

Metropolitan Life: A turnaround tale to growth

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CEO Metropolitan

24

Agenda

1

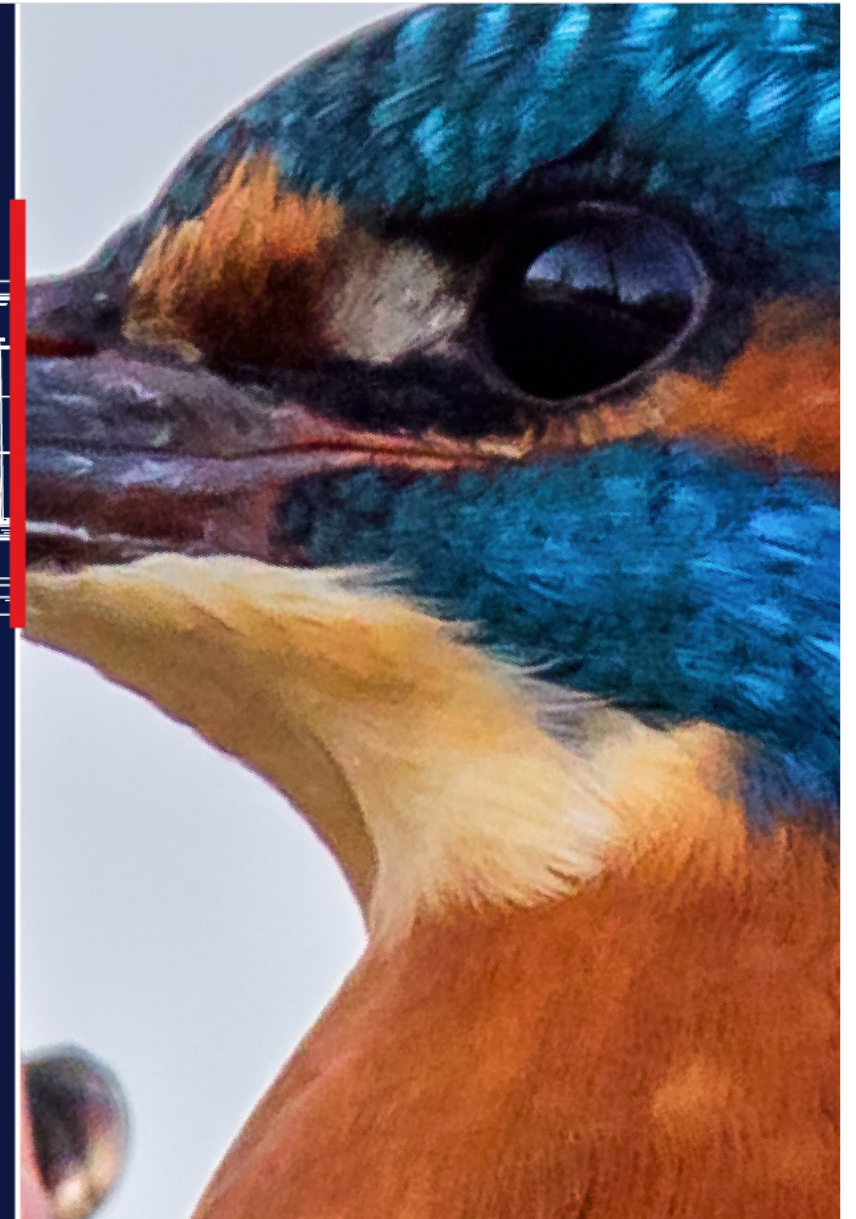
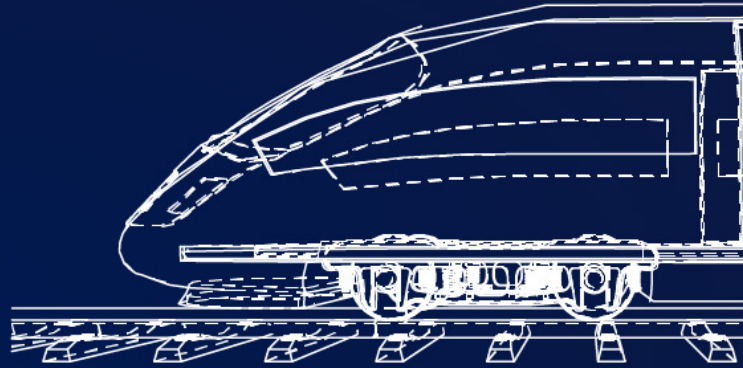
Our business

2

Our Reset and Grow journey

3

Our strategy





1

Our business



Our vision:

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

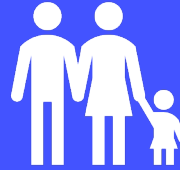
Our purpose:

To help clients achieve their financial life goals.
To create value for all our stakeholders.





