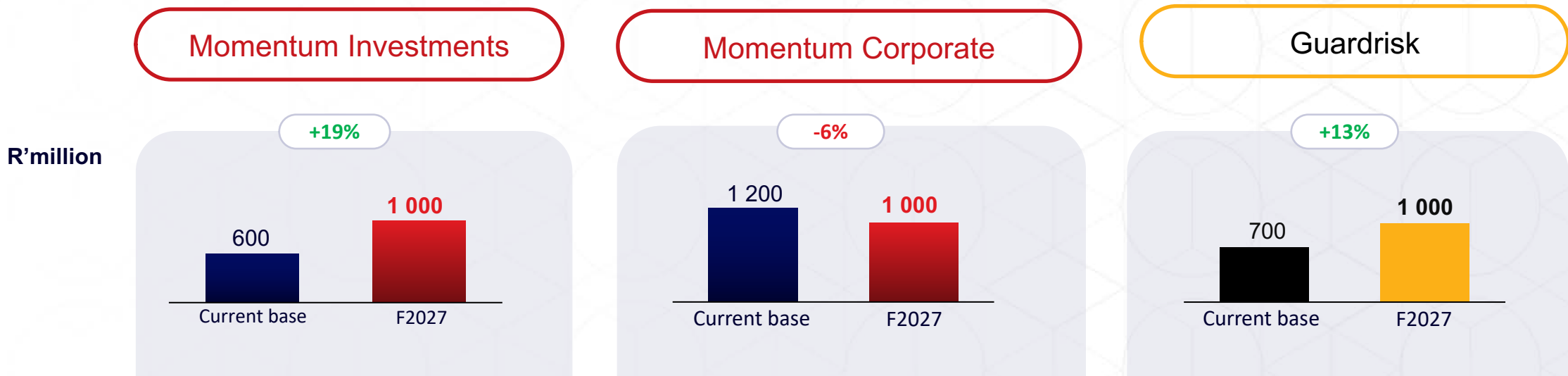
Key enablers

- Digital transformation
- Distribution footprint growth
- Onboarding innovation
- Expense rationalisation

Key risks

- Yield curve uncertainty
- Low SA growth
- Changing client needs

Earnings ambition



- Key enablers**
- Vertical integration driving Wealth Platform profitability
 - Footprint expansion through strategic global and local partnerships
 - Strengthened structured product offering
- Continued focus on digital enablement
 - Leverage strategic partnerships for greater market access
 - Pricing discipline and risk management
- Growth in commercial and specialist lines
 - Investment in new product development
 - Enhance digital capabilities

- Key risks**
- Changes in market conditions
 - Impact of investment performance on flows
 - Digital adoption post Wealth re-platforming
- Inherent volatility of new business flows
 - Underwriting profits and risk pricing pressure from competitive market
- Assumes below inflation expense growth
 - Volatile claims experience

*Growth expressed as CAGR over 3 years

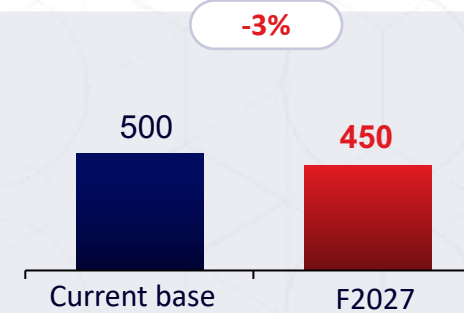
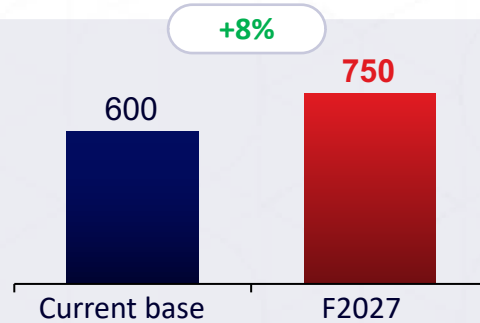
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Earnings ambition

