



INTELLECTUAL CAPITAL



Our stock of intellectual capital has been a major contributor to the resilience the Group has been able to draw on to achieve pleasing half-year results, maintain business continuity and protect the sustainability of the Group during the unprecedented impact of the Covid-19 pandemic in the final four months of the year. We needed to protect value, keep our people safe, continue to serve our clients, support the vulnerable and government's efforts to reduce the impact of Covid-19. Our robust corporate governance, effective risk management, systems and processes, and the ability of our people to innovate, transform and respond rapidly and effectively made it possible for us to do so.

GOVERNANCE THAT FACILITATES ETHICAL, RESPONSIBLE AND EFFECTIVE DECISION-MAKING

Our governance and leadership structures, our policies and processes, risk and sustainability management and approach to remuneration are all important elements of our intellectual capital. They ensure our Group is well-managed and controlled and support our overall value creation process.

Our Board members accept responsibility as the custodians of governance and also assume collective responsibility for strategy, policy, oversight and accountability and have adopted a stakeholder-inclusive approach in the execution of their governance roles and responsibilities, guided by their commitment to the principles of King IV.

Delegation structures provide for the assignment of authority while enabling the Board to retain effective control. The Board delegates authority to relevant Board committees and to the Chief Executive Officer, with clearly defined mandates. The delegations of authority are monitored and reviewed annually by the Company Secretary's office.

Achieving compliance with applicable laws, regulations and governance practices provides a framework on which to build our governance approach, which is then further directed by the Board's pursuit of ethical and effective leadership.

For more information on how we create value through our governance processes, please refer to pages 35 to 45 of this report. Information on the embedding of an ethical culture in the Group is provided in the human capital section of this report on page 92.

ENABLING BUSINESS CONTINUITY

The ability of our people to operate, communicate and collaborate safely and remotely both with each other, our clients, suppliers and the regulatory authorities, were essential to the maintenance of business continuity during lockdown.

Putting excellence, governance, risk management and technology to work

Our 26-member Group IT team was tasked with ensuring that not only were up to 12 000 Momentum Metropolitan employees able to work remotely and collaborate, but our governance structures also needed to be able to engage and have immediate access to information during periods of key decision-making. At the same time, they needed to keep our systems secure and protected from cyber attack.

To meet the very tight timelines and exponential demand, solve for risk, security and cost, and the unique requirements of individual business units, the team needed to achieve a balance between risk and agility.

Their efforts, included:

- rapidly developing a remote connectivity strategy for a three-phase execution plan covering the short, medium and long-term enablement of impacted services
- developing new policies and introducing new processes and workflows end-to-end within hours to automate call logging and tracking, and changing the rules where they could
- enabling 500 laptops and 3 500 desktops in employees' homes
- purchasing and providing 4 000 3G

- cards to enable connectivity
- deploying Lync, Teams and Zoom to enable collaborative engagement
- upgrading our backend video conferencing (VC) capability to interact with these systems and increasing VC capacity by 300%.

The value added to the business

The process of enabling remote working from the start of lockdown involved more than the deploying of technology. It changed the way we work, communicate and educate. It also required changes in our support processes to a mainly remote process. During the deployment process the Group IT team identified a number of opportunities for saving, and enabling a more productive/collaborative workforce.

FAST FORWARD ON DIGITALISATION

Throughout Momentum Metropolitan the advent of Covid-19 accelerated the delivery of digital solutions. The need to be able to operate remotely, serve our clients, employees and distribution channels required digital solutions. The result was that solutions planned for a future date were installed in weeks instead of years.

In Momentum Health, in addition to accelerating the delivery of digital solutions that offer convenience to its clients, the business units' response to the impact of Covid-19 is to rethink the traditional way of working within the healthcare industry.

The digital advice and enablement platform established during F2020 to support advisers, together with digital access through a WhatsApp facility, helped financial planners and independent

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financial advisers operate during remote working.

The progress business units had already made with their digital transformation before the arrival of Covid-19 made it possible for advisers to continue onboarding clients during lockdown.

Using Metropolitan Life's digitally enabled funeral cover, which was available prior to the Covid-19 lockdown, made it possible for clients to purchase cover during lockdown.

Digital transformation also plays a key role in improving the value proposition for our short-term insurance clients, which includes an online quoting facility, a digital claims facility offering straight-through

processing on certain types of claims, the Safe Dayz™ offering, which rewards safe driving, and Safety Alert, a mobile panic button.

Fast forward in digital – Smart Solutions

In F2020 Momentum Corporate's digital transformation strategy continued to focus on enabling and empowering members to make informed choices at key points on their journey to success through our suite of Smart Solutions. Our new Smart Onboarding solution introduces new FundsAtWork members to the retirement scheme, promoting the collection of key client data (in support of the Protection of Personal Information Act), and our Smart Statement solution is designed to

keep clients informed about their benefits and encourage active engagement with their solutions. Our focus has also been on modernising our post-login member website and transactional tools, as well as in partnering with the Momentum iX team to integrate our clients' FundsAtWork product information in the Momentum app so that clients have access to their holistic solution set. To support our people in the new normal work-from-home situation, we transformed our staff training into a fully online digital Smart Learning solution, and implemented various tools to generate management reports.