Funeral



Life cover



Discretionary savings



Retirement savings



**Annuities and capital
protection**



Hospital plan



2

Our Reset and Grow journey



Where we started

Operating model changes

Distribution channel restructure

New sales remuneration model

Productivity

Less experienced advisers

Under-investment in points of presence

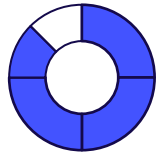
Adviser churn



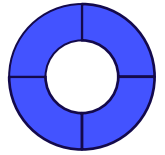
- Reputation for exceptional client service
- In-force clients > 2m
- Strong union relationships
- Committed and loyal staff



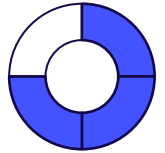
Reset



Stabilise sales force

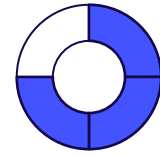


Upgrade points of presence

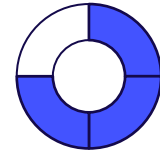


Legacy system migration

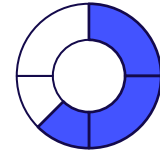
Grow



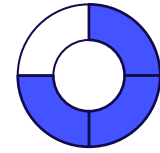
Improve adviser productivity



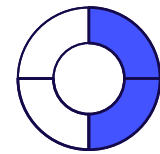
Improve market access



Improve client value proposition



Sales and service efficiencies



Metropolitan GetUp



**Present value of new
business premiums**

+1%

to R2.6 billion

Cost control

-1%

year-on-year

Value of new business

+70%

to R117 million

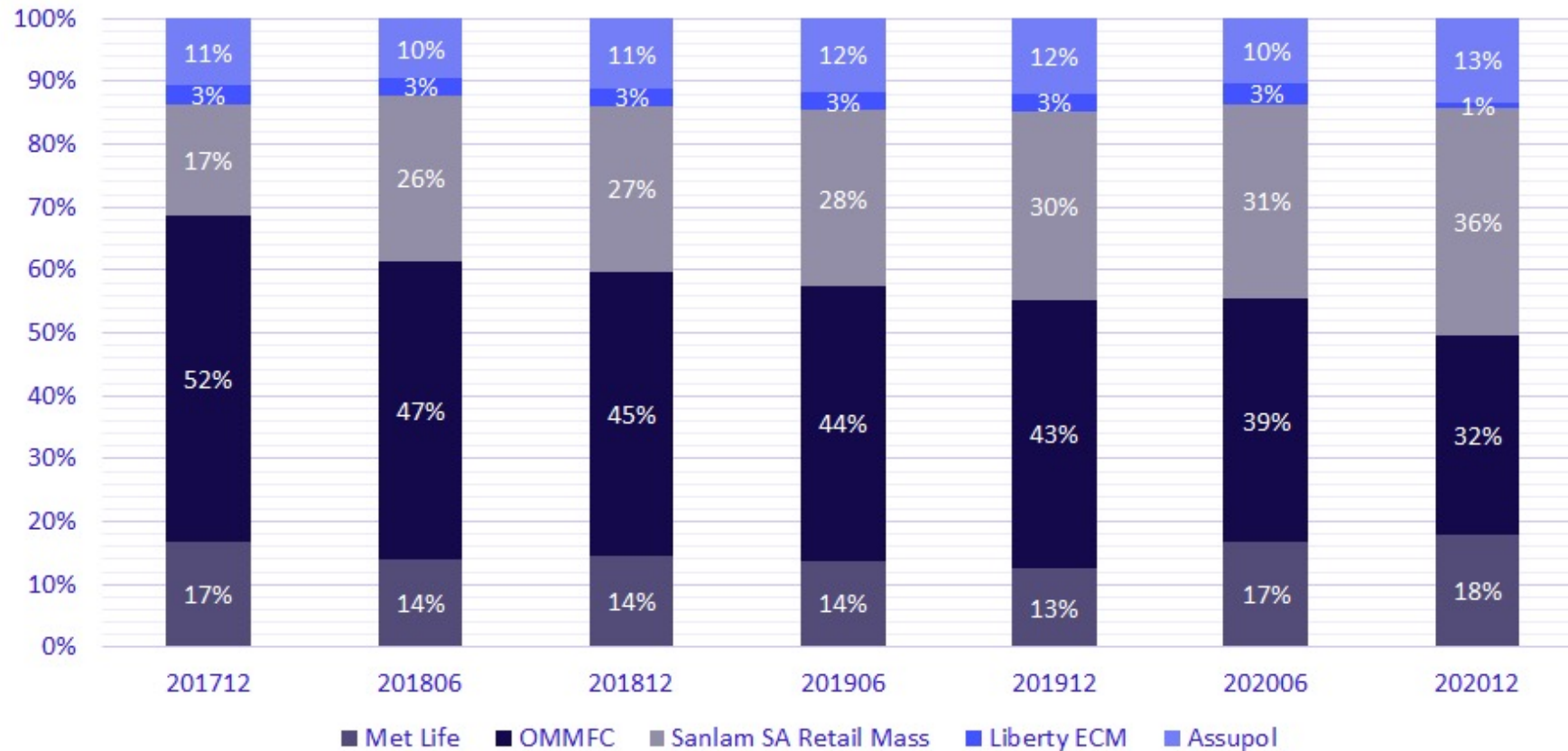
Operating profit (excl. Covid-19 provision)

