



Momentum Metropolitan post-results roadshow



Roadshow slides

1

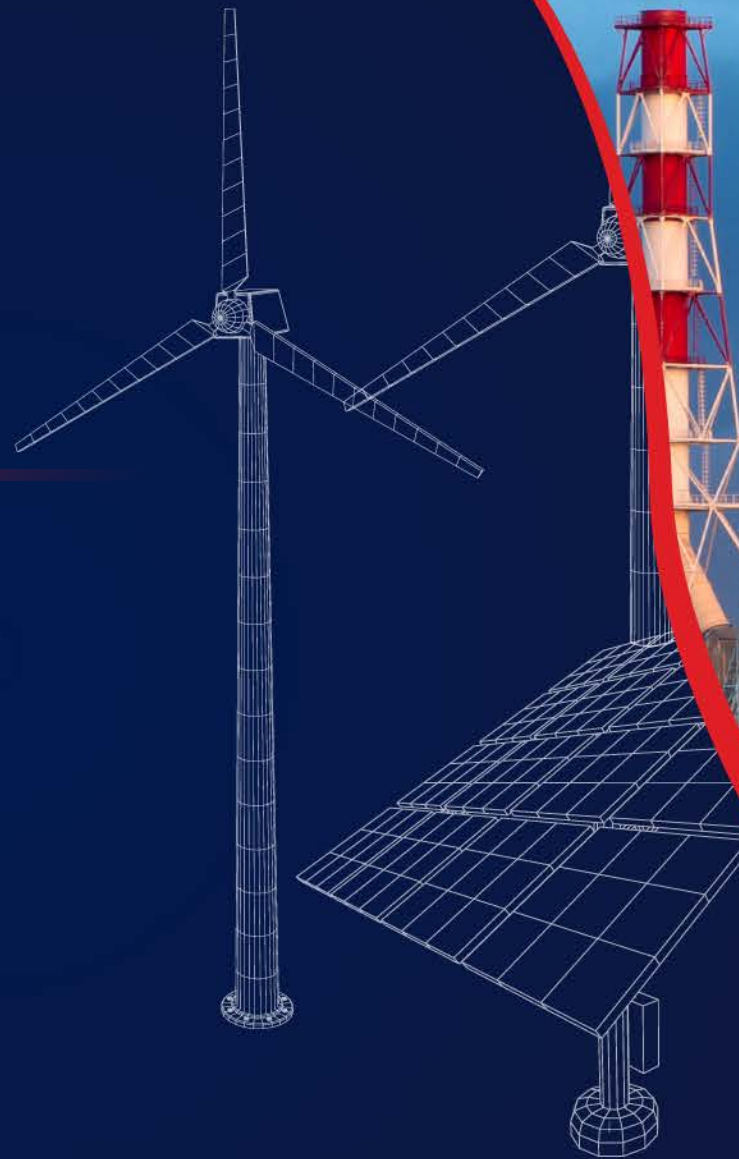
Metropolitan Life

2

Momentum Life

3

Momentum Insure



Metropolitan Life

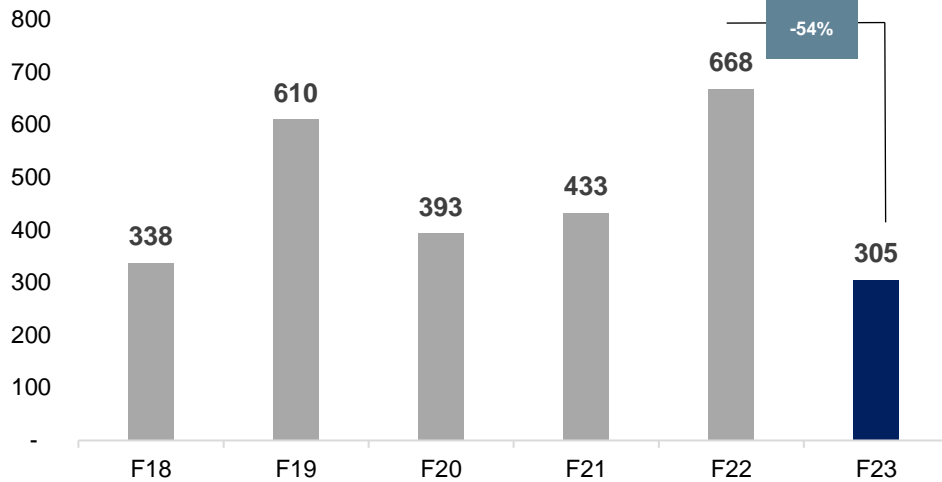