Metropolitan Life

Momentum Africa

R'million



Key enablers

- Increase in agent productivity
- Product commerciality
- Cost base optimisation
- Savings from platform migration

- Strategic focus on growing distribution
- Successful system implementation and product refresh
- Elevated focus on client experience
- Leverage strategic partnerships

Key risks

- Future experience variances or basis changes
- Volumes
- Macro-economic impact on emerging clients

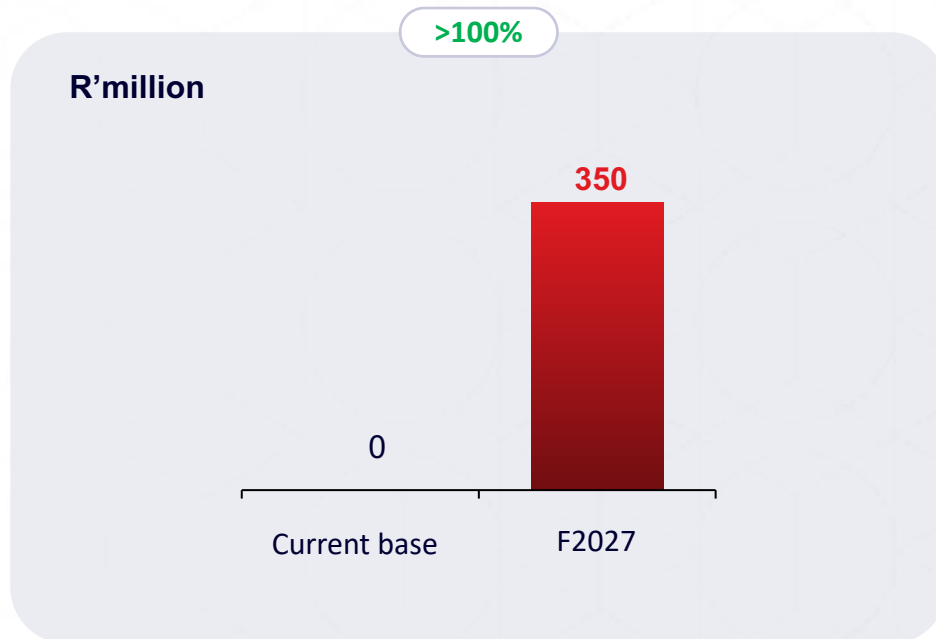
- Macroeconomic and regulatory environment challenges
- Timely implementation of administration systems
- Competition from existing and new market players

*Growth expressed as CAGR over 3 years

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Earnings ambition

Momentum Insure



Key enablers

- Targeted claims ratio of 58%
- Accelerate digitalisation to drive efficiencies
- Reduce the cost to serve in the IFA channel
- Scale personal lines Direct and Digital sales
- Drive premium diversification through growth in commercial lines

Key risks

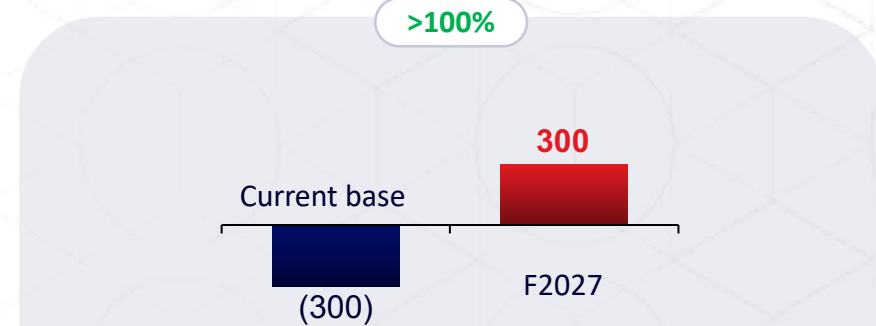
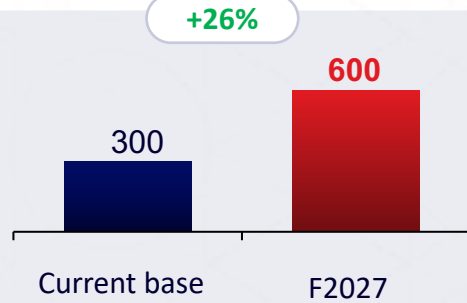
- Worse than expected cyclical weather volatility
- Current market conditions persist or deteriorate
- Pace of digital transformation

