



UBS 12th SA Financials Conference
Momentum Group (CEO – Nicolaas Kruger)
October 2009

Agenda

- The playing field
- Momentum's game plan
- Growing in South Africa
- Growing outside South Africa
- Earnings drivers and outlook

Agenda

The playing field

Diversified insurance-related industry

Pension funds



Unit trusts



Short-term



Life insurance



Health



Sources: SARB (September 2009), Council for Medical Schemes (2008 report)

Challenging conditions

- Volatile market conditions
- Reduction in personal disposable income
- Regulatory challenges
- Churning
- Consumerism
- Skills shortages
- Saturated traditional markets
- Confidence low, but recovering
- Growth to resume, in line with GDP recovery

Agenda

Momentum's game plan



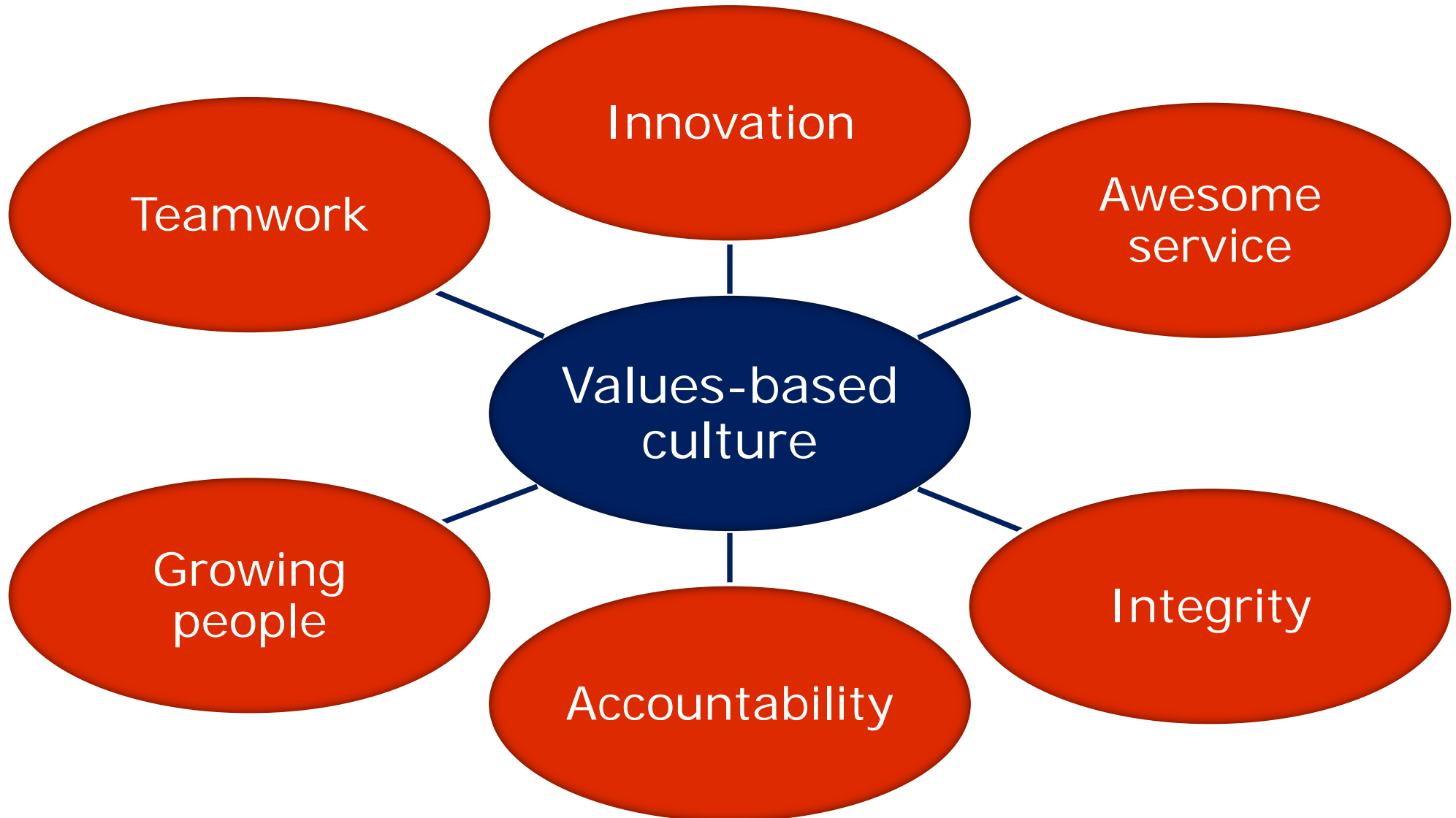
Vision



Our vision is to transform Momentum from successful to significant by becoming a leading provider of insurance-based financial solutions, with a primary focus on Africa