1 Financial results measures

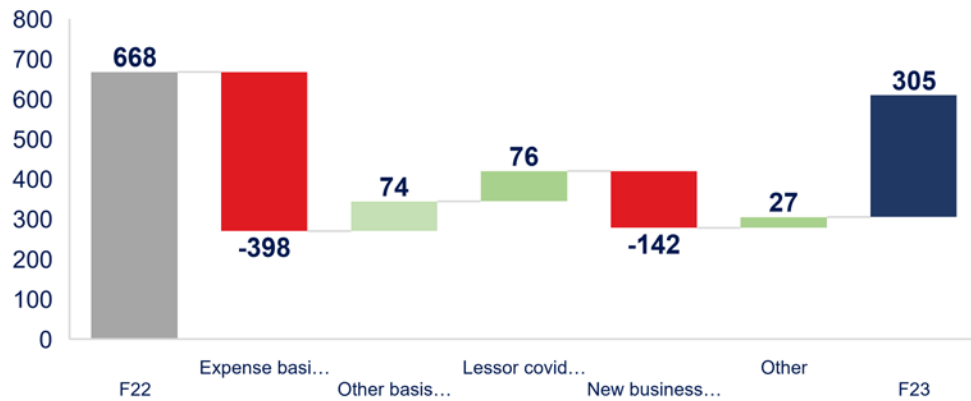
2 Metropolitan 5-point plan

Normalised headline earnings

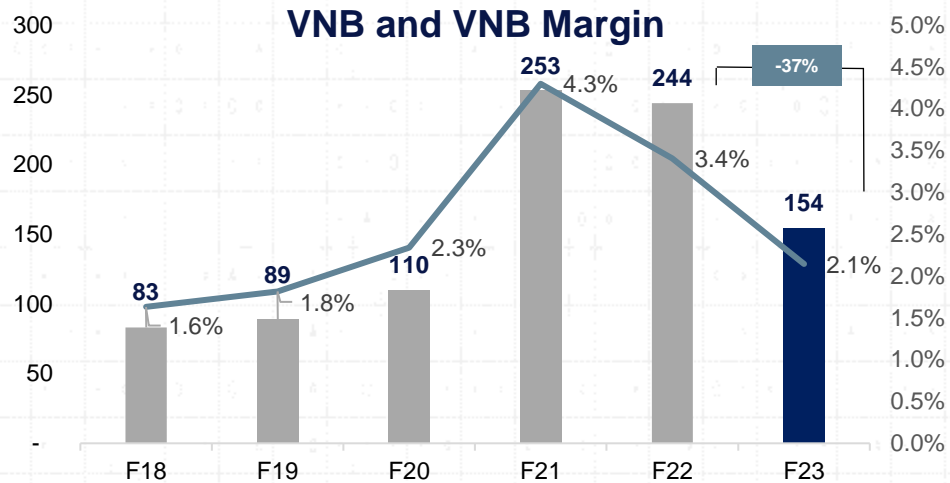
Normalised headline earnings (R'million)