+9%

to R382 million



SA emerging half-yearly NB APE market share



Clawing back market share in traditional insurance market over the last two halves | Sanlam strengthened by Capitec

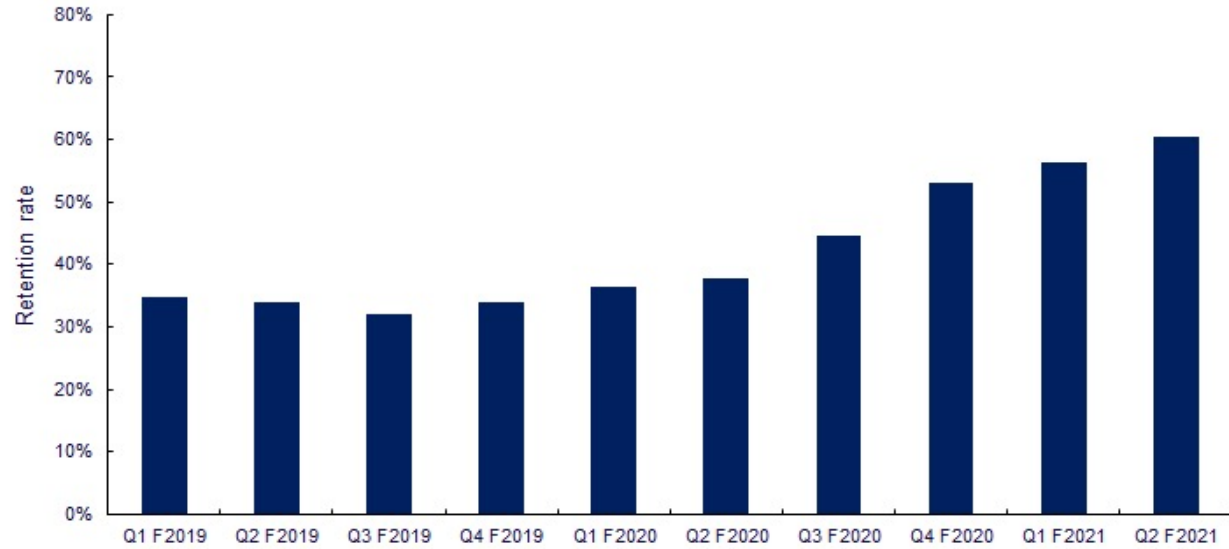
Number of advisers



Tied agency number of advisers