Strategy is underpinned by Momentum's culture and values



Agenda

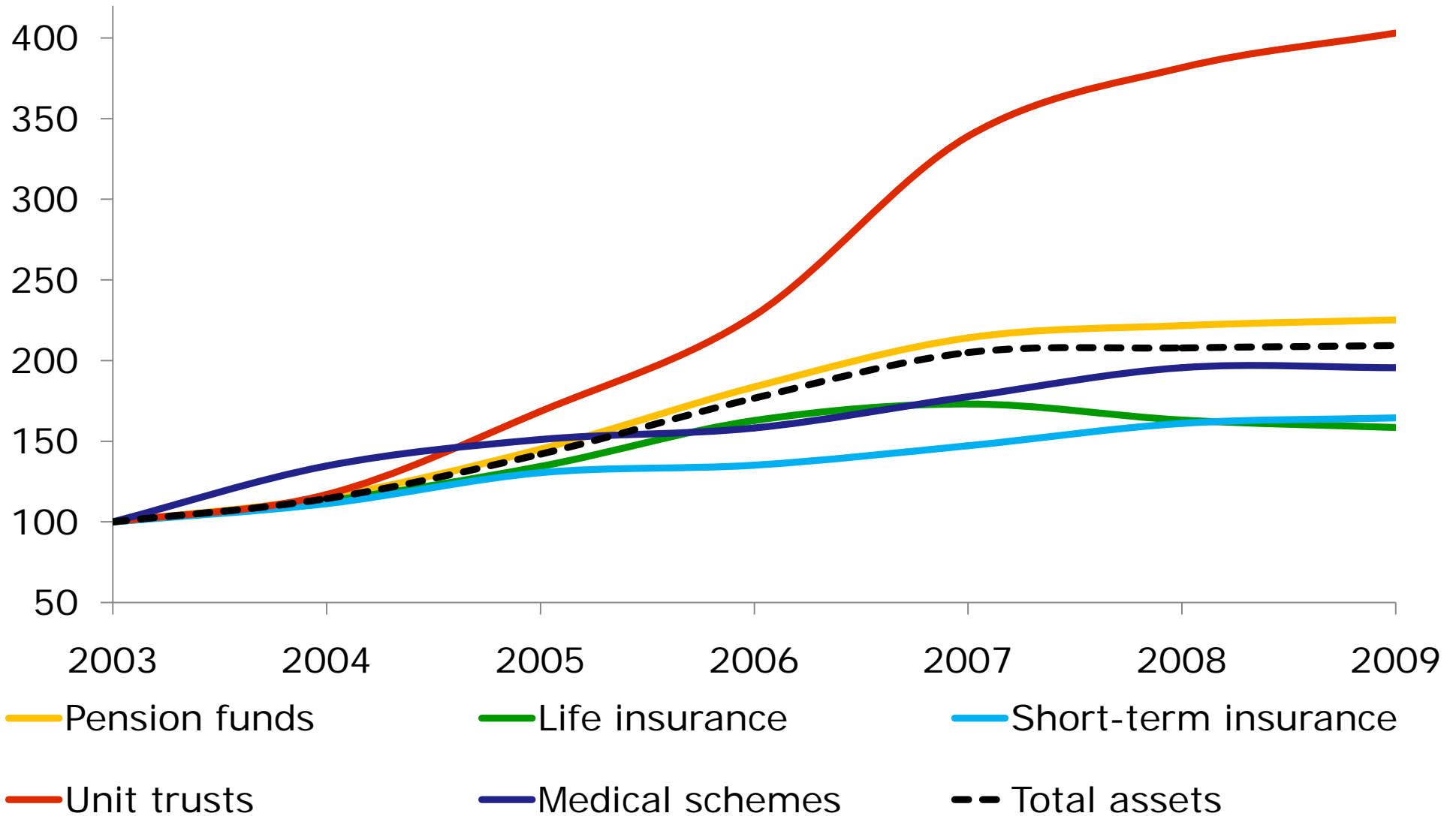
Growing in South Africa

Growing in South Africa: Runway left?



Nominal growth in assets

Indexed to 100



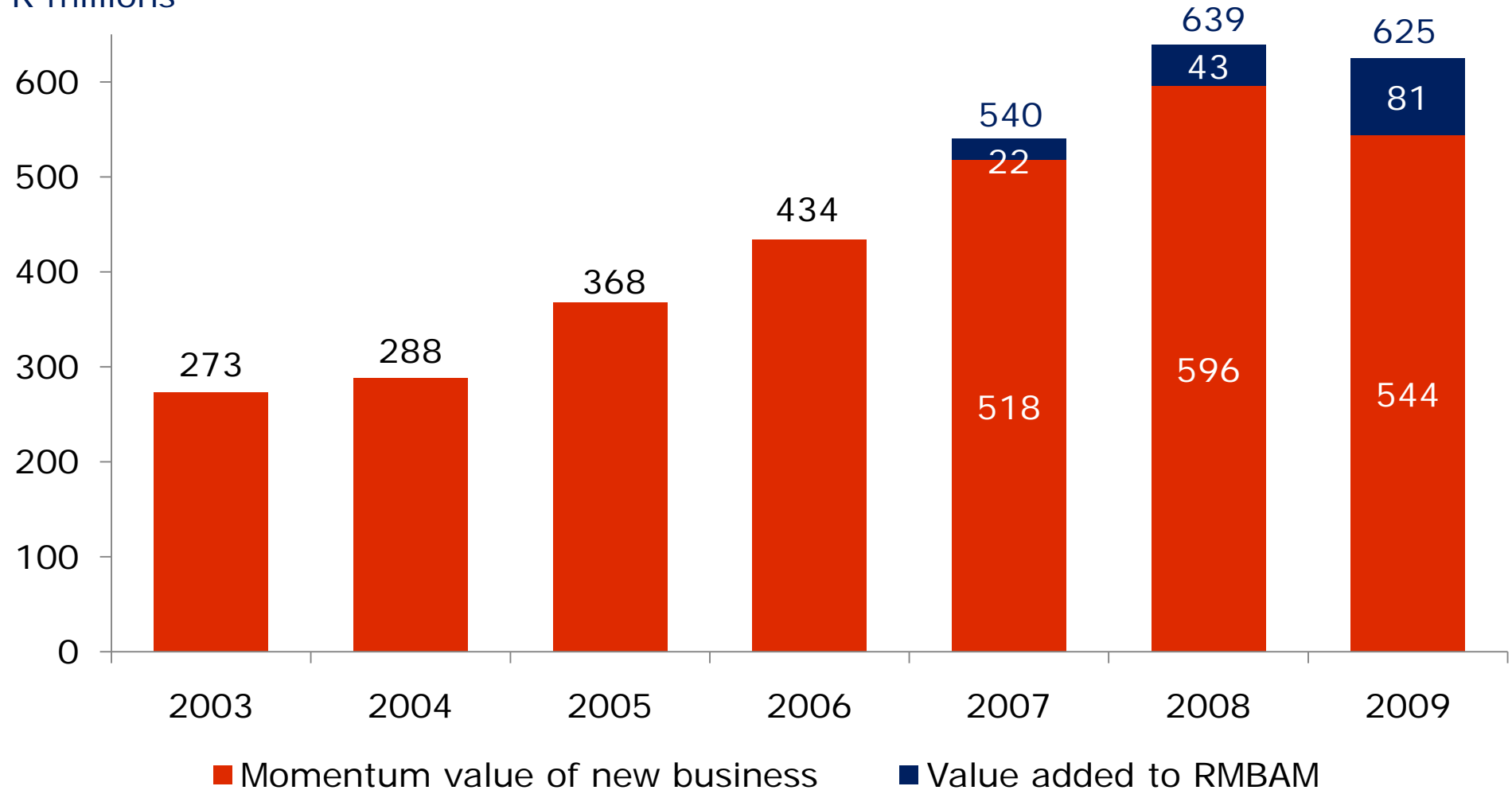
Competitive advantages

- Broker distribution model
- Market segment focus
- Bancassurance relationship
- Ability to innovate
- Service focus
- Financial and capital management
- Implementing acquisitions
- Unique culture