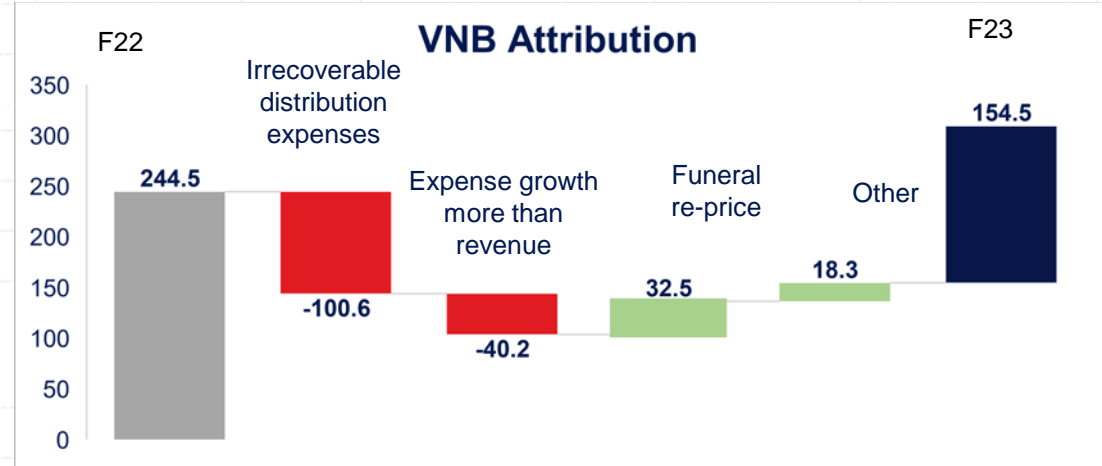
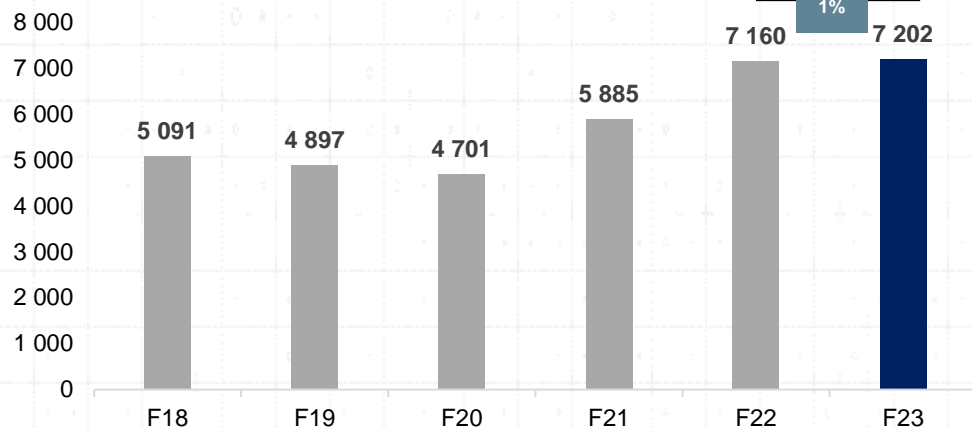
Normalised headline earnings attribution analysis (R'million)



- Expenses outgrew policy growth and resulted in strengthening of the renewal expense basis
- Persistency basis was strengthened but was offset by aligning mortality basis to experience and release of data reserves
- Claims experience still slightly elevated, but positive experience emerging
- New business strain deteriorated due to expenses outgrowing revenue and unrecovered distribution expenses following high NTUs
- Persistency experience deteriorated. Deterioration most on savings products where clients require access to savings - pressures on clients



Present Value of premiums (R'million)



- R101m decline from unrecovered distribution expenses following deterioration in NTUs (business quality)
- Expenses outgrowing revenue
- Funeral re-pricing impacted Q3 and Q4 funeral margin and increased VNB by R32.5m
- PVNBP grew by 1% following strong growth in annuity solutions via the broker channel – positively impacting VNB.

5-point Plan

1. Product commerciality
2. Sales: Workforce management
3. Improve business quality
4. Align cost base to revenue
5. Migration and Automation

F25



5% PVP MARGIN



R600m NHE IFRS17

Supporting initiatives

Product
commerciality



Historically product pricing not done regularly



Lack of comprehensive product management resulting in certain components of product being lossmaking

Channel
workforce
management



Advisor churn and associated high recruitment



Market access and activity management

Align cost base
to revenue



Cost growing by more than revenue



GetUp initiative not generating required scale nor delivering required persistency –R20m VNB F23