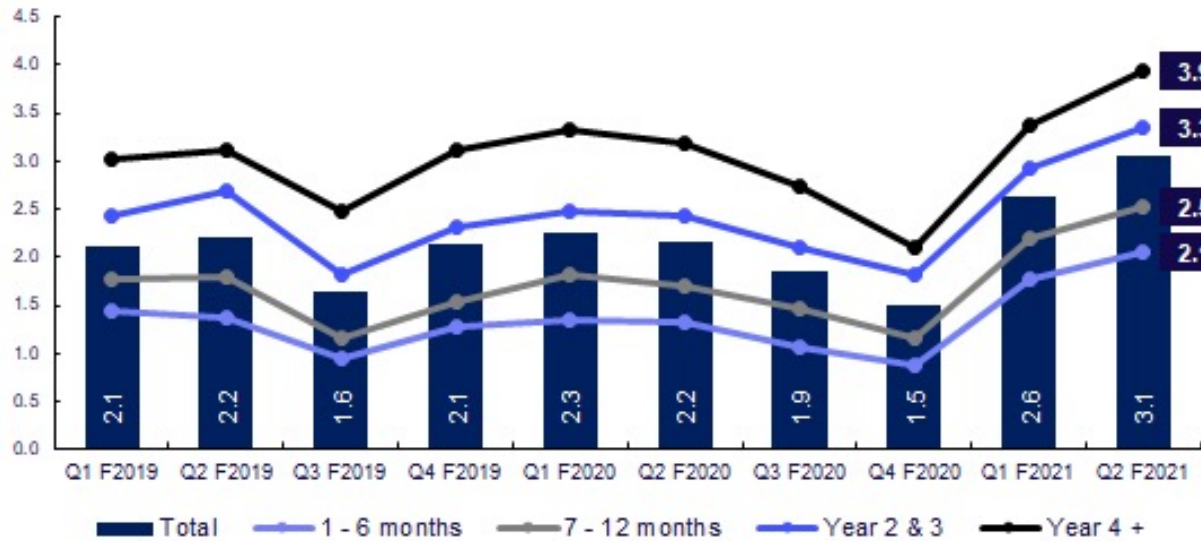
Tied-agency adviser retention



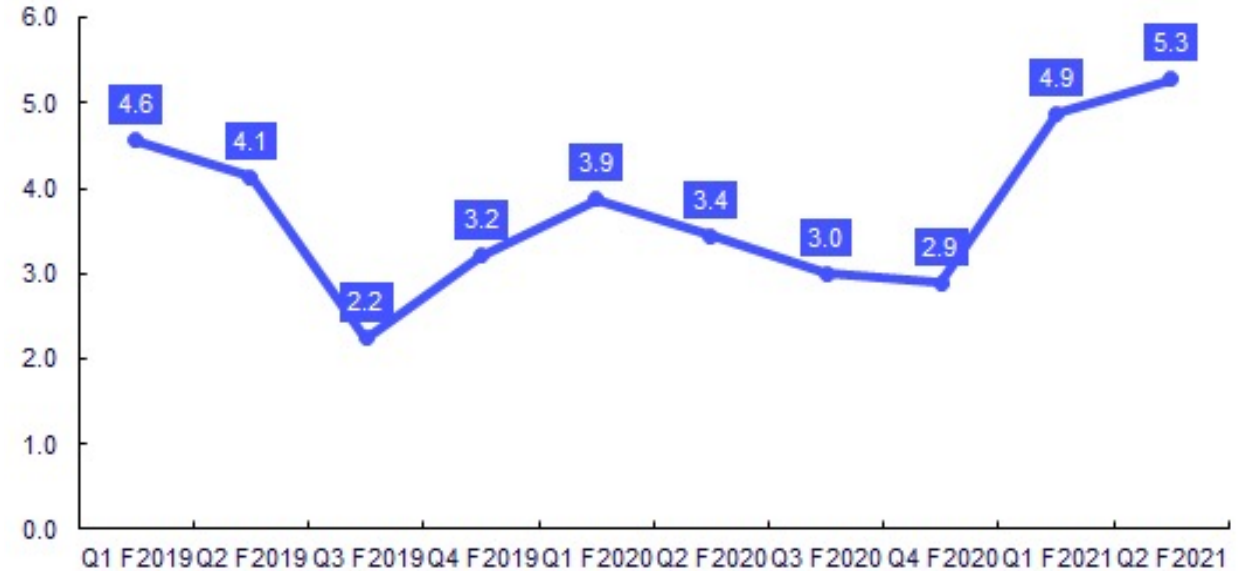
Stabilisation of key management roles | Improved adviser recruitment criteria | Fit-for-purpose development programmes | Digital training | Enhanced debit order collection mechanisms