Earnings ambition

Health

India

R'million



Key enablers

- Employment growth in the public sector
- Union alignment
- Cost efficiencies and portfolio optimisation

- Differentiated health first model
- Diversified omni-channel distribution
- Maturing health and disease risk management
- Leverage partner brand and ecosystem

Key risks

- NHI impact
- Low market growth
- Regulatory uncertainty

- Balance business mix to minimise claims ratio whilst lowering expense ratio to meet regulatory limit by 2026
- Intensity of competition
- Medical inflation and provider abuse

*Growth expressed as CAGR over 3 years

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Earnings ambition contribution



VNB margin



Traffic Growth	User Price	Revenue	Sales Volume	Rev. Increase	HETT201	Sales Rev.
8.01%	\$ 2,178	890	\$ 120,020.00	9%	1,23E+00	12
8%	\$ 1,000.00	654	\$ 44,545.00	34%	5.6E+01	343
9%	\$ 5,940.00	454	\$ 4,304.00	4%	4.5E+01	3,434
100%	\$ 34,344.00	454	\$ 65,464.00	3%	1.2E+01	343
24%	\$ 43,232.00	34	\$ 43,444.00	34%	3.43E+00	343
87%	\$ 657,465.00	878	\$ 4,545.00	50%	1.23E+00	12
6.91%	\$ 2,178	890	\$ 120,020.00	9%	1.23E+00	12
8%	\$ 1,000.00	654	\$ 44,545.00	34%	5.6E+01	343

VNB margin target

	1HF2024	F2027
Momentum Retail	(0.9)%	0% - 1%
Momentum Investments	1.5%	1% - 2%
Momentum Corporate	0.1%	0% - 1%
Metropolitan Life	(2.6)%	4% - 5%
Momentum Africa	(1.1)%	0% - 1%
Group	0.5%	1% - 2%

VNB enablers

- Distribution footprint growth
- Unlocking product and channel revenue through vertical integration
- Product commercialisation
- Digital enablement to reduce cost and improve client experience
- Cost optimisation