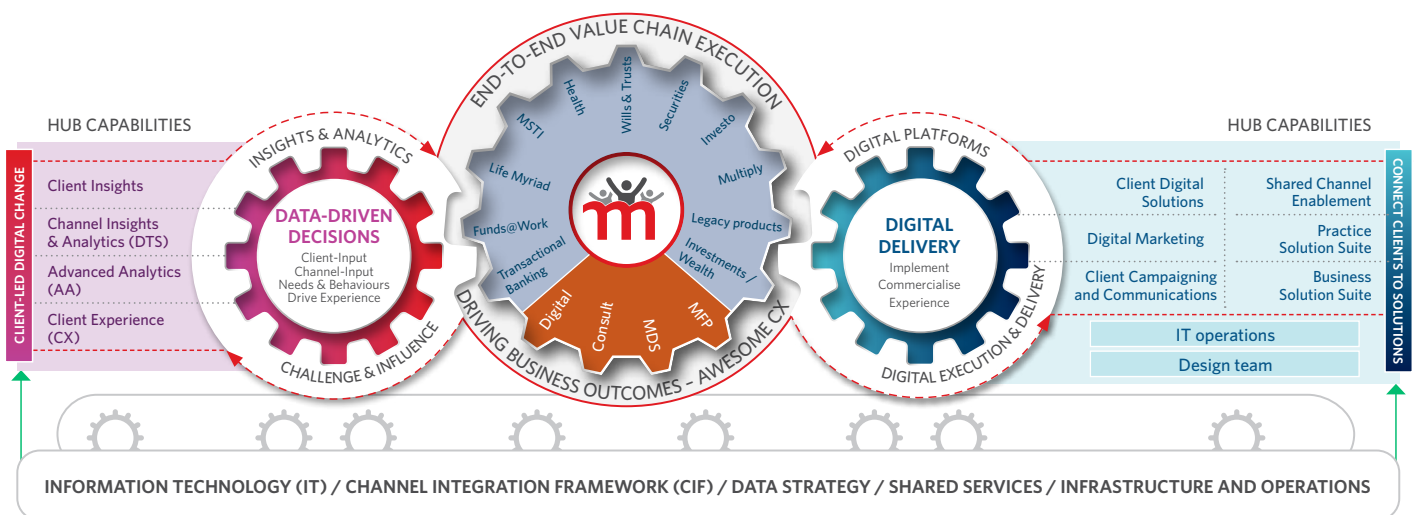
Continuing to transform digitally

Following the changes to the Momentum operating model in 2018 a digital centre of excellence was established to progress the Momentum digital transformation journey. The centre consists of two digital hubs, the client hub known as iX and the channel hub known as Momentum Digital and Technology Solutions. These hubs are aligned with the Momentum product businesses and channels.

momentum Digital ecosystem

Core purpose:

To enable Momentum to **connect clients and advisers to our solutions and deliver awesome client experiences**



Momentum Digital Transformation Strategy CONNECTED PERSONALISED EXPERIENCES

The main purpose of Momentum Digital and Technology Solutions, which provides various services to our channel and product businesses, is to connect clients, advisers and our businesses across the Momentum ecosystem. This

connection is based on a solid digital platform, data-driven decisions, and a human-centred design approach with a commercial mindset to create efficiencies and generate more business. Our shared engagement backend allows clients,

advisers and employees to have shared context, interact with each other, prospect for new clients, buy or sell our products and digitally self-service on their respective digital interfaces. The hub also enables our face-to-face channels with systems

and tools that allow advisers to run their businesses on our new Sales Connect platform and enable adviser practices on our VIA platform to manage relationships with their clients and to run effective and competent practice operations.

Within Momentum iX, which is a key element of our digital transformation strategy, we develop and mature digital capabilities needed to connect clients to our solutions and deliver exceptional client experiences. This client-led digital hub consists of: Digital Platforms (Momentum Web and App teams); Design, Digital Marketing, Consumer and Market Insights, Advanced Analytics, Campaigning and Communication. These capabilities are used to influence and impact the strategies of Momentum's businesses using client insights and analytics and executing on these plans with our digital delivery teams.

Going forward our digital transformation strategy will focus on:

- delivering connected personalised experiences through an aligned Group digital strategy aimed at ensuring we deliver awesome client, adviser and employee experiences
- using our digital capabilities to increase the ease of doing business with Momentum by providing more easy-to-use self-service features for our clients and advisers; increase leads from our digital platforms; and introduce end-to-end digital sales with a link into our call centres and distribution channels
- continuing to understand our clients and consumers evolving behaviours and needs
- improving our data quality and our data analytics capabilities focusing on machine learning techniques
- enhancing our ability to campaign and communicate (including chat platforms) with existing and prospective clients.