Tied agency productivity



Tele-channel productivity



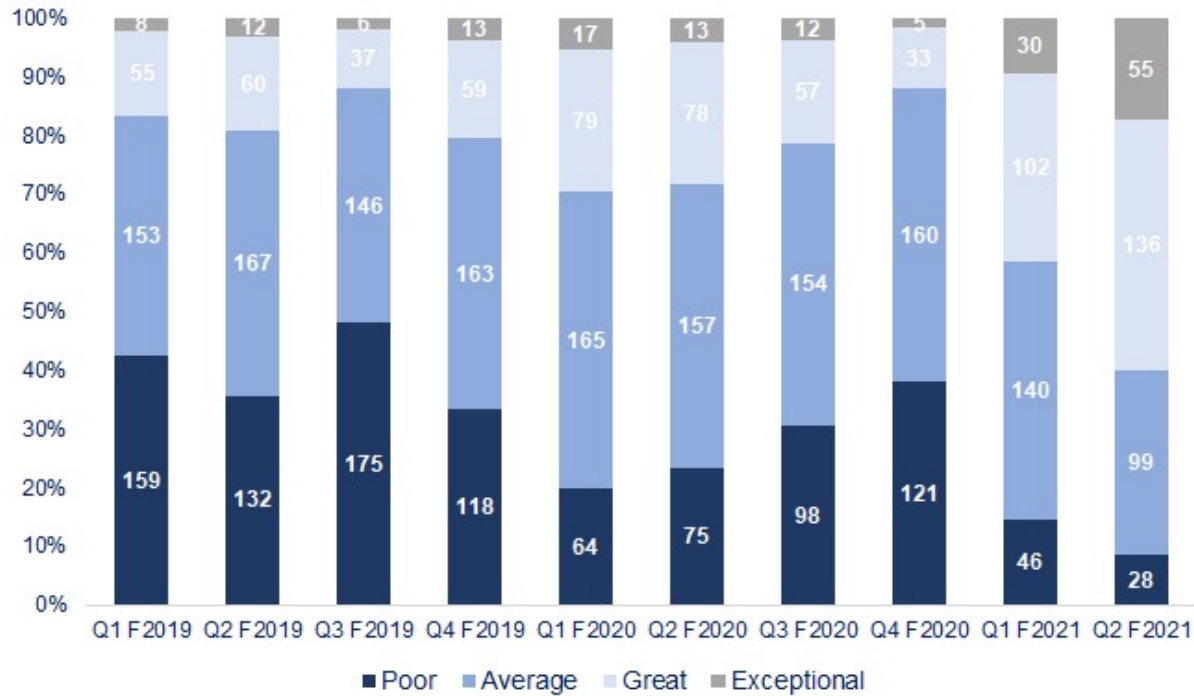
Digital enablement and adoption | Daily cadence | Disciplined execution | Market access and long-standing partnerships with unions | New solution offerings