VNB risks

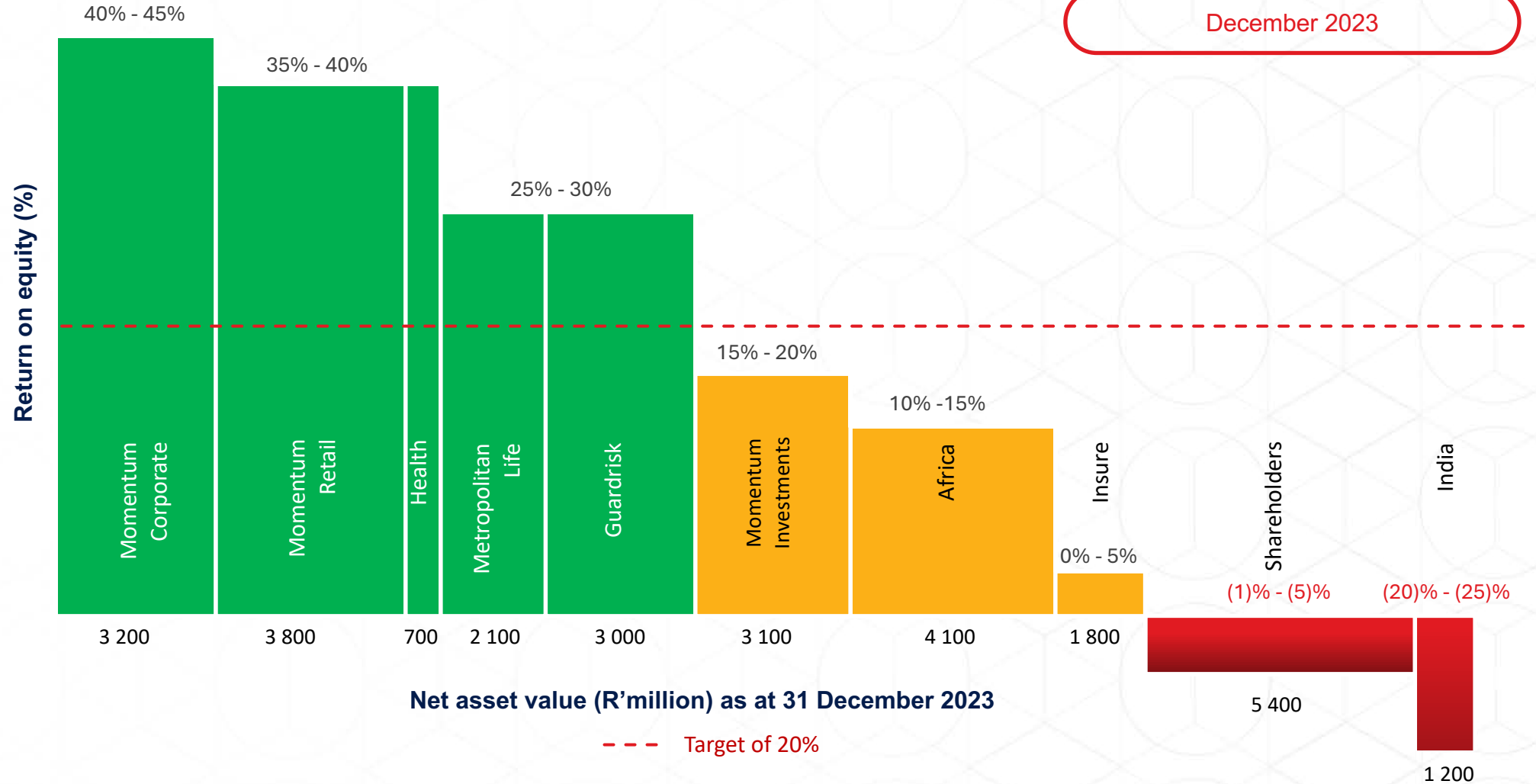
- Market competitiveness
- Quality of business
- Product mix
- Market volatility
- Interest rate risk