Continue to grow organically

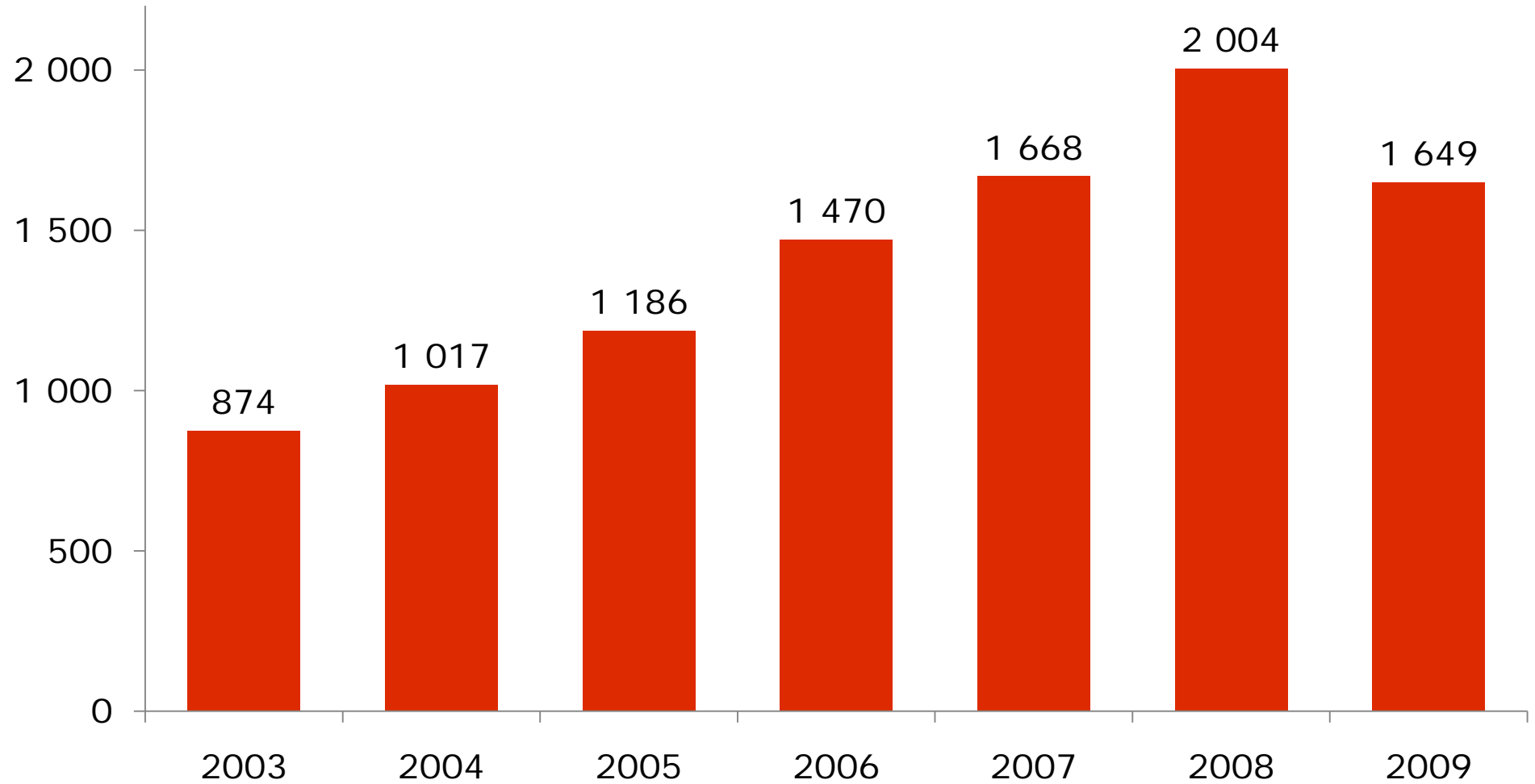
Value of new business

R millions

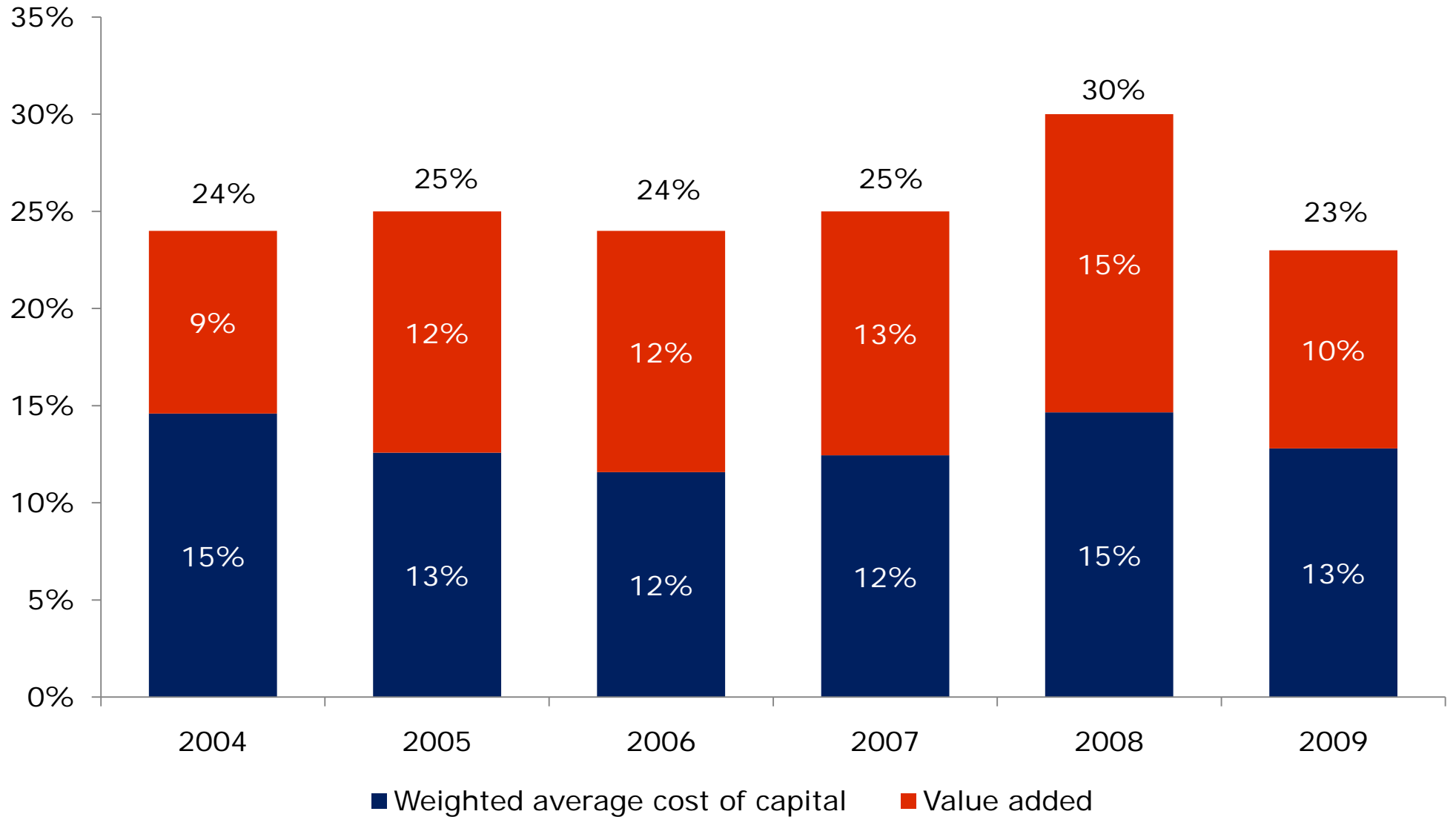


Earnings growth

R millions



Attractive return on equity



From successful to significant: Growth strategy

External

Acquisitions

Internal

Proactively
engage clients

Cross-selling
Retailisation
Upselling
Strong brand
philosophy

Process and
financial
excellence

Proactive balance
sheet
management
Expense
management
Process
innovation

Diversification

Segment: SA
emerging market
Geographical:
Primarily Africa
Product:
Health, short-
term, alternative
assets
Channel:
Appropriate
distribution
partnerships