Technology in support of digitalisation

We have made good progress with upgrading and rejuvenating our entire process environment to support our digital strategies, which was also part of resetting the business for resilience. The migration of the Metropolitan Life

policy administration system onto the Momentum legacy platform in the Momentum Life business, which is a four-year project, is also progressing well.

APPLYING THE RESULTS OF INVESTING IN DISRUPTIVE INNOVATION

Our portfolio of disruptive innovation initiatives was conceived in conjunction with our business units before the advent of Covid-19. Since its arrival they have a significantly higher value potential in a world where digital channels have become the primary engagement model, and automated processes a key driver of productivity. Our business units, working with the capabilities of start-ups, have been able to develop solutions at speed and scale quickly if the proof of value is a success.

Some of our innovative solutions:



Kimi Screening, developed through our investment in disruptive innovation could support remote working during lockdown. Technology, which has the ability to measure vital statistics such as heart rate, heart rate variability, oxygen saturation, respiration rate and blood pressure using the selfie camera on an iPhone or Android phone, is being used for digital underwriting of life insurance protection products. Momentum Health has been able to use Kimi screening to assist Covid-19 identified patients to monitor their vitals. Should Kimi pick up an early intervention is needed, an immediate notification is provided in the app to allow the client to log a call with Hello Doctor or take the results to their own medical professional for early intervention. In the future, after lockdown mobile products that facilitate remote working could also offer more effective pricing and make processes such as the medical examination process much more convenient for clients.

Kimi Health Tracker collects and interprets health statistics, creating unique profiles for individuals based on their health outputs and vitals using a

wearable sensor, which has a number of applications in both insurance and wellness.

Kimi Body Age, assesses body age and also includes a risk stratification model. This product has proved popular with medical schemes and employers as part of their wellness offering.



Hello Doctor, which provides access to medical advice via a mobile app, one-on-one phone call or the website, is part of the Momentum Health offering. This facility, which provides access to a group of doctors and health professionals who provide health advice and referrals for further treatment if necessary, was made available to all South Africans during the lockdown. The learnings gained during lockdown with regard to positive interactions with respect to medical triage and engagement are being incorporated into the app.

FACILITATING FINANCIAL INCLUSION

The open architecture insurance platform in the Guardrisk retail environment has opened up exciting new scalable digital distribution channels for Guardrisk in partnership with Root and its clients. Embedded in client solutions the technology can be used to launch quick-to-market products such as funeral cover, handset insurance, etc, to clients in retail stores. It also provides access to millions of potential policyholders and facilitates financial inclusion through micro insurance products, some of which have helped consumers without incomes during Covid-19. Also, income from premiums provided retailers that closed during lockdown with some revenue.

Digital onboarding that would allow for the seamless onboarding of new clients in under 10 minutes, which is currently at the proof of value stage, has the potential to attract new business.



Tax Tim is an online application providing taxpayers with real-time assistance as they complete their tax returns.

VENTURE CAPITAL INVESTMENTS

The 4DI Exponential Tech Fund and Anthemis Exponential Ventures, in which Momentum Metropolitan is a partner, are currently invested in a number of start-ups in Africa and Europe. These start-ups include:

- a suite of science-based analytics solutions with patented technology and a connected approach to a number of significant trends in insurtech relating to wearable Internet of Things (IoT) sensors and big data analytics.
- a financial services network and switch operating in Africa focusing on enterprise products, digital banking and wallet products and investigating the possibility of providing alternative premium collection solutions
- aerial data analytics using satellite and drone imagery to provide meaningful plant data to farmers to optimise their yield and reduce their costs
- low-cost fire detection solutions for use in informal communities bundled with an optional simple short-term fire insurance product supporting financial inclusion
- a mobile app ordering platform enabling informal traders to access on-demand ordering and free delivery
- a world first insurance product enabling holders of listed shares to manage their exposure to the risk of investment losses caused by management fraud and dishonesty
- an intelligent savings platform giving employers the potential to improve the financial well-being of their workforce.

INVESTING IN OUR BRAND AND REPUTATION

Our brands are a crucial part of our intellectual property. Our marketing and reputation teams aim to establish thought-leadership positions for our brands by creating and participating in opinion-leading opportunities and campaigns that add value to our stakeholders. We work directly with business to identify and address problems and trends before they escalate, and liaise directly with clients and media to resolve potential issues. We work to ensure we maintain our reputation as an ethical, responsible business that treats its clients fairly.

We continually seek feedback from our key stakeholders on how they view our client-facing brands, i.e Momentum Metropolitan and Momentum Multiply, and our other specialist brands, which include Guardrisk and the Eris Property Group.

