

momentum
group

Metropolitan Life

Impact strategy progress

Peter Tshiguvho



METROPOLITAN



Impact strategy recap



Strategy progress update



Closing

1

Long-term winning aspiration

To be a household name, with a product in every emerging market home

2

Impact strategy ambition

To achieve 5% new business profit margin and R750m NHE

3





Strategic focus areas



Impact strategy

What this means for us

F2027 measures of success

- 
 - Enhance and scale alternative channels (brokers / tele / direct)
- 
 - Group collaboration
- 
 - Optimise the cost base
 - Stable and scalable PAS with supporting environments
- 
 - Optimise and grow tied agency channel with emphasis on workforce management
- 
 - Optimise market access
 - Commercial partnerships
- 
 - Optimise and simplify solutions to meet changing client needs and ensuring value for all stakeholders
 - Successfully execute on the crafted Metropolitan value proposition


Cost savings	R150m
VNB margin	5%
Client satisfaction	CSat of 84%+
Public sector penetration	20%
Private sector penetration	5%
Channel APE contribution	Alternative channels 25% Direct channels 5%
Tied agency	Improved adviser retention and productivity



Impact strategy recap



Strategy progress update



Closing

Impact strategy

What this means for us

Progress towards F2027 objectives



Enhance and scale alternative channels (brokers / tele / direct)

Reasonably confident



Group collaboration

Highly confident



Optimise the cost base
Stable and scalable PAS with supporting environments

Fully confident
Fully confident



Optimise and grow tied agency channel with emphasis on workforce management

Highly confident



Optimise market access
Commercial partnerships

Reasonably confident
Reasonably confident



Optimise and simplify solutions to meet changing client needs and ensuring value for all stakeholders
Successfully execute on the crafted Metropolitan value proposition

Highly confident
Fully confident



Unlock full potential of our businesses



Harness synergies of collaboration



Optimise our cost base



Invest aggressively in advice



Selectively expand our addressable market



Design simplified and impactful client experiences



What we achieved over the last year

- Improved VNB margin (-0.2% to 1.2% yoy) supported by product commerciality initiatives
- Cost base optimisation progressing well with more than R126m reduction in expense base following migration, distribution optimisation and automation initiatives
- Recognised as industry leader for client experience for a few consecutive years. CSAT consistently over 90% supported by digital adoption
- Stabilised tied agency productivity



Where we are experiencing challenges

- Contribution from alternative channel behind target:
 - Prioritised tele channel profitability over volumes
 - Broker sales impacted by shift from life annuities to living annuities
- Public and private sector penetration behind plan, which is being addressed through changes to adviser remuneration practices and access fee arrangements
- Key partnership with Nazareth Baptist Church not scaling as expected due to complex operating environment

Cost savings	R126m as at 3QF26
VNB margin	1.2% as at 3QF26
Client satisfaction	Current CSat at 94%
Public sector penetration	16.7% as at 3QF26
Private sector penetration	1% as at 3QF26
Channel APE contribution	Alternative channels 10.7% Direct channels 0.7% (as at 3QF26)
Tied agency	Adviser productivity stable at 4 policies per week Adviser retention on target at 65%



Digital tools and automation in sales

- Post migration efficiencies coupled with a transformation towards a modernised and flexible sales environment
- Mobile device flexibility with real-time processing via a single digital sales workspace
- Straight-through processing across all product lines reducing back-office support and paper



Business quality and premium collections

- Improving not taken-up (NTU) rates and business quality via 'Propensity to Pay' machine learning model at point of sale in real time
- Improved retention and collection rates via new digital payment proliferation capabilities



Digital self-service

- Intentional steering of client self-service via digital channels
- Improvement in overall first contact resolution via digital service with a 182k less transactions via contact centre since 1QF25
- Straight-through processing enabled via RPA and Optical Character Recognition (OCR) for document handling

Forming a digitalised value chain

Benefits

- Reduced headcount (16% reduction since start of Impact strategy)
- Straight through processing (-R15m expenses)
- Improved NTUs (~ 5% reduction)
- Savings on commission expenses (+R9m VNB YTD)
- Digital service (50% reduction in interactions processed by agent)
- Migration savings (-R85m expenses)

Metropolitan is addressing the biggest issue in the funeral insurance industry namely, persistency



We aim to end 'lapse poverty' for 20 million South Africans with irregular income