Values-based culture

From successful to significant: Growth strategy

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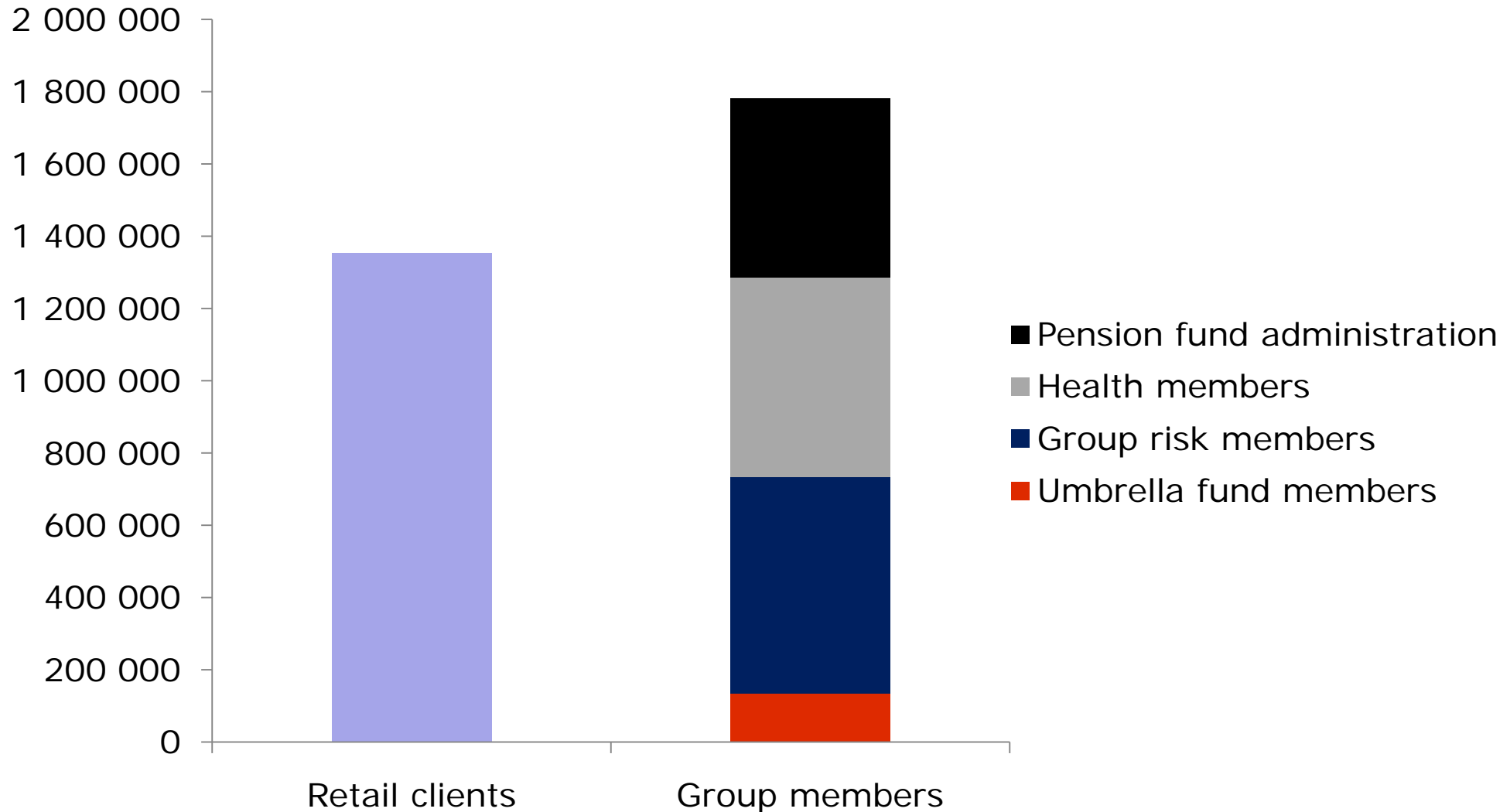
Geographical:
Primarily Africa

Product:
Health, short-
term, alternative
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Channel:
Appropriate
distribution
partnerships

Values-based culture

Potential of cross-selling and retailisation



Proactively engaging clients

From successful to significant: Growth strategy

External

Acquisitions

Internal

Proactively engage clients

Process and financial excellence

Diversification

Cross-selling

Retailisation

Upselling

Strong brand philosophy

Proactive balance sheet management

Expense management

Process innovation

Segment: SA emerging market

Geographical: Primarily Africa

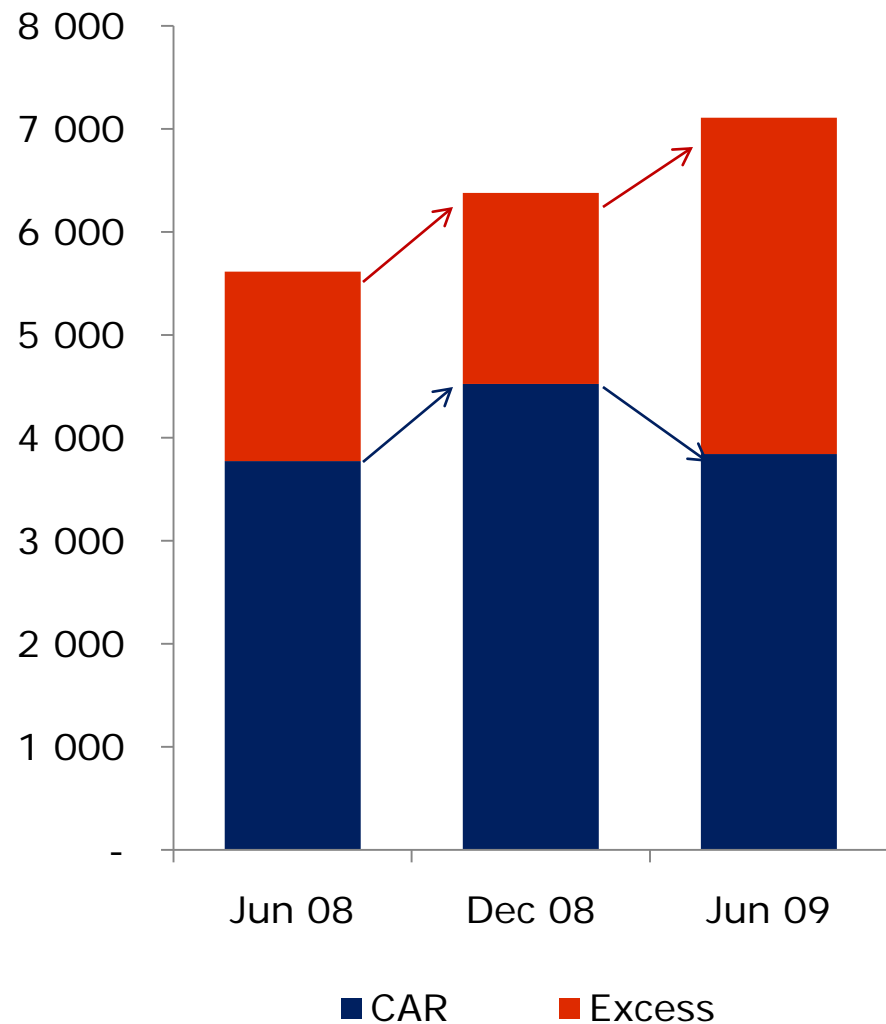
Product: Health, short-term, alternative assets