Group VNB ambition for F2027 is R1.0bn – R1.2bn

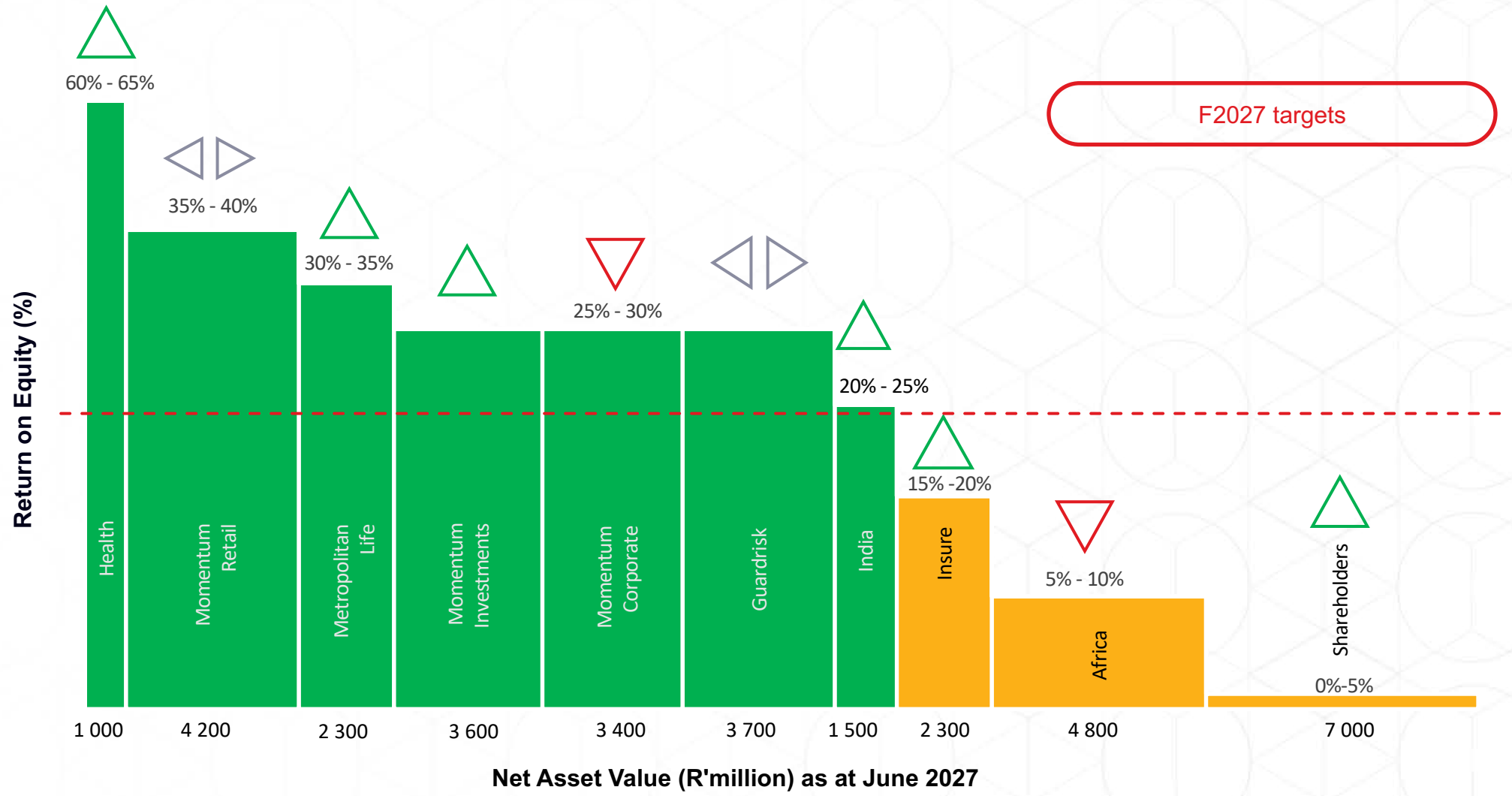
ROE ambition



ROE achieved



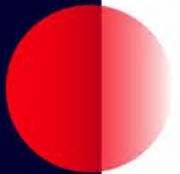
ROE ambition



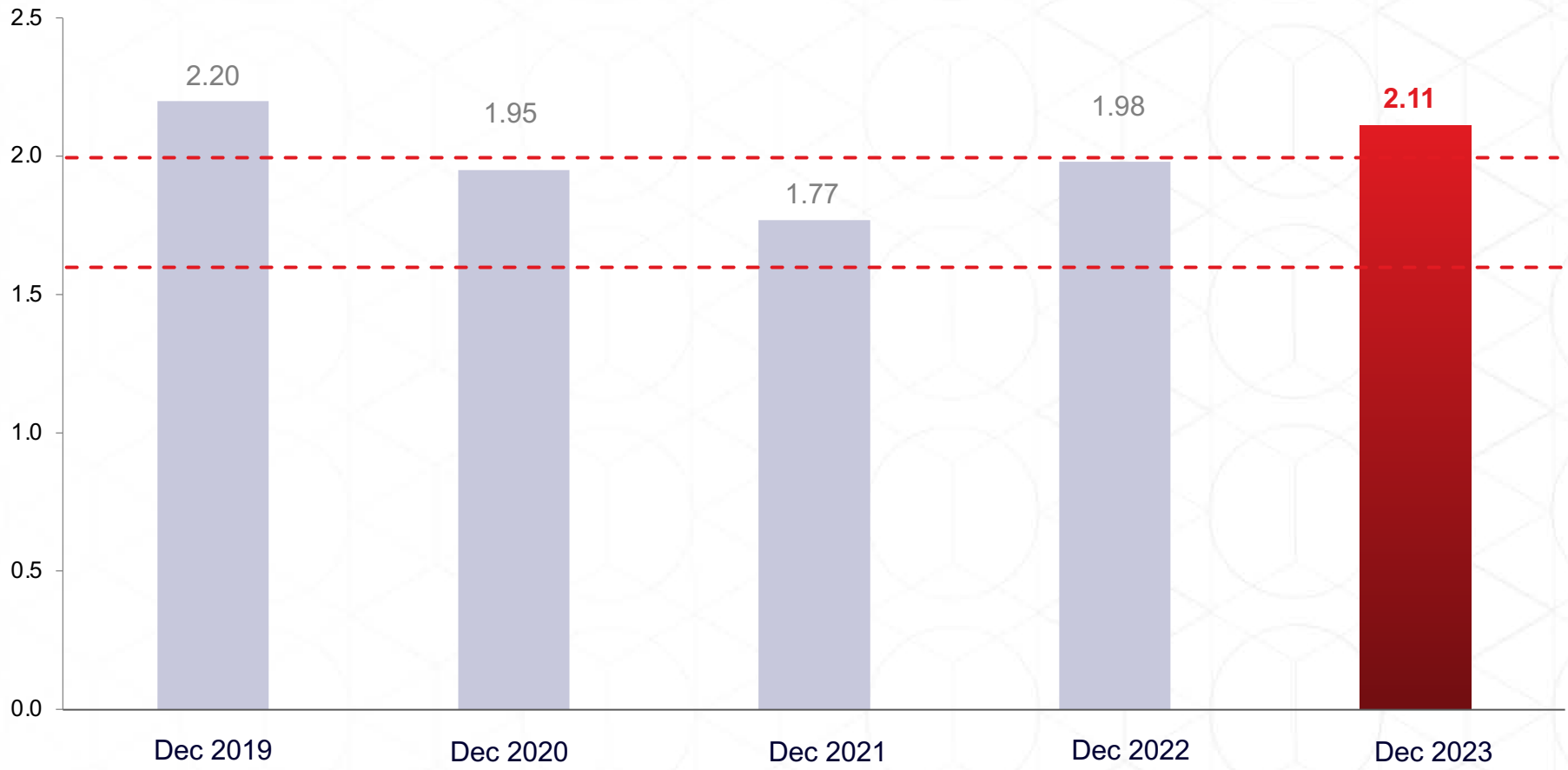
*Net Asset Value assumed to grow in line with liability forecast

Cash generation





MML capital cover



--- Target range of 1.6 - 2.0

Consistently strong solvency



Cash generation

R'million	2021*	2022*	2023*	Cumulative*
SA Life businesses	391	2 999	3 601	6 991
Guardrisk	340	248	311	899
Africa	69	164	560	793
Momentum Investments	-	93	281	374
Health	170	151	218	539
Dividend inflow to Momentum Group	970	3 655	4 971	9 596
Other	255	297	(33)	519
Momentum Multiply	-	-	(143)	(143)
MM Finance Company	(12)	(153)	-	(165)
VC fund investment	-	(30)	(192)	(222)
Momentum Money	-	-	(297)	(297)
Momentum Insure	(16)	(181)	(380)	(577)
India	(372)	(329)	-	(701)
Preference shares	(90)	(99)	(529)	(718)
Cash generated to Momentum Group	735	3 160	3 397	7 292
Ordinary dividend	(747)	(1 720)	(1 891)	(4 358)
Net of dividend payment	(12)	1 440	1 506	2 934
Approved buyback	-	(1 250)	(1 000)	(2 250)
Net of buyback & dividend	(12)	190	506	684