Introducing our innovative digital
NO-LAPSE FUNERAL GROWTH PLAN



The problem the South African emerging market consumer faces

R390m

Metropolitan
lapses
annually

R6bn

nationwide
lapses (churn
economy)

only **3%**
have the cover
they need

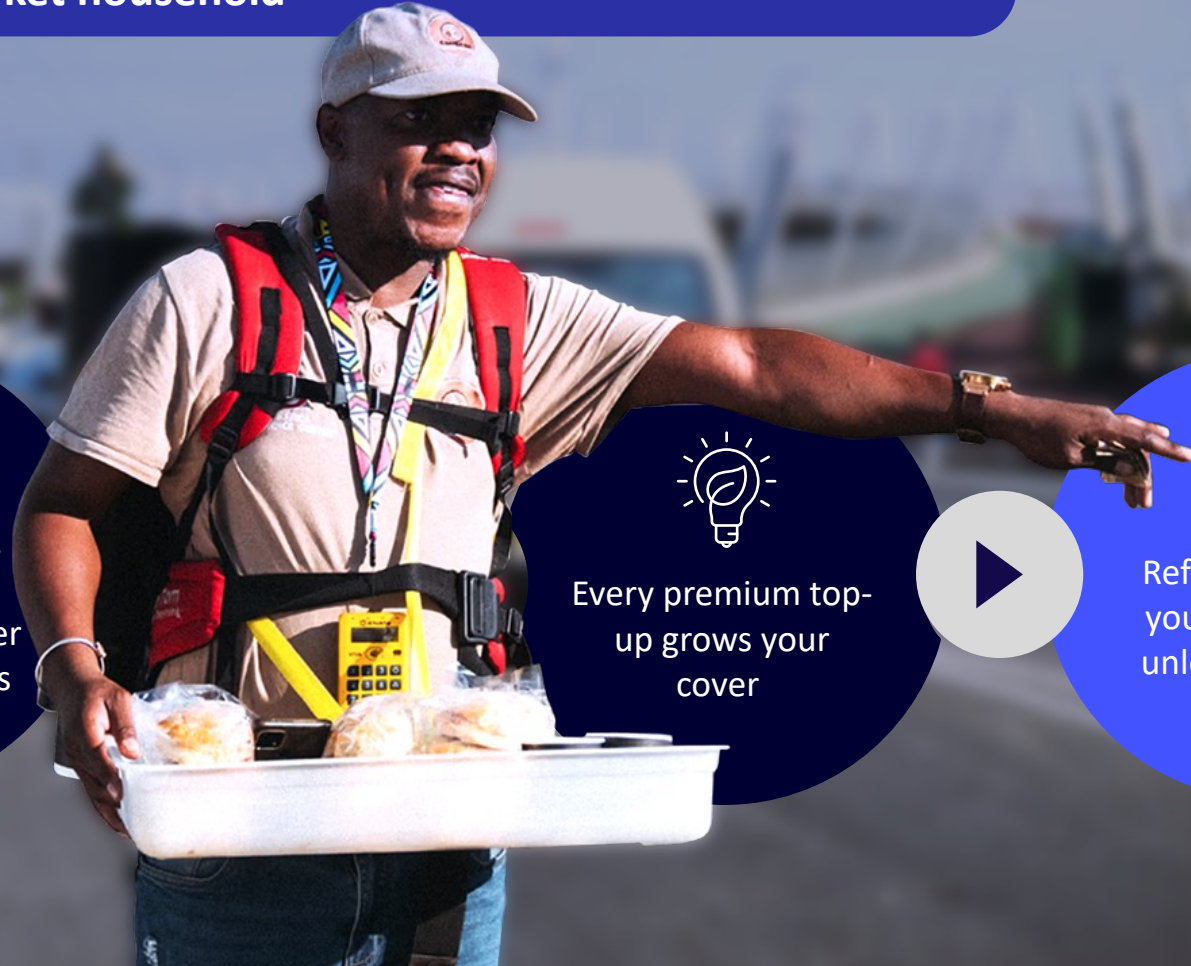
**Funeral
debt**
traps families
for years

**Meet
Ayanda**

Irregular income –
salaried, seasonal workers,
hustlers and entrepreneurs

A digital solution for every emerging market household

The no-lapse funeral growth plan



Pay what you can, when you can



Minimum R200, R1 500 within 12 months = cover that never lapses

Every premium top-up grows your cover



Refer people from your community - unlock extra cover

[Learn more & buy now](#) WhatsApp **'No-Lapse'** To 0860 724 724



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Closing

Growth



Distribution

- Tied-agency: sustainable growth in man-power
- Broker: growing base of broker consultants
- Direct: scaling no lapse funeral product
- Partnerships: key enabler for new revenue streams
- Market access: bedding down decentralised service, mobile points of presence and worksite activity management model