Channel: Appropriate distribution partnerships

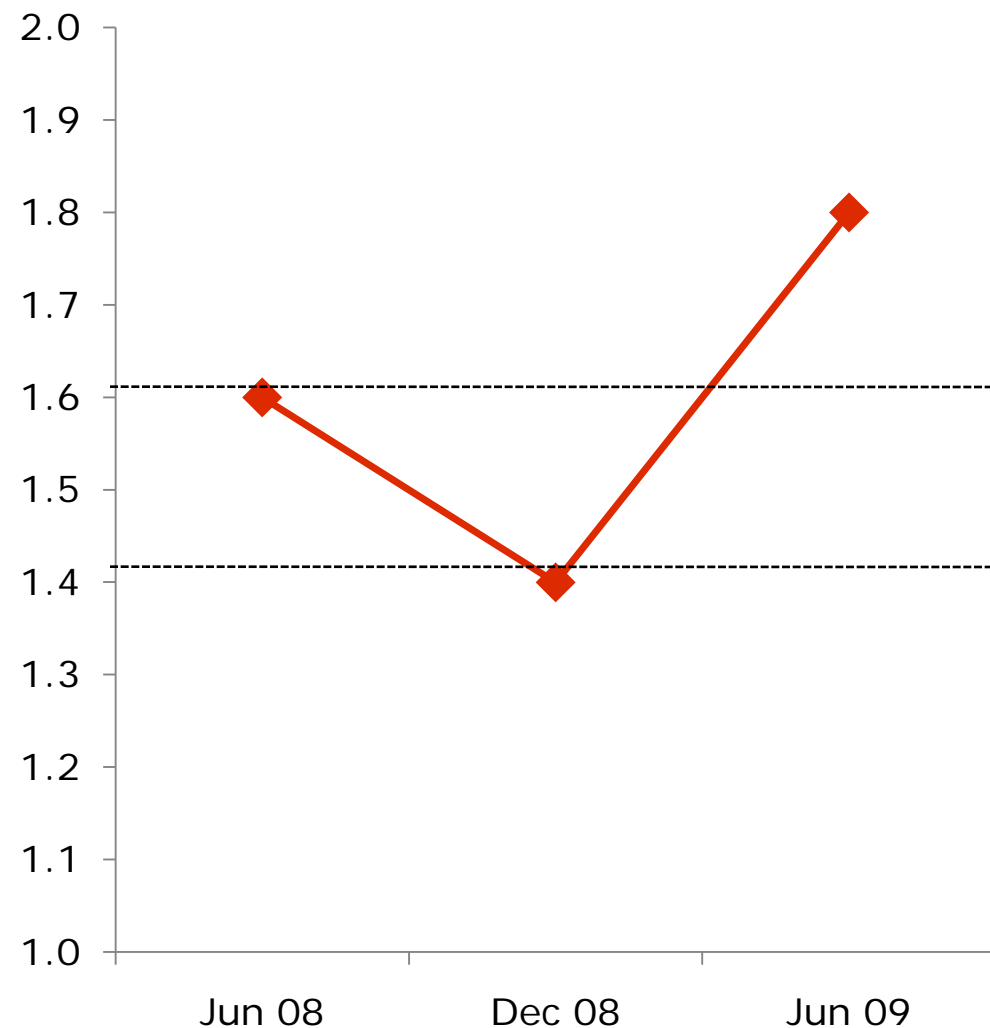
Values-based culture

Proactive balance sheet management

R millions



CAR cover (times)



Process and financial excellence

From successful to significant: Growth strategy

External

Acquisitions

Internal

Proactively engage clients

Cross-selling

Retailisation

Upselling

Strong brand philosophy

Process and financial excellence

Proactive balance sheet management

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Process innovation

Diversification

Segment: SA emerging market

Geographical: Primarily Africa

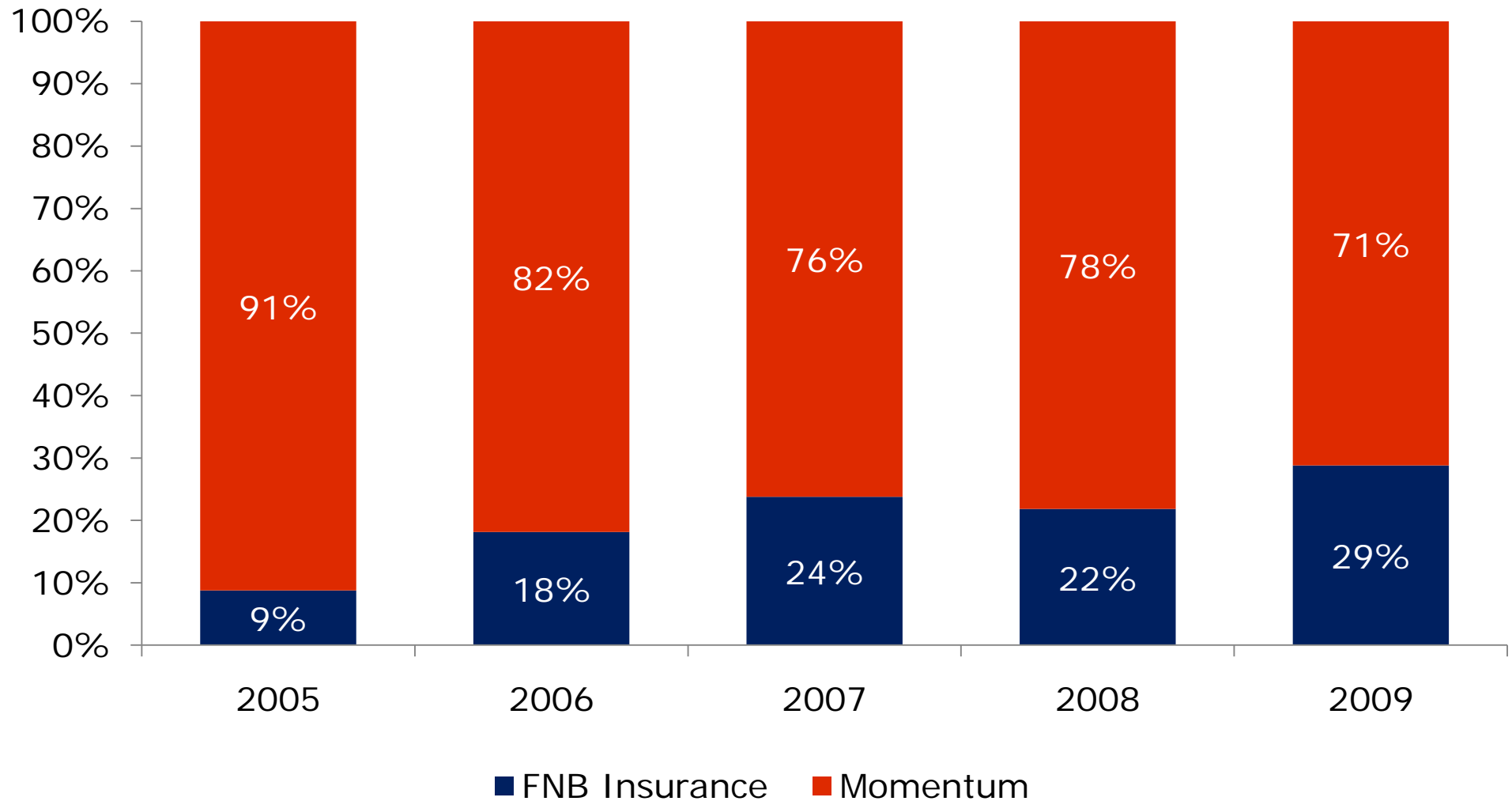
Product: Health, short-term, alternative assets