Momentum Insure

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Results summary

Momentum Insure

Difficult period but turnaround on track



1. AFI integration successfully completed

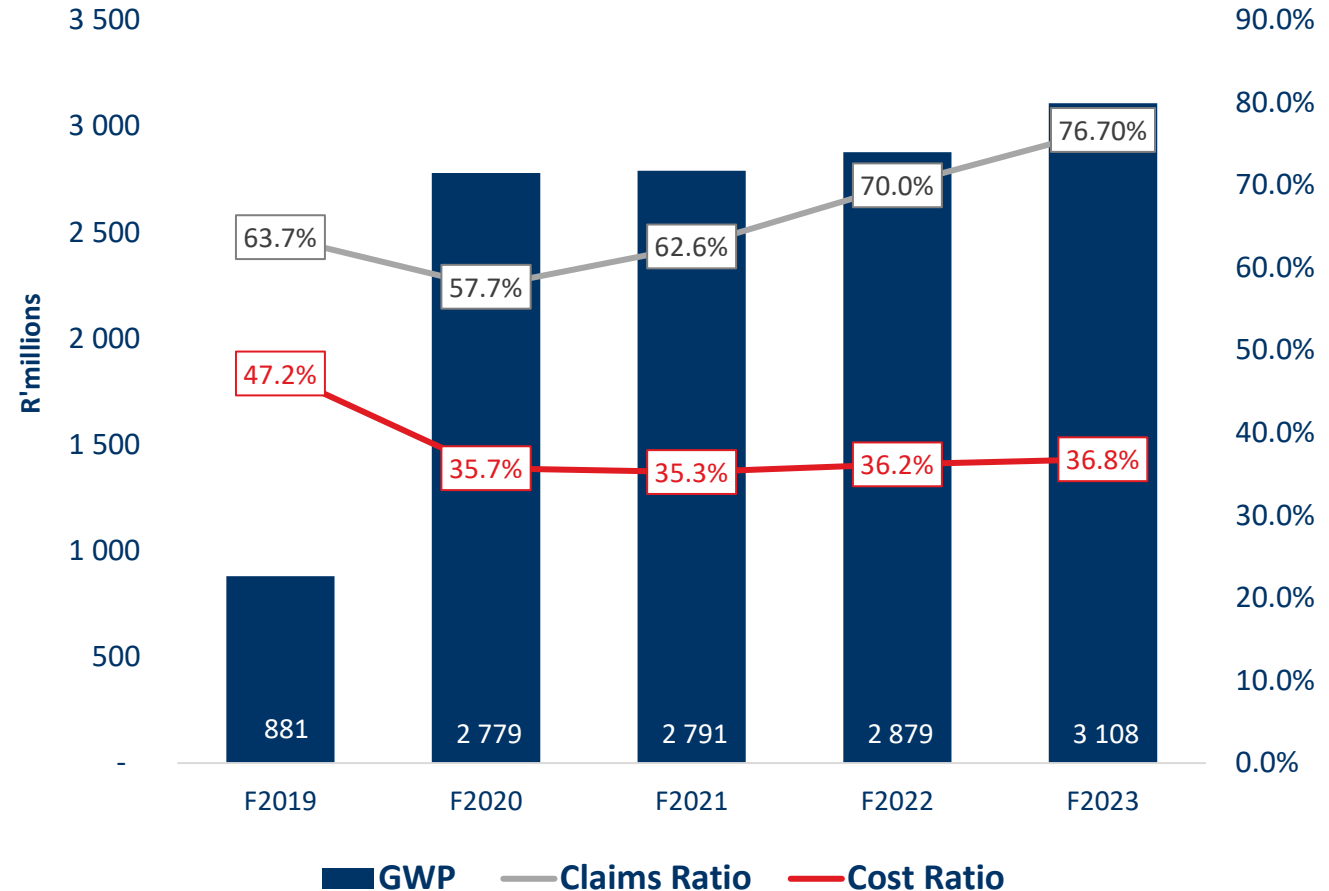
- ✓ Client retention rates exceeded expectation
- ✓ Strategic distribution partnerships retained
- ✓ Management capacity released to focus on returning business to profitability

2. Business now at scale

- ✓ Strong year on year premium growth (8.0%)
- ✓ Post-integration efficiencies to be unlocked

3. Underwriting results

- ✓ Adverse weather during H2 driving higher claims frequency
- ✓ Claims inflation not yet under control



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Claims ratio - key developments

Claims ratio

What happened?