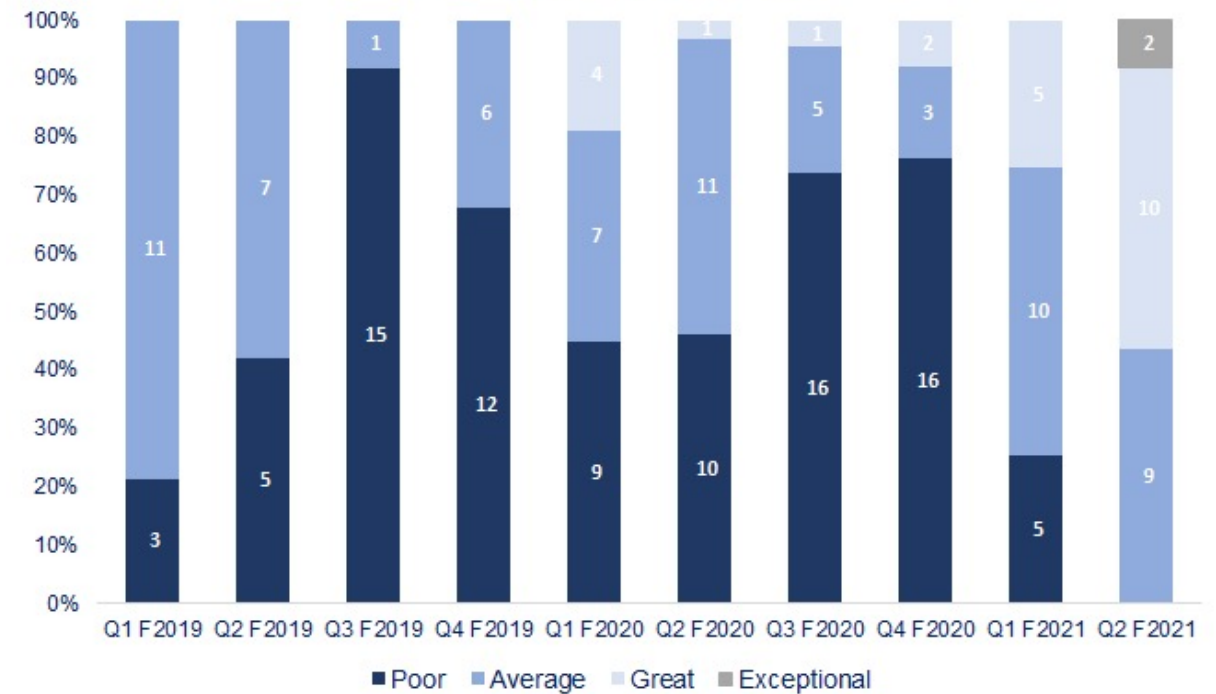
Improving profitability

The performance categories below take into account a combination of performance levers and look at a rating per branch. The improvement in the number of branches / teams in the top categories bears testimony that the disciplined execution of the Reset and Grow strategy is yielding the desired results.

Tied agency branch performance

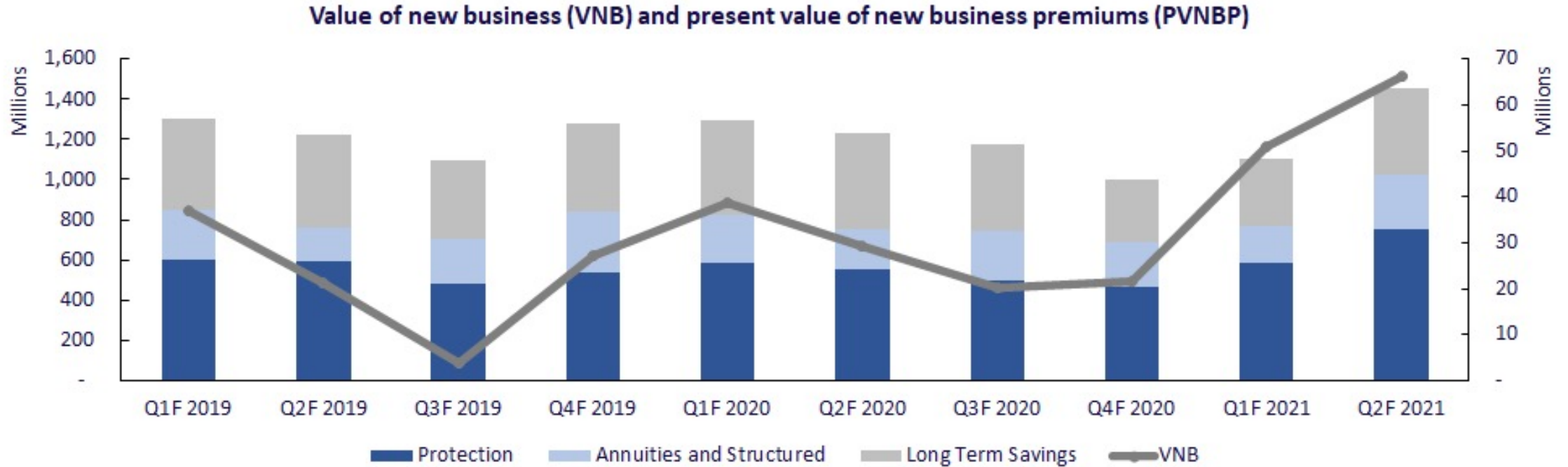


Tele-channel teams performance





Cumulatively doing the right things that make a big difference in terms of efficiently achieving higher volumes of more profitable products >> scale benefits



	Q1 F2019	Q2 F2019	Q3 F2019	Q4 F2019	Q1 F2020	Q2 F2020	Q3 F2020	Q4 F2020	Q1 F2021	Q2 F2021
Salary deduction ratio of new business	32.5%	34.6%	40.1%	43.2%	42.4%	42.2%	43.1%	38.7%	40.2%	43.3%



3

Our strategy

Metropolitan Life will deliver on its growth expectations through the implementation of a distribution-centric strategy:

1

Metropolitan Core entrenching its **current discipline, continued focus on market access**, supported by the business's full value chain

2

While pursuing new opportunities through its future-proofing arm, **Metropolitan GetUp**

How?