Channel: Appropriate distribution partnerships

Values-based culture

Internal bank channel contributes to *segment* diversification

Contribution to retail recurring API

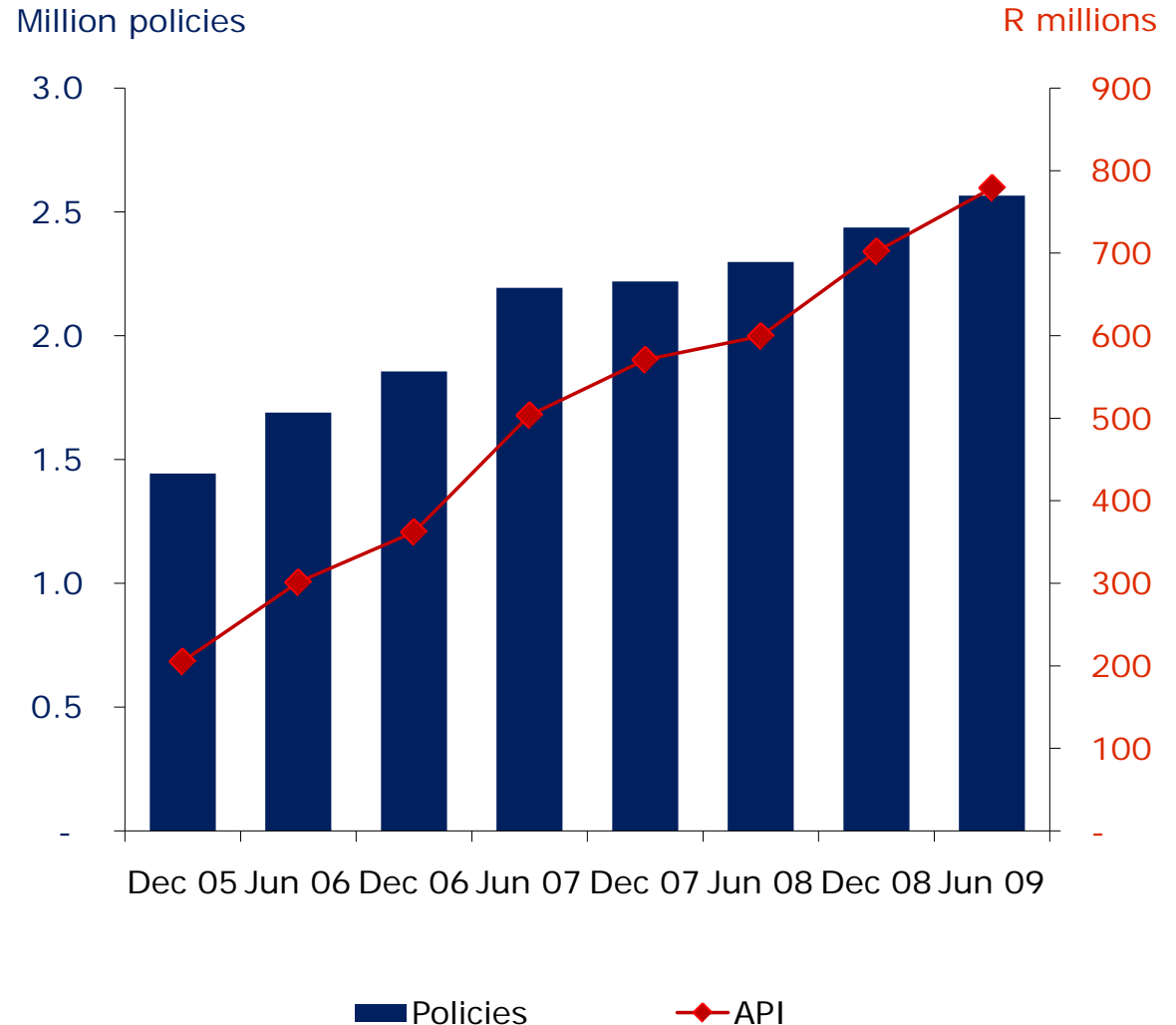


Diversification

FNB Life provides access to the mass market

Segment diversification

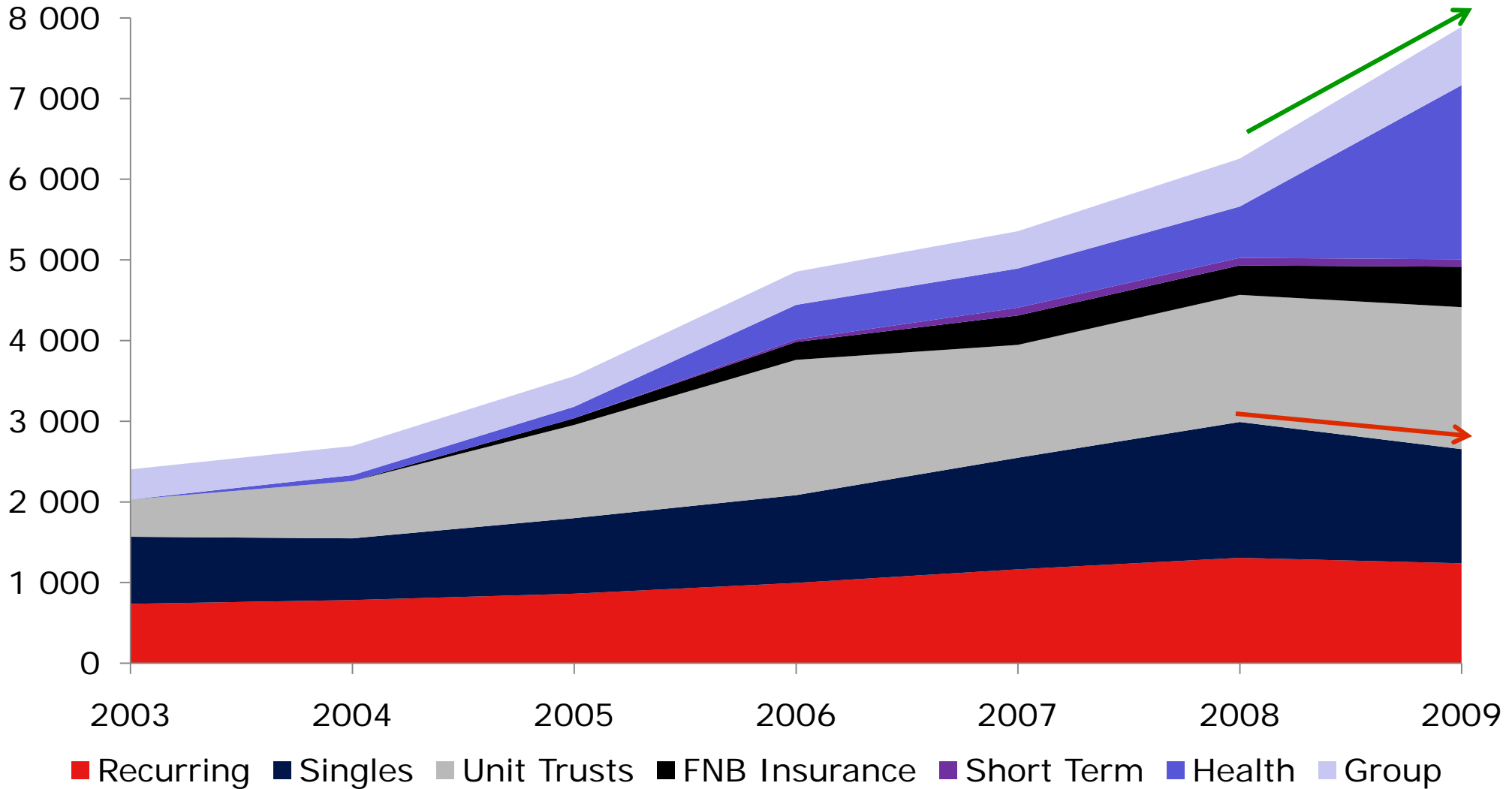
- Successful internal bank channel (2,6 million policies)
- Multi-channel distribution strategy is key