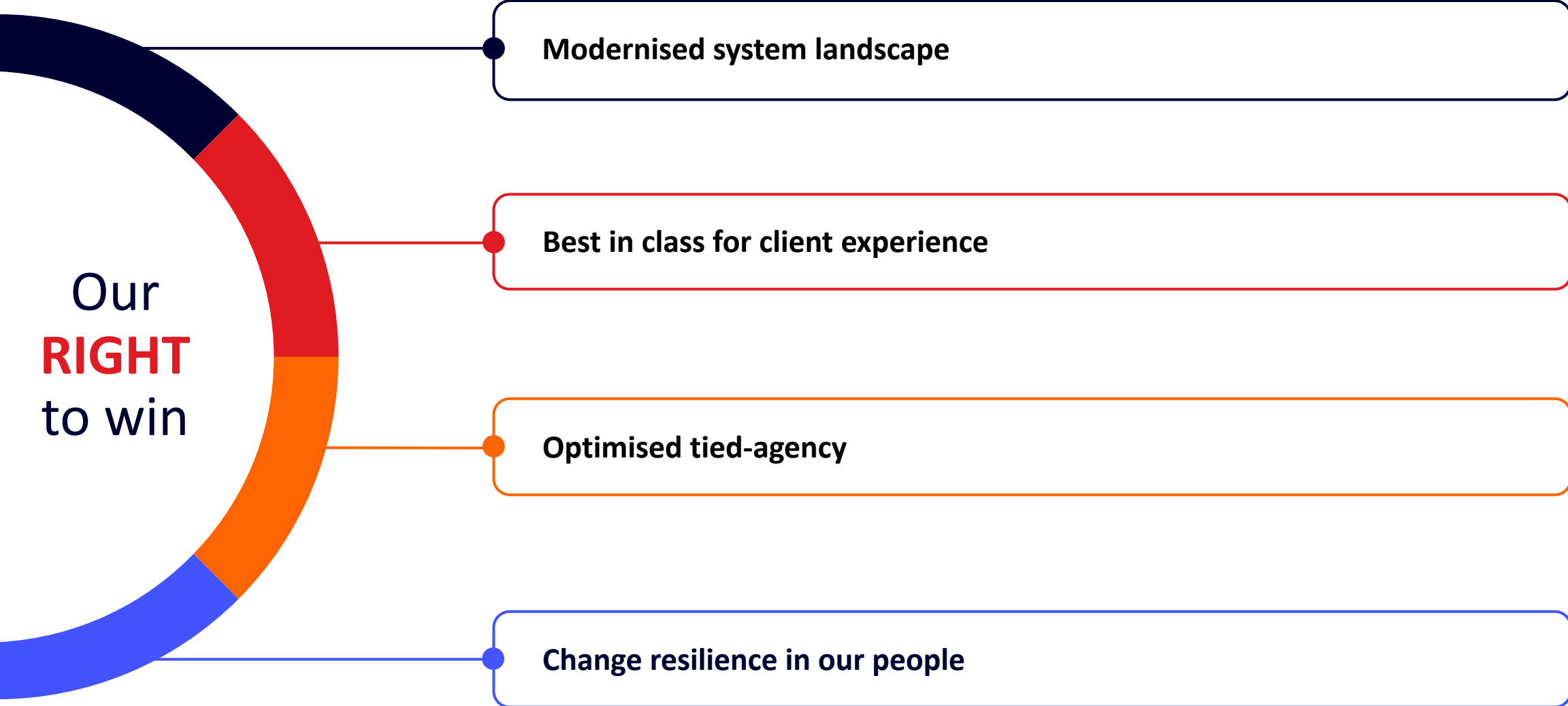
Product commerciality

- Continue and conclude Product Commerciality initiatives



Cost management

- Cost containment
- Focus on re-purposing of spend towards growth



Our
RIGHT
to win

Thank you

The information in this presentation, including the financial information on which the outlook is based and any non-IFRS financial measures (which are presented for additional information purposes only), is the responsibility of the directors of Momentum Group and has not been reviewed and reported on by Momentum Group's external auditors.