

PUB (MPI) 1-59

Part and Chapter:	Part IX Expenses Fig. EXP -45	Page No.:	664
PUB Approved Issue No:	10. Cost of operations and cost containment measures		
Topic:	Operating Expenses		
Sub Topic:	Broker Commissions		

Preamble to IR:

MPI and IBAM re-negotiated their commission agreement so that the revised commission rates for in-person and online transactions would now begin on the date that online transactions are implemented.

Question:

- a) Please provide a comparison of the Broker commissions written by year in Figure EXP-45 with that forecast last year for the years 2022/23 through 2027/28 and indicate the total change for the six years by product/transaction.
- b) Please provide the terms and agreement if available.

Rationale for Question:

To understand changes in broker expenses.

RESPONSE:

- a) Refer to Figure 1 below for the requested comparison.

Figure 1 Comparison of Broker Commissions Written - 2024 GRA vs 2023 GRA

Line No.	2024 GRA Products/Transactions	2022/23A	2023/24BF	2024/25F	2025/26F	2026/27F	2027/28F
1	(\$000's, except where noted)						
2	Basic	40,412	43,263	49,154	49,762	50,159	50,621
3	Extension	32,329	33,756 33,771	33,740 33,738	32,664 32,627	32,790 32,716	33,325 33,207
4	Basic Transactions / flat fees	7,248	7,555	7,126	6,316	6,153	5,975
5	Extension Transactions / flat fees	759	847	802	705	681	655
6	DVA Transactions / flat fees	2,067	2,230	2,120	1,865	1,801	1,734
7	Total Commission Written	82,816	87,647 87,665	92,936 92,940	91,300 91,275	91,572 91,509	92,294 92,192

Line No.	2023 GRA Products/Transactions	2022/23FB	2023/24BF	2024/25F	2025/26F	2026/27F	2027/28F
1	(\$000's, except where noted)						
2	Basic	41,647	51,745	54,447	52,431	53,121	
3	Extension	32,774	33,819	33,584	32,210	32,766	
4	Basic Transactions / flat fees	7,364	5,459	5,289	4,548	4,393	
5	Extension Transactions / flat fees	719	746	725	623	602	
6	DVA Transactions / flat fees	1,986	4,217	4,091	3,517	3,398	
7	Total Commission Written	84,489	95,986	98,135	93,330	94,280	n/a

Line No.	Difference (2024 GRA vs 2023 GRA) Products/Transactions	2022/23A	2023/24BF	2024/25F	2025/26F	2026/27F	2027/28F
1	(\$000's, except where noted)						
2	Basic	(1,235)	(8,482)	(5,293)	(2,670)	(2,962)	
3	Extension	(445)	(63) (48)	(157) 154	(454) 417	(24) (50)	
4	Basic Transactions / flat fees	(116)	2,096	1,838	1,768	1,760	
5	Extension Transactions / flat fees	41	101	77	82	79	
6	DVA Transactions / flat fees	81	(1,987)	(1,971)	(1,652)	(1,597)	
7	Total Commission Written	(1,673)	(8,339) (8,321)	(5,199) (5,195)	(2,030) (2,055)	(2,708) (2,770)	n/a

b) Please see Appendix 1 - IBAM Restated Future Services Agreement.

Figure 1 Comparison of Broker Commissions Written - 2024 GRA vs 2023 GRA

Line No.	2024 GRA Products/Transactions	2022/23A	2023/24BF	2024/25F	2025/26F	2026/27F	2027/28F
1	<i>(\$000's, except where noted)</i>						
2	Basic	40,412	43,263	49,154	49,762	50,159	50,621
3	Extension	32,329	33,771	33,738	32,627	32,716	33,207
4	Basic Transactions / flat fees	7,248	7,555	7,126	6,316	6,153	5,975
5	Extension Transactions / flat fees	759	847	802	705	681	655
6	DVA Transactions / flat fees	2,067	2,230	2,120	1,865	1,801	1,734
7	Total Commission Written	82,816	87,665	92,940	91,275	91,509	92,192

Line No.	2023 GRA Products/Transactions	2022/23FB	2023/24BF	2024/25F	2025/26F	2026/27F	2027/28F
1	<i>(\$000's, except where noted)</i>						
2	Basic	41,647	51,745	54,447	52,431	53,121	
3	Extension	32,774	33,819	33,584	32,210	32,766	
4	Basic Transactions / flat fees	7,364	5,459	5,289	4,548	4,393	
5	Extension Transactions / flat fees	719	746	725	623	602	
6	DVA Transactions / flat fees	1,986	4,217	4,091	3,517	3,398	
7	Total Commission Written	84,489	95,986	98,135	93,330	94,280	n/a

Line No.	Difference (2024 GRA vs 2023 GRA) Products/Transactions	2022/23A	2023/24BF	2024/25F	2025/26F	2026/27F	2027/28F
1	<i>(\$000's, except where noted)</i>						
2	Basic	(1,235)	(8,482)	(5,293)	(2,670)	(2,962)	
3	Extension	(445)	(48)	154	417	(50)	
4	Basic Transactions / flat fees	(116)	2,096	1,838	1,768	1,760	
5	Extension Transactions / flat fees	41	101	77	82	79	
6	DVA Transactions / flat fees	81	(1,987)	(1,971)	(1,652)	(1,597)	
7	Total Commission Written	(1,673)	(8,321)	(5,195)	(2,055)	(2,770)	n/a

Please see Appendix 1 - IBAM Restated Future Services Agreement