F2023-Q1

F2023-Q2

F2023-Q3

F2023-Q4

Key developments

- Lower claim volumes due to benign weather

- Increase in weather-related claims
- Power surge claim frequency high point
- AFI policy data migration commenced
- Significant operational capacity challenges

- Late notification (Q2 claims spillover)
- Motor accident claim frequency high point
- Record high claim volumes
- Inflation (PPI) climbed above renewal increase levels achieved

- Spike in weather-related claims (Western Cape and KZN events)

Claims ratio

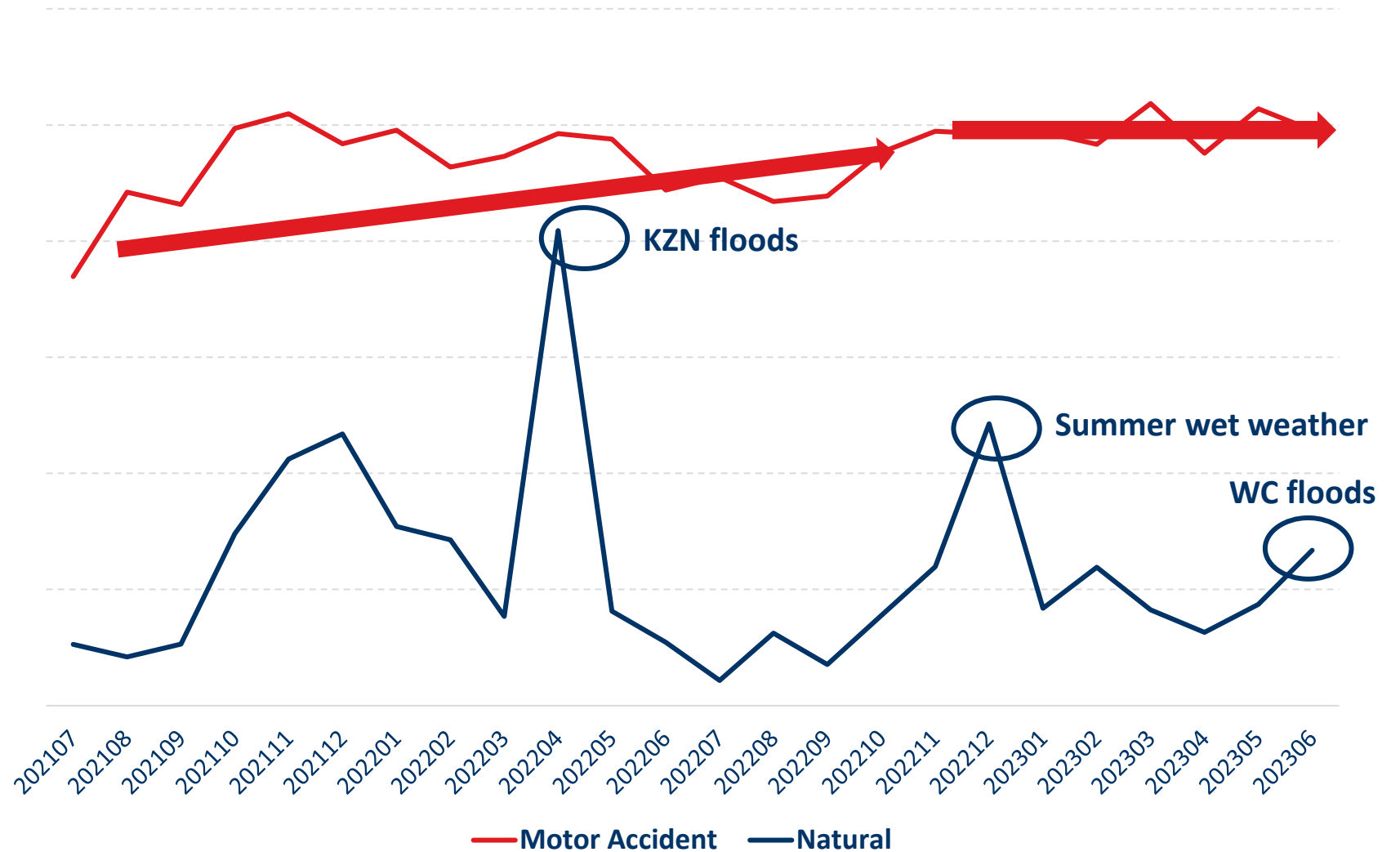
Key developments



Industry wide increase in claims frequency

Claims inflation

Claims frequency over time



Claims ratio

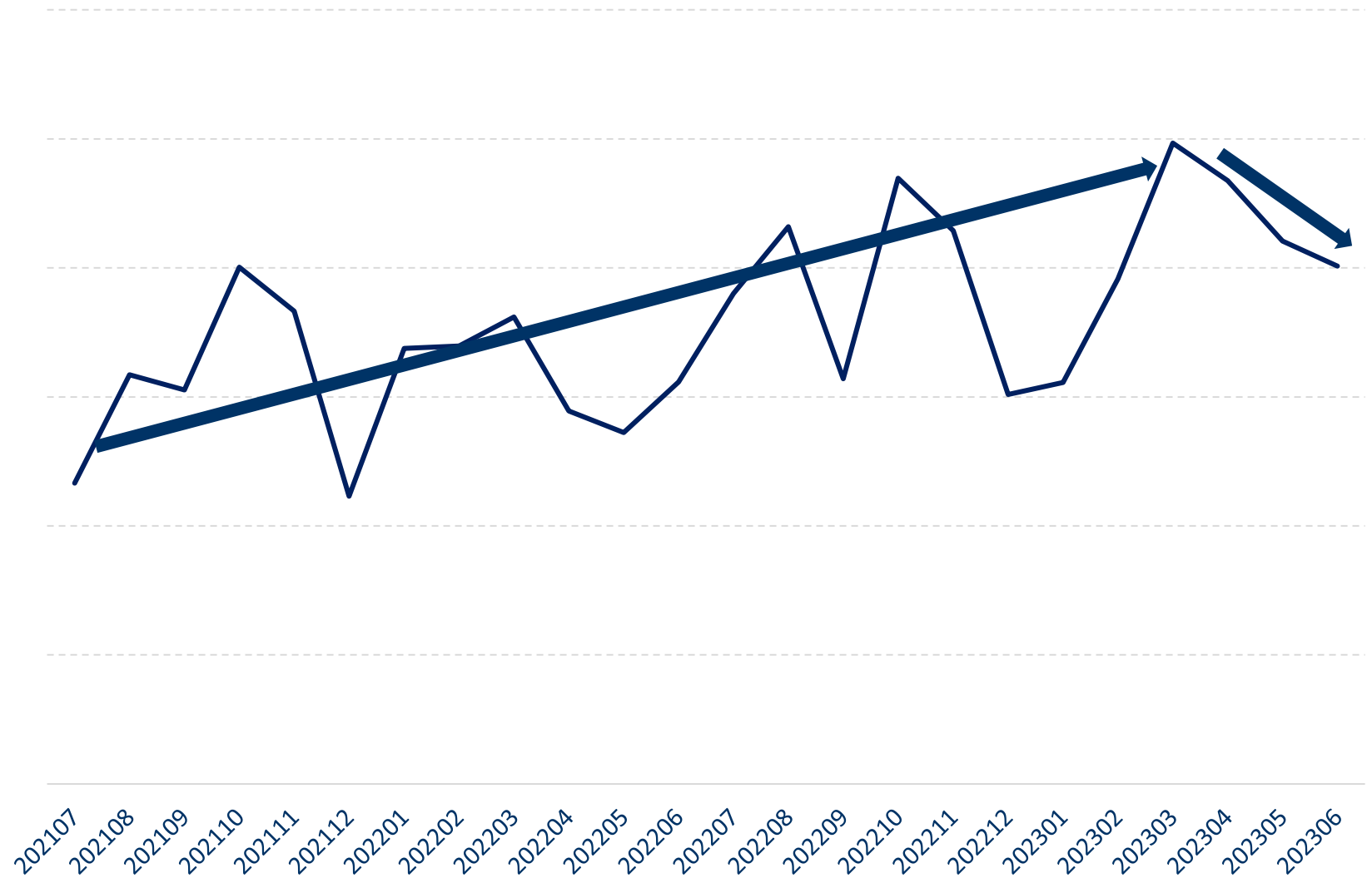
Key developments



Vehicle theft claims frequency over time

Industry wide increase in claims frequency

Claims inflation



Claims ratio

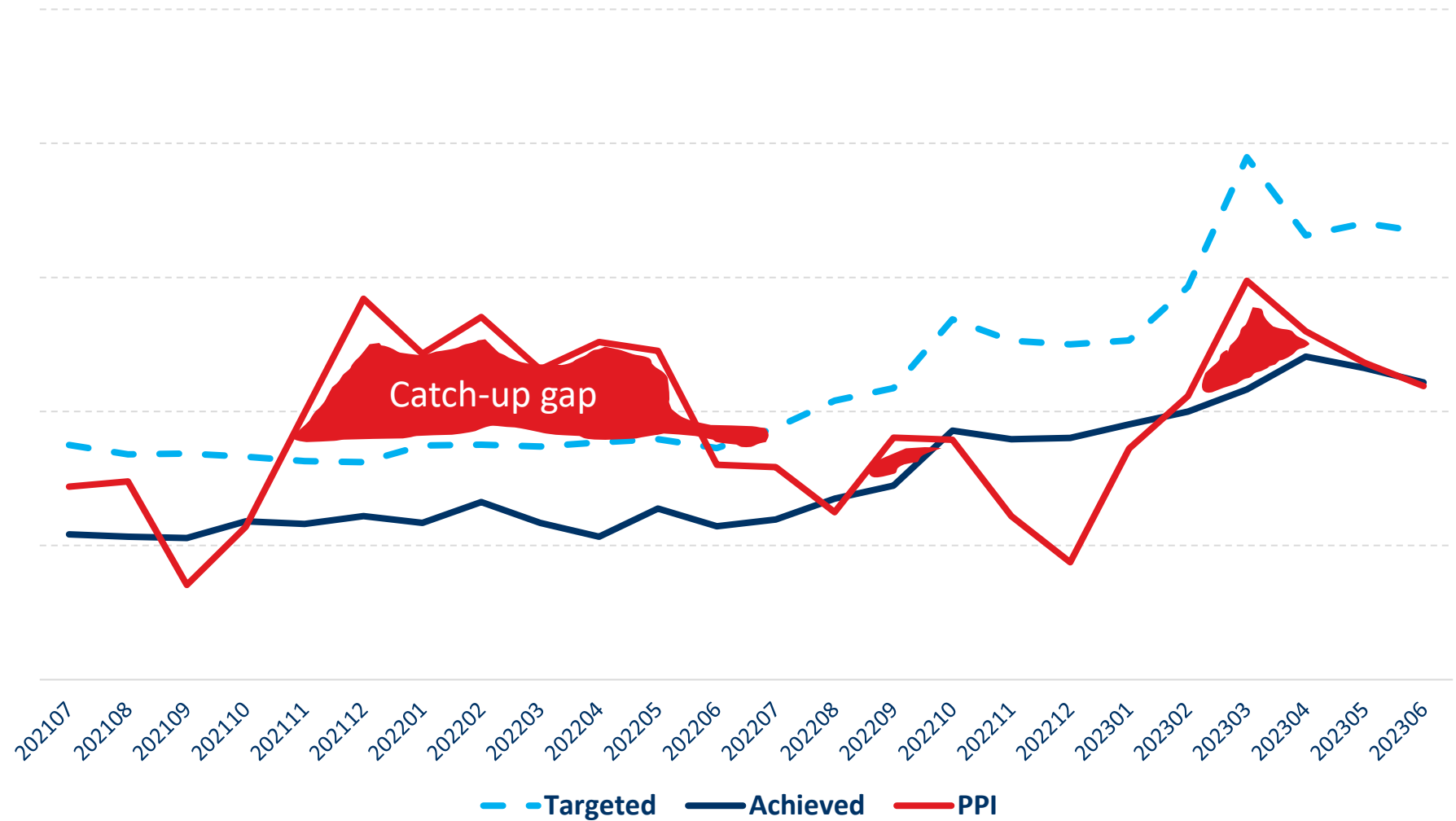
Key developments



Industry wide increase in claims frequency

Claims inflation

Annual policy renewal success



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Claims ratio – corrective actions

1

New business

- Multiple new business rate adjustments
- Exclusion of high-risk segments and profiles

2

Existing book

- Ongoing higher renewal increases
- Segmented premium increases and policy cancellations
- Other underwriting actions
 - Power surge cover changes
 - Tracking device requirements
 - Excess adjustments



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VNB Attribution Summary