Diversification

Product diversification provides protection

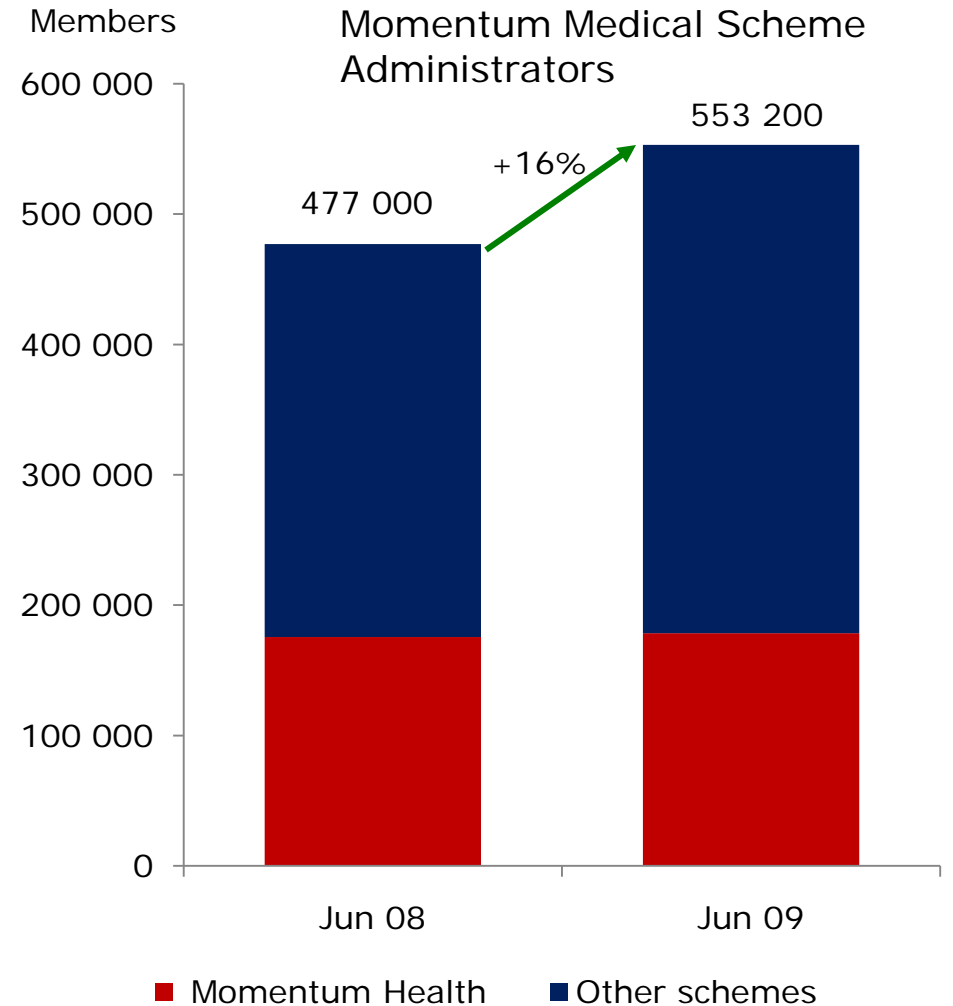
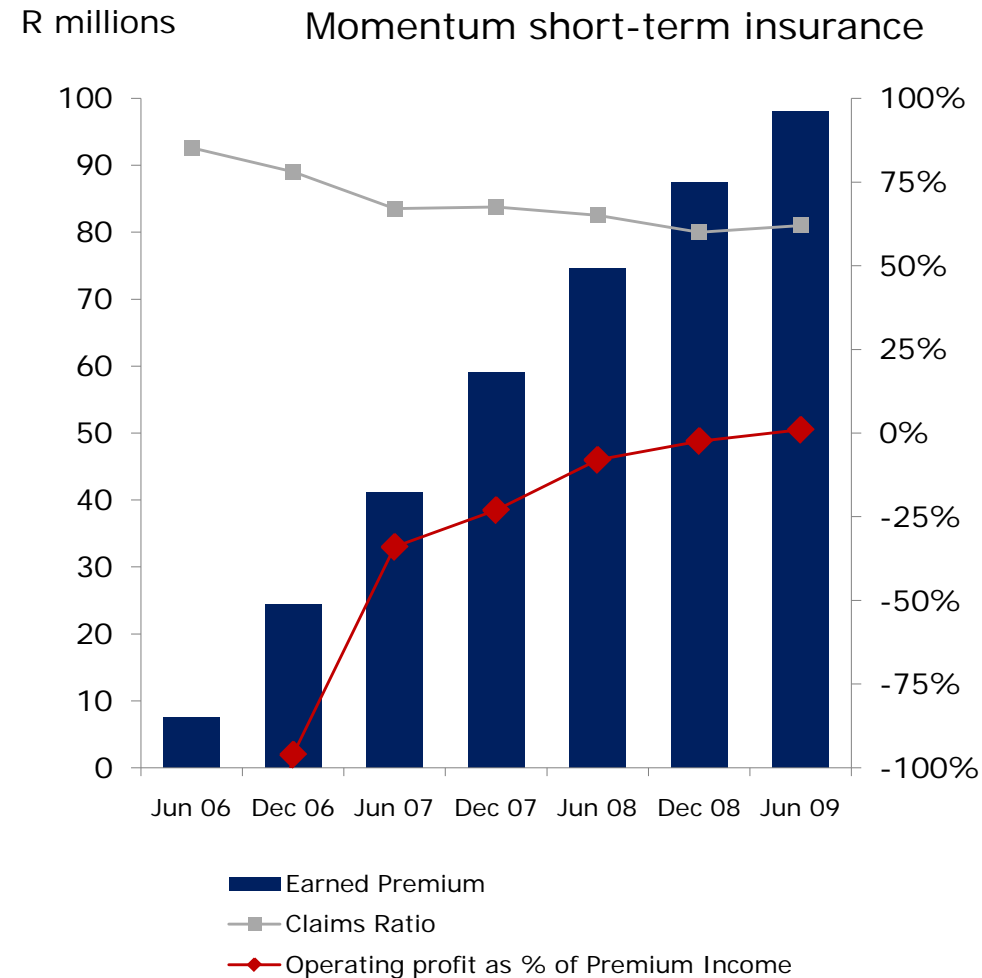
R millions (APE)