*These periods refer to calendar years and not financial years

Cash generation

R'million	Cumulative to 2023*	F2025 – F2027
Dividend inflow to Momentum Group	9 596	11 000 – 12 000
No further support required	(874)	-
Momentum Insure	(577)	-
Momentum Money	(297)	-
Significant reduction in support	(1 949)	<1 000
Preference shares	(718)	
India	(701)	
VC fund investment	(222)	
MM Finance Company	(165)	
Momentum Multiply	(143)	
Cash generated to Momentum Group	7 292	10 000 – 11 000
Dividends		?
Share buybacks		?
M&A		?
Internal initiatives		?

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Capital management



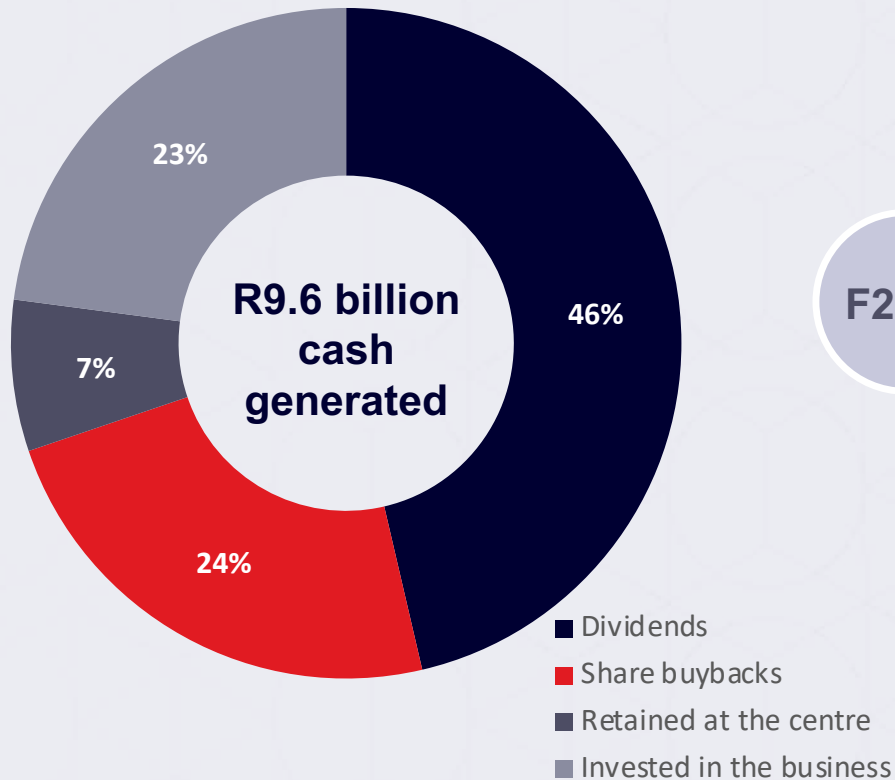
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Capital allocation approach

- 1 Formalisation and standardisation of capital allocation processes
- 2 Adopted a more dynamic hurdle rate framework
- 3 Ability of business unit to support its own operations, market attractiveness and healthy state of business unit will play role in capital decisions
- 4 Increased focus on cash generation and management of steep J-curves
- 5 Increased rigour in understanding the external environment in the targeted industry

Capital deployment

Last 3 years' cash generation and utilisation



F2027

Investment in the business to be guided by strategic growth ambitions:

- 1 Dividend pay-out target range remains at 33% to 50% of NHE
- 2 Dividend payments expected to be around R6bn over the next 3 years

- 3 Preferred segments for organic and inorganic capital deployment :
 - Investment Management
 - Distribution
 - Corporate businesses

Financial Ambition

F2027

Return on Equity

20

%

VNB margin

2

%

NHE

7

R' billion

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