Reinvent

- Reduce acquisition cost per policy
- Talent management and transformation
- Migration and automation
- Metropolitan GetUp



Grow

- Double-digit APE growth
- Policy retention
- Metropolitan GetUp
- Improved brand health

Broker distribution



Create opportunity to achieve sustainable growth



Diversification of the channel mix to reduce reliance on tied agents



Diverse product offering supports broker value proposition

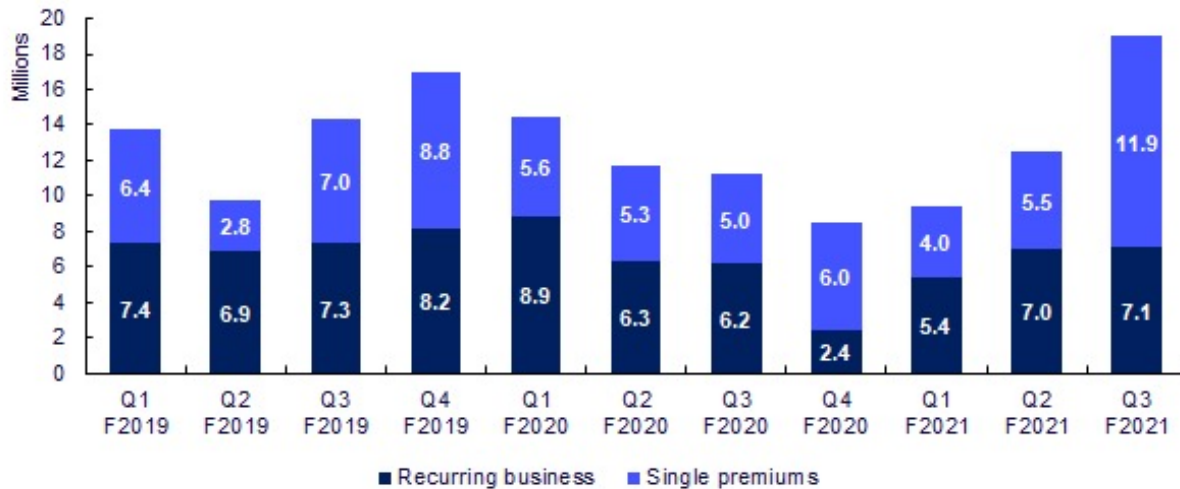


Increase single premiums through experienced brokers

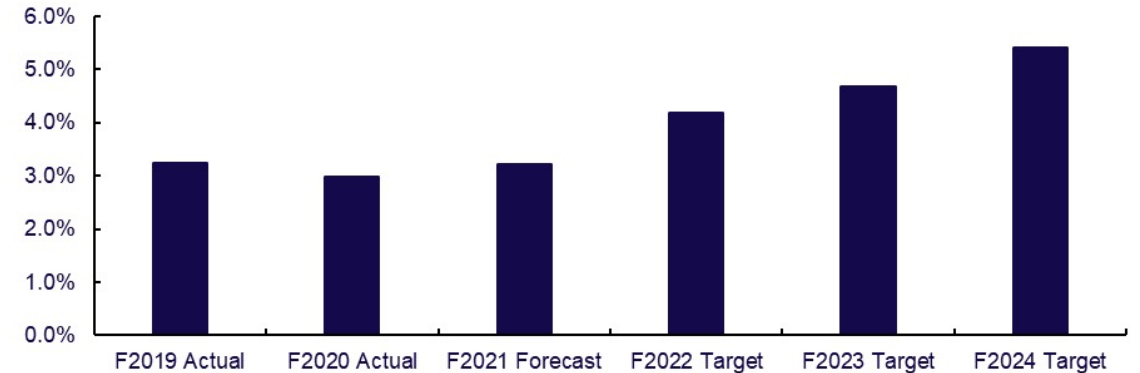


Metropolitan brand affinity already exists in the broker community

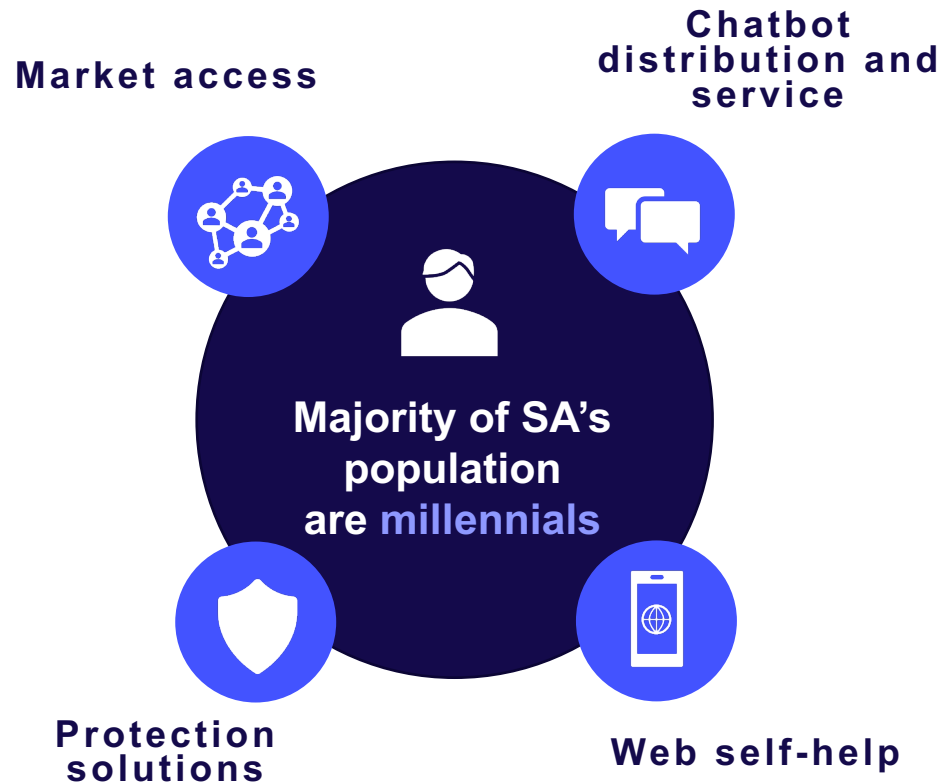
Broker distribution APE



% Contribution to Metropolitan Life Sales APE

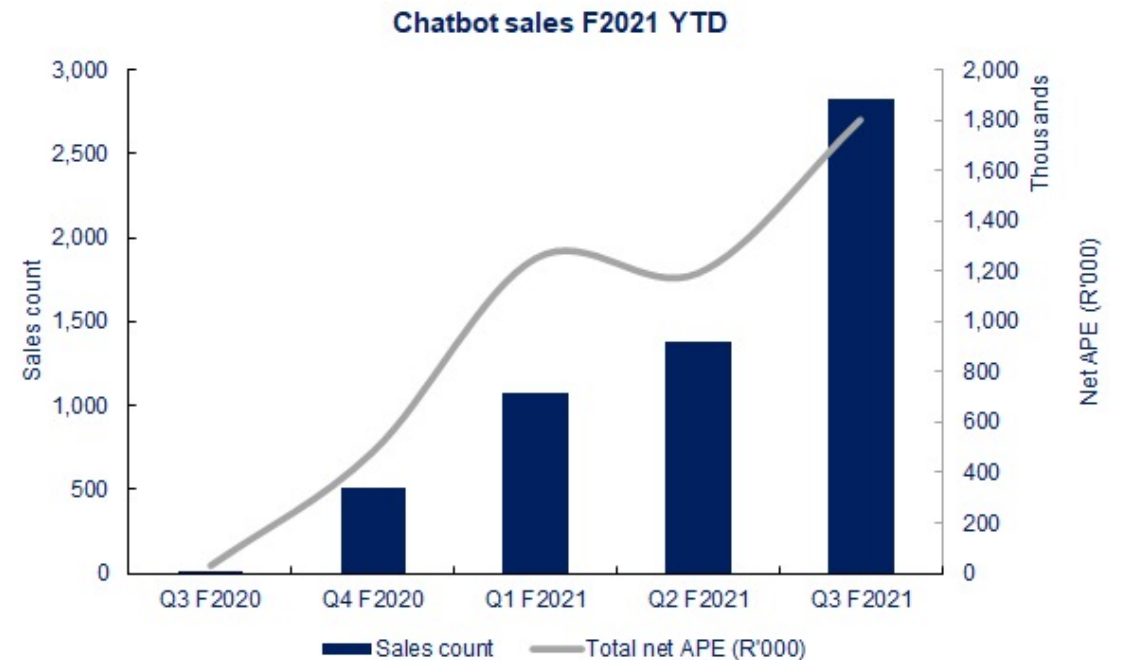


Digital value chain



78% of current sales are attributed to <40 years of age

- Create “buyable” financial solutions that attract younger consumers within our target market
- Use digital technologies to personalise market access and engagement while keeping products simple and intuitive
- Be ahead of the curve, easily accessible and build trust with consumers during hard times
- Enables us to compete with banks and other start-ups in the digital market





**Managed growth of
adviser force to 4000**

**Maturing adviser force
will result in further
productivity uptick**

**Enhanced client value
proposition**

**Grow product mandate
per adviser to enable
more holistic advice**

**Expand market access
opportunities**





The power of the collective





Thank you