Diversification

Product diversification provides protection

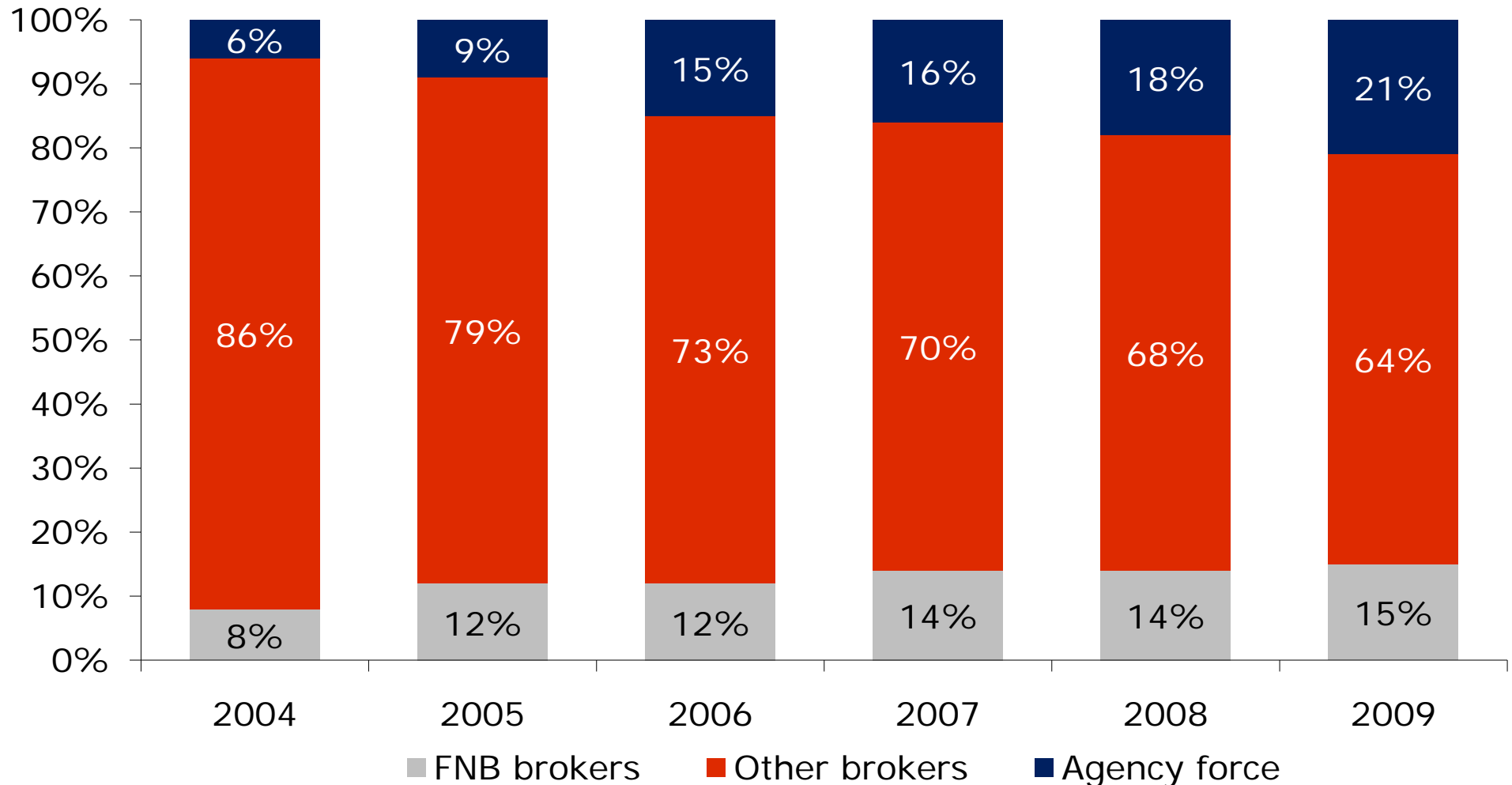
Short-term insurance and health businesses profitable



Diversification

New business benefits from *channel* diversification

Contribution to APE



Diversification

Contribution to earnings

- ↑ Investments
- Retail
- Employee Benefits
- ↑ Health
- ↑ Africa
- FNB Insurance
- Capital Centre

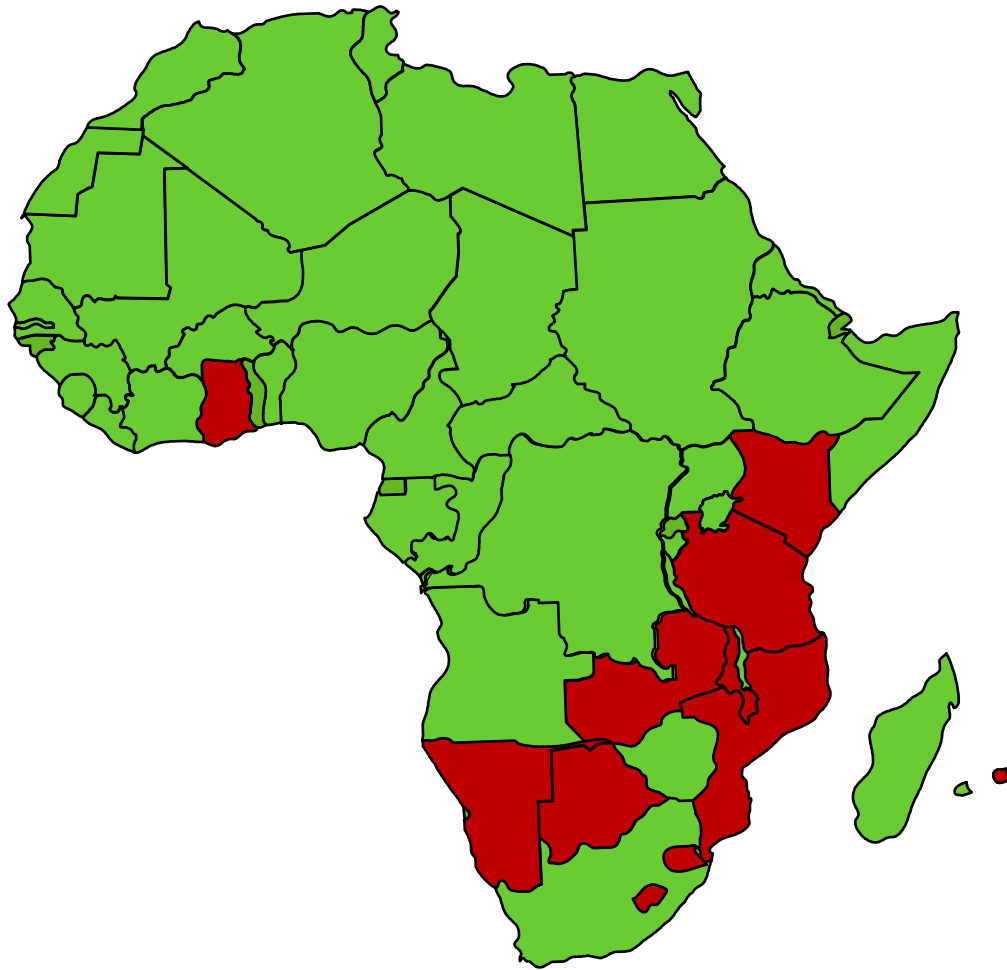
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Growing outside South Africa

Focus on Africa

- Populous countries
- Low penetration
- High economic growth rates
- Less international competition
- Regulations less restrictive
- Higher margins

Building a growth platform through *geographical* diversification



11 Countries

Profitable in 5 countries

215 000 Lives

Momentum Namibia launched
with FNB Namibia

Strategy in Africa

- Align with FNB's expansion plans
- Systems integration and efficiencies
- Profitability of start-up entities
- Introduce larger product set
 - Health
 - Group risk and savings
 - Individual life insurance products

Agenda

Earnings drivers and outlook

Earnings drivers

- Economic conditions
 - GDP growth
 - Growth in personal disposable income
 - Inflation, interest rates and currency strength
 - Employment levels
- Investment markets
- Risk experience
- Process efficiencies
- Balance sheet management
- Success of diversification initiatives

Sound strategy and well placed to benefit
from gradual economic recovery